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PARLIAMENTARY DEBATES
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HOUSE OF LORDS
OFFICIAL REPORT

ORDER OF BUSINESS

Questions	
Local Authorities: Recycling.....	1153
Myanmar and Bangladesh: Rohingya	1155
Older Persons: Care and Human Rights	1157
Rural Areas: Superfast Broadband.....	1160
European Union (Referendum on the Withdrawal Agreement) Bill [HL]	
<i>First Reading</i>	1162
Road Traffic Offenders (Surrender of Driving Licences Etc) Bill [HL]	
<i>First Reading</i>	1162
Elections and Referendums (Advertising) Bill [HL]	
<i>First Reading</i>	1162
Abortion (Disability Equality) Bill [HL]	
<i>First Reading</i>	1163
Heritage Railways and Tramways (Voluntary Work) Bill [HL]	
<i>First Reading</i>	1163
Richmond Burgage Pastures Bill [HL]	
<i>Motion to Resolve</i>	1163
University of London Bill [HL]	
<i>Motion to Resolve</i>	1163
Science and Technology Committee	
Services Committee	
Parliamentary Office of Science and Technology (POST)	
Liaison Committee	
<i>Membership Motions</i>	1163
Supply and Appropriation (Main Estimates) Bill	
<i>Second Reading (and remaining stages)</i>	1164
Taylor Review of Modern Working Practices	
<i>Statement</i>	1164
Armed Forces (Flexible Working) Bill [HL]	
<i>Second Reading</i>	1174
Gulf Countries and Qatar	
<i>Question for Short Debate</i>	1210

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The first time a Member speaks to a new piece of parliamentary business, the following abbreviations are used to show their party affiliation:

Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Tuesday 11 July 2017

2.30 pm

Prayers—read by the Lord Bishop of Chelmsford.

Local Authorities: Recycling Question

2.37 pm

Asked by Baroness Neville-Rolfe

To ask Her Majesty's Government what plans they have to issue guidance to local authorities clarifying what can and cannot be recycled.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, we are committed to achieving higher recycling rates. In May this year, the Waste and Resources Action Programme, WRAP, published updated guidelines for local authorities on what can and what cannot be recycled. I shall be placing a copy in the Library of the House. With WRAP and the waste industry, we are working to ensure that more is recyclable. Information on what householders can recycle locally is available on the Recycle Now website.

Baroness Neville-Rolfe (Con): Does my noble friend the Minister recognise the frustration of consumers, who despite the good work to which he has referred are frequently confused about what is recyclable and by the variations in the rules and indeed even in the colours of the bins in local areas? Will he do his best to simplify the system further into a single set of clear rules for what is recycled and what is not? For example, I believe black plastic of any kind wrecks the recycling. Will he initiate a public information campaign using social media to bring about a step change in recycling, both among consumers and in business?

Lord Gardiner of Kimble: My Lords, I entirely agree with my noble friend that we need to encourage clarity. Indeed, that is what WRAP's consistency framework is intended to achieve. It is of course for local authorities, in consultation with residents, to determine the most appropriate arrangements, but the recycling guidelines already make clear what is recyclable and what is not. The Recycle Now campaign uses social and digital media. Work is ongoing to address the issue of black plastic.

Lord Dubs (Lab): My Lords, what about plastic bottles?

Lord Gardiner of Kimble: My Lords, there has been considerable success in the rate of recycling of plastic bottles. But what I think the noble Lord might be alluding to is that as part of the litter strategy, for which I have established a working group, we are going to look at a number of measures to improve recycling. One of them is to have a full and proper look at the impacts and benefits of different types of deposit and reward-and-return schemes for drinks. We want to set up that group very shortly and I am looking forward to its report early in the new year.

Lord Sherbourne of Didsbury (Con): My Lords, is my noble friend aware of the way in which illegal landfill sites are being identified by new satellite technology, and will he make sure that the most use is made of this technology?

Lord Gardiner of Kimble: My Lords, we need to use every new or modern system we can. Fly-tipping in particular is a huge point—it is disgraceful. I think there are about 628,000 instances, with household waste as well. We need to ensure that we have the right level of fines and custodial sentences. That move might be extreme for some, but the level of fines needs to be as high as it can be. Indeed, a company was fined £23,400 last week for fly-tipping in Epping Forest.

Baroness Parminter (LD): My Lords, according to WRAP's annual tracker survey, two-thirds of households say that they are unsure how to correctly dispose of items. Does the Minister agree that significant cuts to local authority communication budgets driven by central government cuts are contributing to falling household recycling rates?

Lord Gardiner of Kimble: My Lords, it is far too simplistic to suggest that. For instance, in Richmondshire District Council, there was a 14.7% increase in recycling rates in one year; in Tameside, a 7.8% increase; and in East Riding, an 8.6% increase. This is all about increasing the amount that is recycled and separating food waste. Of course there are financial conditions, but I suggest that there are many good examples of what local authorities are doing in stressful times.

Baroness Butler-Sloss (CB): My Lords, could something be done about the covering of magazines, which is currently not recyclable?

Lord Gardiner of Kimble: My Lords, one of the key areas of the packaging industry's work and what we need to do with WRAP is to ensure that we do not package unnecessarily and that packaging is recyclable. There are some good statistics on that—increasing packaging to 60% recyclable—but more needs to be done.

Lord Tomlinson (Lab): Can the Minister help me? At home, we rigorously sort out all our waste for collection, but sometimes we have too much and I have to take it down to the tip. I take stuff that I have rigorously separated according to the instructions of Bromley Council, but when I get to the tip, I have to throw it all in the same container.

Lord Gardiner of Kimble: My Lords, I will take that point back because that is—I think I will use the word disappointing. That is not what is intended by the whole thrust of getting to a circular economy of reusing and recovering much more. That defeats the object, and there is value in a lot of the materials that we are recycling.

Baroness Jenkin of Kennington (Con): My Lords, can my noble friend tell the House the variety of recycling rates in different local authorities?

Lord Gardiner of Kimble: My Lords, this is intriguing, because in South Oxfordshire, for example, it is 66.6% and in the London Borough of Newham, it is 14.7%. One issue that my colleague Thérèse Coffey is dealing with

[LORD GARDINER OF KIMBLE]

is that many councils in urban areas of all political persuasions are finding recycling much more of a challenge, so we need to work on that.

Baroness Jones of Whitchurch (Lab): My Lords, we need to be realistic about the overall recycling rates. The fact is that in England, recycling levels are falling according to the latest WRAP figures. We are now in danger of not even meeting the 50% recycling target by 2020 in England. When we talked about this before, the Minister agreed that we could learn a great deal from the Welsh Government, where rates are already at 63% and rising: they are going up in Wales and down in England. What lessons has he taken from the Welsh Government about how we could improve things in England?

Lord Gardiner of Kimble: It is certainly important that we learn from where there are good examples. I referred to good examples in England; there are indeed good examples in Wales. We need to listen and learn from them. In Wales, a single blueprint is published; in England, there are three suggestions in the consistency document. This is all about how much we mingle—I gather that that is the word—recyclable produce. In some areas, it is easier to mingle it all and in others it is easier to separate it. The problem with that is that you might get five bins or you might get three. That is the issue that we need to wrestle with.

Baroness Jones of Moulsecoomb (GP): My Lords—

Lord Vinson (Con): My Lords—

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, we will hear from the representative of the Greens.

Baroness Jones of Moulsecoomb: My Lords, I applaud the noble Baroness for bringing this up; it is obviously a hot topic that we all care about. As a Green, one of the big things for me is that far too much goes to incineration. Can the Minister say, hand on heart, that for this Government, incineration is the absolutely last resort for waste of any kind?

Lord Gardiner of Kimble: My Lords, the last resort is landfill, which we are absolutely determined to work on. Obviously, some incineration is the generation of power. In fact, whether it is anaerobic digestion of food waste or use of an incinerator, if we are clever about it, we can use those resources to our advantage. But we need to recycle more.

Myanmar and Bangladesh: Rohingya Question

2.46 pm

Asked by **Baroness Berridge**

To ask Her Majesty's Government what assessment they have made of (1) the ongoing persecution of the Rohingya Muslims in Myanmar, and (2) the consequent impact on Bangladesh.

Baroness Goldie (Con): My Lords, we remain concerned by the systematic discrimination against the Muslim Rohingya community in Rakhine state. We are especially concerned by reports of widespread and serious human rights violations perpetrated by the military. The situation in Bangladesh is fragile, with an estimated 74,000 Rohingya refugees having arrived in the Cox's Bazar region in the last eight months alone. The UK remains committed to supporting a long-term solution for Rohingya in Burma.

Baroness Berridge (Con): I thank my noble friend for her Answer, but that now makes a total of more than 400,000 refugees in Bangladesh due solely to the religious persecution in Myanmar. Filippo Grandi, the UN High Commissioner for Refugees visited Cox's Bazar this week and said:

"These people deserve a better future than the present conditions of extreme poverty, deprivation and isolation".

Can my noble friend outline what discussions we have had with the Bangladeshi Government on whether more international assistance could persuade them to improve the conditions for the refugees in Cox's Bazar? By doing so, they could help further their aim of developing Cox's Bazar for tourism, which of course is not appealing at the moment, but Cox's Bazar is the longest uninterrupted beach in the world.

Baroness Goldie: I thank my noble friend for her Question. Her interest in these issues is both enduring and acknowledged, and she has raised an important point. I remind your Lordships that the UK is the largest provider of food aid to the 60,000 Rohingya refugees already living in official camps in Bangladesh. Since 2014, the UK has provided nearly £8 million to address the humanitarian suffering of Rohingya refugees and the vulnerable Bangladesh communities that host them. My noble friend asked particularly about engagement. There has been extensive diplomatic engagement by the UK Government, not just with Burma but with Bangladesh as well. We have, in particular, sought to ascertain how best we can provide assistance to refugees in Bangladesh, but the UK record in this instance is commendable. We shall continue to engage and do everything we can to assist the Rohingya refugees.

Lord Lea of Crondall (Lab): It is obviously tricky for an ex-colonial power to be centre stage in this sort of question. What is the mechanism within south-east Asia where we have some confidence that such matters can be addressed under the United Nations umbrella?

Baroness Goldie: I thank the noble Lord for his question. He is aware, I am sure, that there has been extensive United Nations activity in relation to the issues confronting Burma and also impacting on Bangladesh. More specifically, the United Nations former Secretary-General, Kofi Annan, has formed the Advisory Commission on Rakhine State, which has produced an interim report. We expect the final report in August. The United Kingdom supported the establishment of a fact-finding mission by the United Nations Human Rights Council in Geneva in March to establish the facts in Rakhine. We continue to urge the Burmese authorities to work with that mission.

Baroness Cox (CB): My Lords, while strongly endorsing every concern regarding the plight of the Rohingya people, may I ask the Minister whether she is aware that the Shan and Kachin peoples are often suffering from military offences by the Burmese army, including rape, torture, extrajudicial killings and expropriation of land, with hundreds of thousands driven from their homes into camps across the border in Thailand? I have been there and seen their suffering. Would the Minister therefore include the less publicised plight of those people, together with the Rohingya, in any representations to the Burmese Government from the international community?

Baroness Goldie: Again, I thank the noble Baroness for a very pertinent question. The British Government remain concerned over continued human rights abuses in Burma's ethnic border areas, where hostilities are still taking place. We have repeatedly called on the military to end hostilities comprehensively, and called on all sides to enter into dialogue towards a sustainable and comprehensive nationwide ceasefire and political reconciliation process. Those points are made repeatedly through diplomatic conduits; the Foreign Secretary made those points in January this year, and the then Minister for Asia and the Pacific, Mr Alok Sharma, made the same points to the Human Rights Council in Geneva on 27 February. We continue to take an interest in, and endeavour to represent, concerns about the detained Kachin pastors and the three Shan journalists.

Baroness Burt of Solihull (LD): My Lords, noble Lords across this House will have been shocked by the horrific treatment of the Rohingya outlined in the BROUK report, which highlights the need for a UN inquiry into those human rights violations. Very disappointingly, Aung San Suu Kyi has refused it entry. What steps can the Government take to enable a UN inquiry into human rights violations happening against the Rohingya?

Baroness Goldie: I thank the noble Baroness for raising an important point. The United Kingdom Government were very concerned to learn of the Deputy Foreign Minister telling the Burmese Parliament on 30 June that it would refuse to issue visas to members of the fact-finding mission. That is certainly not the positive progress for the fact-finding mission that we would wish for, or that the United Nations or the membership states would wish for. As I say, there is very active diplomatic engagement between the United Kingdom and Burma, and we continue to prosecute the case robustly for co-operating with these United Nations initiatives. We await with interest the final report of Mr Kofi Annan's advisory commission in August.

Older Persons: Care and Human Rights *Question*

2.52 pm

Asked by Lord Foulkes of Cumnock

To ask Her Majesty's Government whether they intend to implement the recommendations of the report *Human rights of older persons and their comprehensive care*, adopted by the Parliamentary Assembly of the Council of Europe on 30 May 2017.

Lord Foulkes of Cumnock (Lab): My Lords, I beg leave to ask the Question standing in my name on the Order Paper. In doing so, I refer noble Lords to my entry in the register of interests.

The Parliamentary Under-Secretary of State, Department of Health (Lord O'Shaughnessy) (Con): My Lords, first, I congratulate the noble Lord on leading the production of this report. The Government are pleased to note its publication and look forward to contributing to the response. This Government's ambition is to make the UK a good place for everyone to grow old, and we have put in place a programme of reforms across health, care, housing and other services to support older people to live independent and fulfilling lives.

Lord Foulkes of Cumnock: My Lords, I have no doubt at all about the Minister's sincerity on this, but he will know that in the last few weeks Age UK, the Care Quality Commission, the King's Fund and the Local Government Association have all produced reports showing problems and failings in the provision of services for older people in the United Kingdom. Will Her Majesty's Government now discuss with civil society the implementation of the recommendations contained in the report?

Lord O'Shaughnessy: I certainly pay tribute, as the noble Lord does in the foreword of the report, to the growing trend towards strengthening the protection of older persons' human rights. He is also right to highlight today and in the report that there are still widespread negative stereotypes. The Government are proud to lead the world in tackling age discrimination, and we published in February a strategy called *Fuller Working Lives* on that purpose. We are taking many actions to fulfil the requests in his report; one particular one that I would focus on from a health perspective is the fact that, by 2020, all medical curricula will include training for geriatrics, so there will be that additional support throughout the entire NHS.

Lord Clark of Windermere (Lab): My Lords, I, too, congratulate my noble friend on producing such a brilliant report. One theme running right through the report is that ageism, like sexism and racism, is simply wrong. Does the Minister agree with that? In his response to the report, will he make it clear that the Government will not support ageism in general legislation or in any rules affecting this House?

Lord O'Shaughnessy: Rules affecting this House will, of course, be decided by its Members, who are probably the least likely group in the entire country to be ageist. The noble Lord is quite right to highlight this incredibly serious point. Any form of negative stereotyping or discrimination is, of course, wrong. I mentioned a couple of things that the Government are already doing and a lot is going on to counter any kind of discrimination. This Government have got more older workers into employment and are tackling the discrimination in the workplace that, unfortunately, still takes place.

Baroness Barker (LD): My Lords, given the salutary experience of the general election, does the Minister now agree that the previous Conservative Government

[BARONESS BARKER]

were wrong to kick the Dilnot commission recommendations into touch and that now would be the time to get that report back off the shelf, dust it down and hold proper discussions about the funding of long-term care?

Lord O'Shaughnessy: The noble Baroness is quite right that this is a nut we have to crack. The Government are going to begin consulting widely on proposals at the end of the year and this consultation will be on specific proposals rather than being open ended. As we have discussed in this House before, it is important that we do that in a spirit of consensus, because I do believe that there is a way forward which all parties can support.

Lord Spicer (Con): My Lords, I declare an interest in the old and decrepit—I am one of them. Will the Minister confirm that much of what the noble Lord, Lord Foulkes, is saying is already standard practice in this country? Does that not bode well for the Brexit legislation when it comes forward?

Lord O'Shaughnessy: I do not know if we can relate this to Brexit, but we can always try. The UK has a good record in this area. There are 14 specific recommendations in the report authored by the noble Lord. We are doing good things on personal budgets and on encouraging volunteering for the over-50s—so there is a lot of work going on in this country that we can be proud of.

Baroness Howe of Idlicote (CB): My Lords, given that in future we will be looking at older people being very old indeed—up to about 150—what are we doing to think about their lives and about care for them beyond that age?

Lord O'Shaughnessy: There is a prospect to look forward to. If we will be living to 150, there are a lot of middle-aged people in this Chamber. The noble Baroness is right. There is a particular issue around frailty as people move into old age. That is why the GP contract introduces responsibility to look out for frailty, as well as making sure that there are named GPs for the over-75s and, if necessary, annual health checks, to make sure that there is both health and social care provision for older people.

Baroness Wheeler (Lab): My Lords, my noble friend is to be congratulated on his excellent report, bringing together key issues that would enable older people to maintain their independence, dignity and quality of life and to receive the care that they need. The report underlines the importance of countries having an enabling legal framework for the provision of integrated health and social care. What action will the Government therefore take in the light of the conclusions of last week's IPPR report, which calls for our existing national legislation to be amended to enable pooled budgets and integration, and also says that if everybody has to carry on working round the 2012 Act, as at present, STPs and accountable care systems could both be blocked?

Lord O'Shaughnessy: I will read the report that the noble Baroness mentioned. She is quite right that integration of health and care budgets is the way forward, particularly as the burden of disease changes

away from infectious diseases towards lifestyle and complex diseases of old age. The better care fund is beginning to start the kind of integration she is talking about, but of course we need STPs and accountable care systems, as set out in the five-year forward view. We feel there is, at the moment, the legislative freedom we need to move ahead with that.

Lord Laming (CB): My Lords, the Minister will recall that last week there was a question about the number of residential homes for older people that were failing to provide adequate care. The temptation in some circles is simply to say that these homes should be closed down. The human rights of these very vulnerable people are bad enough when they are getting inadequate care; it is even worse when they are threatened with homelessness at this advanced stage in their lives. Will the Minister and his department give some thought to how failing homes could be tackled more effectively without creating homelessness for very vulnerable residents?

Lord O'Shaughnessy: The noble Lord makes an excellent point—and with great authority, as ever. The CQC report published last week indicated an improving picture, but clearly too much care is not up to scratch. One of its more heartening findings was that 80% of settings that had been deemed inadequate had improved by the time of the next inspection. It is clearly not right just to go in and start closing these homes: they need support to improve. As we are talking about care, it is worth bearing in mind also that the CQC report indicated that 98% of settings were deemed good or outstanding on caring. That goes to the heart of the fact that the people working in the care sector really do care and have been found to do so.

Rural Areas: Superfast Broadband *Question*

3 pm

Asked by The Lord Bishop of St Albans

To ask Her Majesty's Government what proportion of the Digital Infrastructure Investment Fund is expected to be available to support the provision of superfast broadband in hard to reach rural areas.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, the digital infrastructure investment fund aims to support industry investment in full fibre networks, which are the next generation of digital infrastructure. The Government are committing £400 million, which will be at least matched by private sector investments on the same terms. It will be up to the selected managers of the fund themselves to make investments.

The Lord Bishop of St Albans: I thank the Minister for his reply. Fibre alone may not be sufficient to reach the final 5%; that is, those who will not have access to superfast broadband by the end of this year. In the light of that, what is being done to encourage the use of alternate or mixed technologies? In particular, when is BDUK expected to publish its report into superfast broadband market test pilots, which we were promised was to be published at the end of last year?

Lord Ashton of Hyde: My Lords, the right reverend Prelate is absolutely right. We are now not prescriptive about any particular technology to reach the final 5%, as 95% will be covered for superfast broadband by the end of this year. Therefore, any procurement supported by BDUK is done through open tenders on a technology-neutral basis. Projects supported since 2016 have included fibre to the cabinet, fibre to the premises and fixed wireless access. As regards his question about superfast broadband market test pilots, the report is scheduled to be released shortly.

Baroness McIntosh of Pickering (Con): My Lords, will my noble friend give the House an assurance that 95% of the digital infrastructure investment fund will be spent in the 5% hardest-to-reach areas? Does he agree that it is unacceptable that doctors' surgeries, schools, rural businesses and farms are deprived of speed and good access to infrastructure in the 21st century?

Lord Ashton of Hyde: The digital infrastructure investment fund is purely for fibre projects. There may be hard-to-reach areas where fibre is not the answer—where, for example, it may be satellite or fixed wireless. Therefore, I cannot give my noble friend the assurance she seeks. The Government are working hard to reach those areas but the digital infrastructure investment fund is purely for fibre, which, of course, is very important for ongoing technology such as 5G.

Lord Gordon of Strathblane (Lab): Given that the Government have now made the provision of fast broadband a universal service obligation, does the Minister recognise the need to create another fund which will focus on technologies other than fibre to reach the most difficult parts?

Lord Ashton of Hyde: Actually, fibre is crucial because it underlines every other technology as, sooner or later, when you are on wireless, you get to a router, and the data come via fibre-optic cable. 5G, which will reach a lot more places and has more bandwidth, relies on fibre for all the extra masts that will be required.

Lord Fox (LD): My Lords, the Minister talked very broadly on the fibre front, but in rural and indeed less rural places like Leominster, people currently endure upload speeds of less than 1 megabit per second. Can he tell us when these people will be invited to join the digital economy?

Lord Ashton of Hyde: At the moment, anyone with a connection of less than two megabits per second is entitled under the better broadband scheme to have subsidised access to it. If they are above that but below superfast level, the universal service obligation will be in place by 2020, which will give them 10 megabits per second, and that will allow them to do normal things such as emails and streaming TV.

Lord Harrison (Lab): My Lords, the Minister knows rural Cheshire well. Will he ensure that superfast broadband will aid and abet small businesses to establish themselves in the countryside so that they can strengthen the countryside for the benefit of all those who live there?

Lord Ashton of Hyde: The noble Lord is correct; I know that area well. I point out that there has been a tremendous improvement in rural connectivity. In 2010, only 15% of rural premises were getting 30 megabits per second; by April 2016 that had risen to 72%, and since that, many more have received the coverage. But I accept that it is important for businesses. When we talk about getting to these targets of 95% and more, we mean premises—which includes business premises as well, not just households.

Baroness O'Cathain (Con): My Lords, the right reverend Prelate's Question links very nicely with the Question from the noble Lord, Lord Foulkes, about care and consideration for older people in rural areas. We are failing them, and in doing so we are losing a big opportunity to lessen mental health problems, to keep elderly people in contact with their children overseas, to make them see local television and what is going on—in fact, to do away with the isolation that is so prevalent in rural areas for elderly people. What is the date when every part of England, Scotland and Wales will have some broadband as a right?

Lord Ashton of Hyde: By 2020.

European Union (Referendum on the Withdrawal Agreement) Bill [HL]

First Reading

3.07 pm

A Bill to make provision for the holding of a referendum in the United Kingdom and Gibraltar on whether the United Kingdom should accept the outcome of negotiations between the Government and the European Union regarding the United Kingdom's exit from the European Union.

The Bill was introduced by Baroness Ludford, read a first time and ordered to be printed.

Road Traffic Offenders (Surrender of Driving Licences Etc) Bill [HL]

First Reading

3.08 pm

A Bill to make provision about the surrender, production or other delivery up of driving licences, or test certificates, in relation to certain offences; to make provision in relation to identifying persons in connection with fixed penalty notices, conditional offers and the payment of fixed penalties under the Road Traffic Offenders Act 1988; and for connected purposes.

The Bill was introduced by Lord Cormack (on behalf of Lord Polak), read a first time and ordered to be printed.

Elections and Referendums (Advertising) Bill [HL]

First Reading

3.08 pm

A Bill to amend the Political Parties, Elections and Referendums Act 2000 to improve transparency in respect of election and referendum material.

The Bill was introduced by Baroness O'Neill of Bengarve, read a first time and ordered to be printed.

Abortion (Disability Equality) Bill [HL]*First Reading*

3.09 pm

A Bill to make provision for disability equality and for the provision of balanced information in respect of abortions.

The Bill was introduced by Lord Shinkwin, read a first time and ordered to be printed.

Heritage Railways and Tramways (Voluntary Work) Bill [HL]*First Reading*

3.09 pm

A Bill to permit young persons to carry out voluntary work on a heritage railway or tramway.

The Bill was introduced by Lord Faulkner of Worcester, read a first time and ordered to be printed.

Richmond Burgage Pastures Bill [HL]**University of London Bill [HL]***Motions to Resolve*

3.09 pm

Moved by The Senior Deputy Speaker

That this House resolves that the promoters of the Richmond Burgage Pastures Bill [HL] which was originally introduced in this House last Session on 23 January 2017 should have leave to proceed with the Bill in the current Session in accordance with the provisions of Private Business Standing Order 150B (Revival of bills).

That this House resolves that the promoters of the University of London Bill [HL] which was originally introduced in this House last Session on 23 January 2017 should have leave to proceed with the Bill in the current Session in accordance with the provisions of Private Business Standing Order 150B (Revival of bills).

*Motions agreed.***Science and Technology Committee****Services Committee****Parliamentary Office of Science and Technology (POST)****Liaison Committee***Membership Motions*

3.10 pm

*Moved by The Senior Deputy Speaker**Science and Technology*

That Lord Griffiths of Fforestfach be appointed a member of the Select Committee.

Services

That Baroness Morris of Bolton be appointed a member of the Select Committee.

Parliamentary Office of Science and Technology (POST)

That Lord Patel be appointed a member of the Parliamentary Office of Science and Technology (POST), in the place of the Earl of Selborne, resigned.

Liaison

That Baroness Hayter of Kentish Town be appointed a member of the Select Committee, in the place of Lord Hunt of Kings Heath, resigned.

*Motions agreed.***Supply and Appropriation (Main Estimates) Bill***Second Reading (and remaining stages)*

3.10 pm

Moved by Lord Bates

That the Bill be read a second time.

Bill read a second time. Committee negatived. Standing Order 46 having been dispensed with, the Bill was read a third time, and passed.

Taylor Review of Modern Working Practices*Statement*

3.11 pm

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Prior of Brampton) (Con): My Lords, with the permission of the House, I would like to repeat a Statement made in the other place by the Parliamentary Under-Secretary of State for Small Business, Consumers and Corporate Responsibility, Margot James, on the independent review of modern working practices, which was led by Matthew Taylor and published earlier today. The Statement is as follows.

“Mr Speaker, the review sets out that British business is successful at creating jobs, enhancing earning power and improving life chances across the UK. Employment rates are the highest since records began. Unemployment and economic inactivity are at record lows. More people are in work than ever before and minimum wage rates have never been higher. This is a story of success and one which this Government will seek to sustain.

The UK economy’s continued success is built on the flexibility of our labour market, which benefits both workers and business. Businesses can create jobs and individuals can find work because our labour market regulation balances the demands of both. Minimum standards set a baseline, beyond which there is flexibility to set arrangements to suit all parties. Our dynamic approach responds well to fluctuations in the economic cycle without the structural weaknesses present in some other countries.

It is important that we preserve this success but also enhance it further. While the majority of people employed in the UK are in full-time, permanent employment, globalisation, demographics and especially technology are changing the way in which we work. We need to make sure that the British labour market stays strong and that everyone in the UK can benefit from it.

That is why, last year, the Prime Minister asked Matthew Taylor, chief executive of the Royal Society of Arts, to lead an independent review of employment practices in the modern economy. That review has now been published and I am delighted to lay a copy in the House Library today. It is a thorough and detailed piece of work, for which I am very grateful not only to Matthew and his panel members but to the numerous businesses, trade unions, organisations and individuals who have provided their views on this very important topic.

The review has a strong overarching ambition: that all work in the UK should be fair and decent with realistic scope for fulfilment and progression. Matthew has outlined seven principles to meet this ambition, and I urge honourable Members to examine these principles and the rest of the report in detail, since it is an important contribution to a critical subject.

In summary, these principles are: that our national strategy for work should be explicitly directed towards the goal of good work for all; that platform-based working offers welcome opportunities for genuine flexibility but there should be greater distinction between workers—or as the review suggests renaming them, “dependent contractors”—and those who are fully self-employed; that there should be additional protections for this group and stronger incentives for firms to treat them fairly; that the best way to achieve better work is through good corporate governance, good management and strong employment relations; that it is vital that individuals have realistically attainable ways to strengthen their future work prospects; that there should be a more proactive approach to workplace health; and that the national living wage is a powerful tool to raise the financial baseline of low-paid workers but it needs to be accompanied by sectoral strategies, engaging employers, employees and stakeholders to raise prospects further.

This is an independent review addressed to government. While we may not ultimately accept every recommendation in full, I am determined that we consider the report very carefully, and we will respond fully by the end of the year.

Matthew Taylor has been clear: the UK labour market is a success; the “British way” works. But he has also said that there are instances where it is not working fairly for everyone. For example, he highlights where our legislation needs updating or where flexibility seems only to work one way, to the benefit of the employer. We recognise the points he makes. We accept that as a country we now need to focus as much on the quality of the working experience, especially for those in lower-paid roles, as on the number of jobs we create, vital though that is.

This Government have made a commitment to upholding workers’ rights. The Prime Minister has said repeatedly, in this House and elsewhere, that as we leave the EU there will be no rollback of employment protections. The Queen’s Speech also sets out that this Government will go further than that and will seek to enhance rights and protections in the modern workplace. Today’s publication of the *Good Work* review, and the public consideration of Matthew’s recommendations that will follow, will help to inform the development of our industrial strategy in the autumn. I commend the Statement to the House”.

3.17 pm

Baroness Hayter of Kentish Town (Lab): I thank the noble Lord for repeating the Statement on the review of modern working practices. We all look forward to studying it carefully and working with all concerned to respond to these new ways of working, as over time we have done with the invention of printing, photocopying, computers, mobiles and the internet. Working together we can make new technology and changing demands work for the whole of society.

However, I fear that the Government’s Statement looks only at two parts of the market: workers and business. There is in fact a vital third limb: the consumer or customer. I happen not to use Uber, one of the best known of the gig institutions, but many consumers do, including women, who often do not like to hang around on street corners trying to hail a taxi and who appreciate not having to carry cash in order to hire a cab. But it is not in their interest for a driver to be overtired, unwell or underinsured, and at work only because of pressing economic needs. Consumers need to feel safe, with a driver who is fit and healthy, awake and concentrating, and not worrying about their next fare; and they want to know that the driver is getting a fair day’s pay for a fair day’s work.

Other parts of the gig economy may not have face-to-face consumers in the same way, but all have customers of the firm’s business, who similarly need to be assured of the quality of the work, which is highly dependent on the motivation and decent conditions of what the report calls “dependent contractors”. It is true that contented workers make for higher-quality work. So as the Government digest the report, will they involve the consumers and customers of such services in addition to the other key players?

Will the Minister also undertake to involve trade unions fully in this work, which would help the Government as well as the people concerned? Traditionally, of course, vulnerable and exploited workers have had their standards raised and their rights protected through the intervention of trade unions. But as we know, for obvious reasons workers in these sectors are a real challenge to recruit. There have been other similar areas in the past where wages councils played an invaluable role. While I hope that the unions will seek to represent this group, we should be realistic and acknowledge how difficult that is and therefore we need other avenues for unions to be able to speak on behalf of these workers. The report calls for additional protections for gig workers and greater incentives for firms to treat them fairly, including through strong employment relations, but this will need trade union input. I hope that the Minister can give a clear assurance that this will happen.

I want to make one other point. The report does little to strengthen the ability of workers to enforce the rights they already have, beyond shifting the burden of proof in one case when determining the employment contract. The Minister and this House know that the level of employment tribunal fees is a real barrier to justice, so we will continue to press for the fees to be abolished. The Minister has repeated the commitment to workers’ rights, but without their ability to enforce them through tribunals, those rights are really just

[BARONESS HAYTER OF KENTISH TOWN]

pieces of paper. It is in no one's interest for this group to be exploited, but it will need a commitment on the part of the Government to ensure that that does not happen. This is an important area for the future of the economy, for the workers concerned, and for us as consumers.

At first read—and it is only a first read—the report does seem to be somewhat tame and appears to be a missed opportunity to grasp the challenge looking forward to the rest of this century of the contribution that the gig economy can make. The Government need to take up the challenge of grounding in the expectations of all employers the need to treat this group of workers fairly and preserve their rights. We will be looking to the Government to work with all stakeholders to ensure that the change in culture as well as regulation will ensure that this part of the economy is fair for all concerned.

Lord Fox (LD): My Lords, this report is welcome as it frames the need to reconsider working conditions in a clear manner. I should like to quote from it that,

“while having employment is itself vital to people's health and well-being, the quality of people's work is also a major factor in helping people to stay healthy and happy, something which benefits them and serves the wider public interest”.

This is an important and true statement that we should bear in mind when considering not only this report but the wider realm of employment and industrial strategy. We are living in a time of huge change in the world of work, so the Prime Minister was right to ask Matthew Taylor to carry out an independent review and produce a report. As noble Lords will have noted when I dropped it just now, the resulting document is comprehensive and hard to absorb in the short time we have had to do so.

The Government's Statement points out that the report highlights the need to deliver additional protection to the increasing number of people we describe as platform-based, or rather, what we know as the gig economy. The most important distinction to make is between the creation of a new group of workers or dependent contractors and those who are truly self-employed. While this may seem to be tame to some, it is starting to move down the road of classifying people in a way that enables them to have the rights they deserve. So it should be no surprise that the Liberal Democrats broadly welcome the recommendations in the Taylor review. The right to request fixed hours and employment rights for those who are now classified as dependent contractors was set out in the Lib Dem manifesto, so obviously we support that. If enacted, it will provide additional protections for this group as well as strong incentives for firms to treat these workers fairly. It is clear that these rules will have to be backed up by policing. That will improve workers' rights in the gig economy while maintaining flexibility for those who want it, and that is the key. Some people want flexibility, but others have it thrust upon them. Noble Lords may remember that the Government opposed these proposals during the coalition Government.

We should also remember of course that workers' rights are ultimately underpinned by EU law. This is backed up by the UK's ability to create and protect high-quality jobs, which in itself is dependent on the

UK being part of the single market. As noble Lords would expect me to say, under Theresa May's Brexit plans we will continue to see falling real wages and slowing economic growth, and jobs will begin to fall back. This is bad for all workers but it is worse for these workers. Furthermore, there are some people—including on the Benches opposite—who will seek to use Brexit not to strengthen workers' rights, but to weaken or even abolish some of them.

That is why it is important for the Government not to get bogged down in this report and to move swiftly. The Minister has pledged to respond by the end of the year. We look forward to the industrial strategy and how that will play into this. We believe it is important that the Government proceed rapidly to a conclusion that accepts the clear direction of this report and brings forward proposals that will enact its substance. The longer the Government delay, the longer this important and growing band of workers will be deprived of justified employment rights. The longer the Government delay, the more suspicions will be raised that Brexit will be used to water down people's rights. As the report says:

“All work in the UK economy should be fair and decent with realistic scope for development and fulfilment”.

We hope the Government accept that point and bring forward rules and laws that help to bring it about.

Lord Prior of Brampton: My Lords, I shall first respond to the two asks from the noble Baroness, Lady Hayter, the first of which was that we should take into account the consumer. She is absolutely right. I read the report fairly rapidly myself and she is right about that. Thinking about it, it is very much focused on workers and businesses. We ought to look at it through the eyes of the consumer, such as the lady waiting for her Uber late at night who wants to know that the driver is indeed safe, healthy and wide awake. That is certainly something we will feed back into the consultation over the next few months.

Secondly, the noble Baroness raised the involvement of trade unions. They have been fully involved in this whole process. Matthew Taylor has been exemplary in reaching out to all kinds of people, not least the trade unions. As she knows, trade unions these days are very much focused on public services. Their representation not just in the gig economy but in the private sector as a whole is much diminished. In part that is because many companies in the private sector have exemplary employee relations and have done an extremely fine job. There is much the public sector can learn from the private sector in some of these areas. Nevertheless, I assure the noble Baroness that Matthew Taylor has indeed reached out to the trade unions.

The noble Baroness also raised employee tribunals. I have a note on that, but maybe, since it is a fairly narrow area, I will write to her about it. She knows we are consulting on this to reduce the threshold to enable help for industrial tribunal fees, but I will write on that point.

The noble Baroness ended by saying that she thought this was a slightly tame report—I think that is the word she used. I argue, as I think the noble Lord, Lord Fox, would, that it is a balanced and fair report. It is not sensational, in part because the system is

working quite well. The statistic that really surprised me on reading the report was that there has not been nearly as much change in the labour market over the last 20 years as I thought. Actually, 63% of people in full-time employment are on a conventional employment contract, and 20 years ago the figure was 64.6%. I thought a bigger change had happened. Nevertheless, as the noble Lord, Lord Fox, commented, this is an important and growing part of the economy. It is quite right that we should look at this issue now and get the balance right between flexibility on the one hand and proper job security on the other. It is an extremely important balance to get right.

I assure the noble Lord that the Conservative Party and the Prime Minister are not using Brexit as any excuse for watering down employee rights. The Prime Minister has been absolutely clear that she wishes to maintain and even enhance employee rights, and this is an area where maybe we can enhance employee rights.

The noble Lord asked for a rapid response. Of course, that is tempting, because I think we all agree with the spirit of the report. It is easy to talk in generalisations today, but it may take a little longer to get some of the distinctions right between employee, self-employed, worker and dependent contractor, and nail them down so they have legal validity.

I think we all agree with the noble Lord that all employment should be fair and decent, with scope for fulfilment. It is easy to say that that is just motherhood and apple pie, but there is no doubt that companies that treat their employees fairly and decently and as proper colleagues have much better results.

3.30 pm

Lord Cormack (Con): My Lords, the remarks of the noble Baroness, Lady Hayter, about Uber were extremely important. They illustrate that quality, reliability and excellence of products and services are essential. Does my noble friend accept that there is a real threat to the quality, reliability and excellence of taxi services in London, which, in black cabs, enjoys the finest service in the world? Whatever is done as a result of this report, it should try to ensure that there is proper equality of treatment between those who provide a service as well.

Lord Prior of Brampton: My Lords, I concur entirely with part of what my noble friend said: that black cabs in London provide a remarkable service. However, Uber provides a remarkable service in many respects. As the noble Baroness, Lady Hayter, said, it is now an extremely valuable and important service. I do not think that there is any contradiction in having a successful Uber service, or one similar to it, running alongside the excellent black cab service in London.

Lord Lea of Crondall (Lab): My Lords, I think it is apparent that this side of the House would not agree with the Minister's throwaway line that, "the system is working quite well".

That is not the theme of the report. Nor is it true, if one looks at manifold evidence from public opinion polls, that job security is not prevalent as an issue and a worry for almost all classes of worker. It is being

economical with the truth to make generalisations about workers preferring casual hours to guaranteed hours. There may be some people—students are a good example, out of term time or even in it in some cases—who prefer such hours, but does the Minister accept that you cannot get a mortgage on a zero-hours contract? Has the Minister done any research on whether that is true? If not, will he do some research and let the House know, perhaps in a letter? Is it possible to get a mortgage on a zero-hours contract? If it is not, does that not mean that we live in a two-class society—with different types of contract of employment—in respect of one of people's most vital needs: to be able to get a mortgage, with those on such contracts falling away financially from people who are able to buy a house?

Lord Prior of Brampton: My Lords, on the noble Lord's general point about the underlying theme of the report, I shall quote to him from the beginning of it—these are Matthew Taylor's words and not mine—where he says of our flexible labour market that, "the British way is rightly seen internationally as largely successful". Everything that comes through this report tells us that while the system is not perfect it is actually working quite well.

The noble Lord is right that even where people are working quite a few hours under a zero-hours contract they still find it very difficult to get a mortgage because the mortgage company sees it as zero hours. That is why one recommendation of the report, and it is an eminently sensible one, is that where an individual consistently works a number of hours on a zero-hours contract, after a year they can request that it be converted to a fixed-hours contract. That is one of the report's recommendations that we will take extremely seriously.

Lord Higgins (Con): My Lords, it seems that both the noble Baroness on the Opposition Front Bench and my noble friend are under some misapprehension regarding the relationship between Uber and black taxis. It is now perfectly easy, on a free app, to summon a black taxi on one's iPhone and there is no competitive advantage, as far as Uber is concerned, in that respect. It also emerged from the debate the other night that it is very necessary for there to be some control over the number of minicabs. At the moment, neither Transport for London nor this House nor anyone else has any control over the number of minicabs given licences.

Lord Prior of Brampton: My noble friend makes an interesting point which is slightly outside the remit of the report but is something that I am sure will be drawn to the attention of the mayor—I think it is the mayor's responsibility.

Baroness Hollis of Heigham (Lab): My Lords, I think it is right to say that students and early-retired people welcome flexibility, but there is a real problem for people, particularly lone parents with children and so on, in maintaining an acceptable and predictable income in a zero-hours contract economy. Many retailers use zero-hours contracts, yet senior managers in retail have said that because demand is predictable, zero-hours contracts in retail are lazy management. What will the Minister say to the lone parent who, as a cinema usherette, does not know from week to week whether

[BARONESS HOLLIS OF HEIGHAM]

she is going to work four hours a week or 34? Will he, in that case, take it up with his colleagues in the DWP, because the benefits which make her income possible are always falling behind her hours and she therefore never knows from week to week whether she can afford to get the fridge repaired or buy her son his trainers?

Lord Prior of Brampton: The noble Baroness makes a very good point. Certainly, some 20% of those on zero-hours contracts are students who are using it to top up. Equally, people who have retired use it to top up, and it is much less satisfactory for people for whom it is their main source of income. One point that Matthew Taylor makes in his report, and it is a good point, is that some employers are quite lazy about this: they do not have to schedule the hours properly because they know that they have people on tap. One of his recommendations in the report is to address that issue.

Baroness Altmann (Con): My Lords—

Lord Naseby (Con): My Lords—

Baroness Goldie (Con): My Lords, I think my two noble friends are capable of resolving this in some logical, courteous order. To be clear, ladies before gentlemen.

Lord Naseby: Normally I would not respond to that but I think perhaps the noble Baroness would recognise the seniority of a privy counsellor in this House. However, I will stand by and sit down for a second. Go on, get up.

Baroness Altmann: I thank my noble friend. I congratulate Matthew Taylor on his excellent report and I particularly congratulate the Government on achieving record levels of employment and record low unemployment. It is important that we recognise the benefits to this country's employment market of flexibility. We have achieved great success; indeed, I point out that when I was business champion for older workers, I found that it is not only students who welcome zero-hours contracts, it is also older people. Does the Minister agree that we need to recognise the increasing importance for people in a pre-retirement phase of being able to work flexibly, part-time and zero hours? Indeed, when McDonald's offered all its workers on zero-hours contracts the opportunity of fixed contracts, 80% said they wanted to stay on the zero-hours contracts.

Lord Prior of Brampton: I thank my noble friend for her contribution. Of course, flexibility suits older people greatly and is something much to be encouraged. The great success of the British way is that we have very high levels of employment. The great weakness of the British way is that we have very low levels of earnings, and that is something that we are going to address through the industrial strategy.

Lord Howarth of Newport (Lab): My Lords, does the Minister share my view that the term "gig economy" is unfortunate? It implies that people willingly embrace insecurity at work when they do not, and seems to trivialise the issue.

Lord Prior of Brampton: Possibly it trivialises the issue, but it does reflect the fact that these new, app-based jobs are different. I suppose that "gig" is possibly an unfortunate word.

Lord Naseby: Is the Minister aware that I had the privilege of working with Matthew Taylor on the child trust fund? I put it to the Minister that this report is excellent. Do the Government recognise that there are three levels—or parties—involved, and that, as the noble Baroness, Lady Hayter, said, the consumer is one? Clearly the workers are absolutely fundamental as well, but fair competition among employers is the third dimension. Is this not an opportunity for Her Majesty's Government to act almost as a referee by looking at all these aspects and making sure that at every single level there is now fair competition, fair wages and a fair opportunity for all parties to work together?

Lord Prior of Brampton: My Lords, as the noble Lord said, there are three parts to this. The report focuses very much on workers and business, and, as the noble Baroness, Lady Hayter, said, we ought possibly to look at this issue also through the eyes of the consumer. This is an ideal opportunity for the Government to act, if you like, partly as a referee: ultimately, we do have a clear responsibility in this area and when we have had a chance to consider the report I am sure that we will not disappoint my noble friend.

Lord Morris of Handsworth (Lab): My Lords, the House at this stage will naturally want to reserve judgment on the totality of the report and its recommendations. That said, at face value it is an important and positive step. Of course, one of the major deterrents to a good workplace is the issue of discrimination. Will the Minister say at this stage what the report indicates in terms of race and sex discrimination, and discrimination against people with a disability? If the report has tackled those issues, will he say what remedies are suggested?

Lord Prior of Brampton: My Lords, the terms of the report did not include discrimination. Unless I have missed something in the report—I read it last night—it does not come with up recommendations around discrimination but looks purely at new forms of employment: that is, the relationship between self-employment and people working in the gig economy, who may now be called dependent contractors. It does not deal directly with the issues that the noble Lord raised.

Baroness Donaghy (Lab): I welcome the statement that,

"the best way to achieve better work is through good corporate governance, good management and strong employment relations".

That is an extremely good summary, and if that is what the eventual recommendations and implementation achieve, it will have been a historic report. I have three brief questions. First, one of the problems about our low-wage economy is that we are getting a lower tax base. Therefore, this is not necessarily good news for

HMRC; a lot of the so-called independent contractors and bogus self-employed do not pay very much in the way of income tax.

Secondly, there has been increasing confusion between the statutory national minimum wage and the national living wage; people are getting very confused about those two things, to the detriment of both issues. Thirdly, there are recommendations about changing the remit of the Low Pay Commission—I declare an interest as one of the founding commissioners in 1998. One of the reasons for the tripartite success of the commission is that it has focused on a fairly narrow range of issues. My concern is that if these were widened to include quality of work on a sectoral basis, it might eventually weaken the power of its recommendations. Would the Minister care to comment on that?

Lord Prior of Brampton: My Lords, the noble Baroness is clearly right about the lower tax take. Clearly, if earnings are higher, the tax take will be higher. It is rather shocking. These are the figures in America: in 1970 the average median salary among the lowest-paid 90% of people was \$34,000; in 2013 it was \$31,000—it has gone down. This is the problem that all western economies face: earnings are stagnant and falling. Our children's generation may be facing a less prosperous future than we do. This is the huge dilemma that we all face. When she says there will be a lower tax base, she is absolutely right. The whole point of improving productivity is to improve earnings. It is in all our interests to improve earnings—to see wages grow.

The noble Baroness also talked about the confusion between the living wage and the national minimum wage. She has now confused me so I shall have to write to her. She went on to talk about the Low Pay Commission. When the previous Government brought in the living wage and the trajectory for it, that was a political decision; it was not made by the Low Pay Commission. One of the criticisms of the minimum wage is that politicians cannot resist the temptation to get involved in it. To some extent, the Low Pay Commission has been subverted by politics. I guess that was inevitable. Actually, the increase in the living wage was one of the great triumphs of the coalition Government.

Lord Brooke of Alverthorpe (Lab): My Lords, I have not read the report yet, so I would be grateful if the Minister could put me right. Not all western countries are in the difficulties that the States and the Anglo-Saxon type economies are in. Sweden does not have the kinds of problems that we have. It has some, but not on the scale that we have. The major difference between Sweden and similar countries is that the difference in income between those at the top and those at the bottom has not widened in the way that it has in the UK and the States. To start to address this, we have to look at that as well—not just the quality of the work but the totality of the distribution of income in the workforce. Do the Government have any plans for doing that?

Lord Prior of Brampton: The noble Lord is right that the disparities in Sweden are smaller than in the US, the UK and other parts of the world. They are

smaller but they are not non-existent. It is a big issue in the Scandinavian countries as well. We intend to address that through our industrial strategy. The second issue that the noble Lord touched on is that growth in productivity, in so far as there has been any, used to trickle down into the incomes of all people—everyone was brought up by improvements in productivity. That link seems to have been greatly weakened over the years, so that when there is growth, it goes to the top 10% and not to the 90%. The noble Lord is quite right that we need to look at that very carefully.

Lord Lucas (Con): My Lords, one of the protections we offer workers is through employment agency legislation, but this legislation does not apply to many of the organisations that get gigs for gig workers. Do the Government intend to extend the protections of employment agency legislation to those who supply gigs?

Lord Prior of Brampton: I am not sure I can do that question justice. I would like to think about it and respond to my noble friend. Is he talking about gig workers supplied through employment agencies?

Lord Lucas: Agencies such as Upwork, for instance.

Lord Prior of Brampton: I will have to respond to my noble friend by letter.

Lord Lennie (Lab): The Minister expressed surprise that there had been so little change in employment over the period: 63% and 64% were the figures given. But that masks the fact that currently in the north-east something like 70% of all new work—jobs growth—is defined as insecure work. Does that not indicate the need for more assertive action from the Government to address what is very rapidly coming round the corner at us?

Lord Prior of Brampton: I assume that the noble Lord means that what is coming around the corner are the new technologies and artificial intelligence—the digital economy, if you like—which are going to have a big impact on the labour market. Andy Haldane, the chief economist of the Bank of England, is predicting that, I think, 17 million existing jobs will disappear as a result of new technologies. Other people say that the new technologies are nothing like as profound as some people think they are and that the impact will be a lot less. Nevertheless, if we are going to thrive in this digital age, we have to skill people to do so. We need a much more digitally literate and technically well-trained workforce. I am sure that that will be something that will be a key part of our industrial strategy.

Armed Forces (Flexible Working) Bill [HL] *Second Reading*

3.50 pm

Moved by Earl Howe

That the Bill be now read a second time.

The Minister of State, Ministry of Defence (Earl Howe) (Con): My Lords, it is a pleasure to have the opportunity again to be speaking to a Bill for the Armed Forces. The welfare of our service personnel is one of the most important responsibilities of government and

[EARL HOWE]

one that we take very seriously. The Government are determined to meet their obligations to our brave service men and women and their families. Part of this commitment is ensuring that their service meets the needs of modern life and helps to secure a better work/life balance.

It is evident that there now exists, in society, a desire and need for greater choice in how individuals run their lives, and this, of course, extends to the Armed Forces. Of course, total and unlimited choice is not possible in the disciplined environment of the Armed Forces where the requirement to serve the needs of the country is paramount, but there are ways in which our traditionally inflexible approach to working can be improved. The Armed Forces (Flexible Working) Bill is our response to this. It is not the panacea for the challenges we face in the recruitment and retention of our people, but it is a step in the right direction to offer our people more control over how they serve.

We know that one of the top reasons why people choose to leave the Armed Forces is the impact of their service on family life. Regular personnel who are unable to meet their unlimited military commitments for periods of time sometimes have no other choice than to leave the services. They lose a well-earned career; we lose their hard-won knowledge, skills and experience. Self-evidently, this is detrimental to maintaining operational capability and to the cost of defence, so why would we not make the lives of those who proudly serve our nation easier?

The Bill will help to ease their lives. It offers our people a solution when they are faced with complexity in their personal life. Flexible working will alleviate some of the strain at critical times and help the services retain more of the people they need to keep, such as women who are considering starting a family or men and women with caring responsibilities. Importantly, the services believe that flexible working opportunities will help them to compete with modern organisations and attract the best people to join our Armed Forces. To continue to deliver crucial operational capability, the Armed Forces must be seen as a modern and attractive employer if they are to recruit the quality and quantity of people they need from across the breadth of the UK society that they serve. This is getting harder to do against an increasingly competitive backdrop, with the competition for talent expected to increase in the years ahead. In short, flexible working opportunities will enhance the delivery of operational capability through improved retention, a more diverse workforce and a broader spectrum of commitment levels when and where we need them.

So what does this small Bill do? There are two main provisions. The first clause amends Section 329 of the Armed Forces Act 2006, which makes provision regarding terms and conditions of enlistment and service. The amendment extends the existing regulation-making power to enable enhanced flexible working opportunities, within which regular service personnel would be able to apply to work part-time and/or to restrict their geographic employment by limiting the time they are separated from their permanent place of residence or home base. In practice, these new options will be temporary, limited to defined periods and subject to

service needs to maintain operational capability. That last point is crucial. Although we recognise that modernisation for the Armed Forces is essential, maintaining operational effectiveness is our absolute red line. The Bill therefore also provides for the services to vary, suspend or terminate the arrangements in circumstances to be prescribed in new regulations. Of course there will be instances where flexible working arrangements are simply not practicable, for example while serving at sea or in a high readiness unit. The Bill will not therefore enable every service person to work flexibly, but it will create an obligation for the services to consider and decide on applications from personnel to serve under the new flexible working arrangements. It will also create the requirement for the services to record the terms of an approved application, such that there is clarity for both parties in the arrangements.

Clause 2 will make small consequential amendments to existing legislation to provide for regular personnel temporarily serving under flexible working agreements to continue to be automatically excused jury service.

The provisions in the Bill are based firmly on evidence. Since 2015, some elements of the services have been conducting a flexible duties trial. The ongoing trial is proving the need for both a reduced liability to deploy and less than full-time working. The majority of participants describe the trial as a positive experience, particularly for those with children, and the Army reported a noticeable correlation between flexible working, improved relationships and team morale. Here I must make clear that the services are greatly involved in the development of flexible working. These proposals, which have the support of the service chiefs, have been designed, and continue to be developed, by the services for the services. We should not forget the bedrock of those who follow and support our Armed Forces: their families. I am pleased to tell the House that the Families Federations have said they welcome the MoD's plans to improve flexible working opportunities in the Armed Forces:

“The drive for a better work/life balance amongst Service families is one of our focus areas and we eagerly await the further development of this initiative”.

The Bill would allow service personnel to provide their service in a more flexible way to better suit their lifestyles. Service personnel will be able to temporarily reduce the time they are required for duty—for example, by setting aside one or two days a week where they will not work or be liable for work—or to restrict the amount of time they spend separated from their normal place of work.

For the avoidance of any doubt, the case for flexible working for the Armed Forces is principally about recruitment and retention. It is not—I say this particularly to the Benches opposite—a money-saving exercise. As I have made clear, it is a novel way to support the Armed Forces in the changing demands of modern life. Our aim is to help service families attain a better work/life balance. Flexible working would provide breathing space for other responsibilities. In particular, we believe the Bill would improve the lived experience of female personnel and help the Armed Forces work towards their 15% recruitment target for women by 2020.

On the back of these measures for regulars, we hope in time to build further opportunities for members of the reserves to expand their experience, which will move us closer to a whole-force approach. I hope your Lordships will appreciate that, although this is a small Bill, it will have far-reaching consequences in helping to modernise our great and illustrious Armed Forces. I look forward to an interesting debate this afternoon and to the detailed scrutiny we shall give the Bill later in Committee. I commend the Bill to the House, and beg to move.

3.59 pm

Lord Touhig (Lab): My Lords, this is, as the Minister says, a small Bill, but one that has the potential to make far-reaching improvements to the quality of life of our service men and women while also having consequences for the operational capability of our Armed Forces. On the face of it, it appears to be modern, innovative and in line with employment practices seen in much of business and industry today. It follows the commitment in SDSR 2015:

“We will ensure that a career in the Armed Forces can be balanced better with family life”.

One has only to read the 2017 Armed Forces continuous attitude survey, which lists the top five reasons why service personnel leave, to find that number one is the impact of service life on family and personal life. Some 62% of those surveyed listed this as the main reason, although I would add that 43% also blamed poor service morale.

At this stage, the jury is out as to whether the Bill is likely to change those statistics at all. In SDSR 2015, the Government said:

“We will make the changes necessary to enable our Armed Forces to work flexibly, reflecting the realities of modern life”.

The question that the Bill must answer is simple: will it do that? I, for one, have serious doubts and concerns that it will not.

In my innocence, when I read SDSR 2015, I envisaged flexible working practices similar to the flexible working that we see in much of the public and private sector, but the Bill is far removed from that. Flexitime working means that employers and employees have an arrangement to work in such a way that the full complement of hours is put in by the employee, but the hourly work pattern can be varied to suit the employee’s needs. This measure proposes no such arrangement, because those granted flexible working will have pay deductions and their pensions reduced. Indeed, the example given on pages 4 and 5 of the paper headed “Policy and Scope” states that,

“a Service person who chose to reduce their commitment from 100% to 60% of a full-time equivalent would see a 40% reduction in their salary ... A regular who dials down”—

that is a lovely term—

“their commitment will see their pension pot for that period proportionally reduced”.

When I read that, I wondered if we are all in the same world—the real world. How many service men and women, who have endured 1% pay rises for some years, could take a pay cut of 40% to gain some flexible working?

We were told in yesterday’s very helpful briefing—I thank the noble Earl, as usual, for arranging these excellent briefings—that the Ministry of Defence did

not expect a great many personnel to take up this new flexible working offer. In those circumstances, small wonder. What assessment has been made of the number expected to take up the offer? Can he give us figures for each year, say, for the coming five years? How much does the Ministry of Defence expect to save on its budget in that period? We were told yesterday that savings can be reinvested, so I assume some work has been done to estimate how much will be saved. Focus group surveys gauging reaction to the plan have been carried out, and another one was launched only yesterday, I believe. Will they be published before Committee?

In truth, I am left asking whether this is the seemingly benign and modern approach to flexible working as promised in SDSR 2015, or the thin end of the wedge and the first step towards zero-hours contracts for our Armed Forces. Is it all about saving money on an already overstretched defence budget? There is agreement across this House that more needs to be spent.

The policy and scope document confirms what most noble Lords know: personnel unable to meet unlimited military commitments for periods of time leave the services. The loss of their knowledge, skills and experience impacts on operational capability and increases defence costs. Has this been measured? How many skilled personnel left the services, say, last year? Further, what skills have we lost and what was the financial impact of losing them on the defence budget?

The same document tells us that the new policy will build on existing flexible working opportunities within the services and gives examples of late starts, early finishes, compressed hours and working from home. Can the Minister tell us more about this existing flexibility? How many personnel have availed themselves of it? Has it saved money or cost more?

In fairness, the Government deserve our support in saying that they want the services to be more representative of the people. How will that be achieved? We know there is a target to improve gender balance, but what about increasing ethnic mix and encouraging LGBT recruits? Another objective we would support is attracting and retaining people with skills that the forces may lack. Can the Minister say in which skills areas we are short of personnel at present?

We were told that future flexible working opportunities derive from the flexible engagement system project, which is part of the Armed Forces people’s programme. In Answer to a Written Question I submitted in February, the Minister said that the Government were committed to developing a new Armed Forces offer, adding:

“It will better reflect the realities of modern life and the UK’s current financial position”.

Can the Minister tell us something about this project and if it has contributed to the thinking behind the Bill?

Can the Minister also comment on the fact then when the MoD advertised for a head of the Armed Forces people’s programme, one key responsibility was, “leading on resource planning, using innovative thinking to support project teams to deliver over £1 billion of savings”.

I am sure that I am not alone in hoping this is not all about the Government cutting defence spending. I feel sure the noble Earl will want to reassure us on that again when he winds up.

[LORD TOUHIG]

Clause 1 amends Section 329 of the Armed Forces Act 2006 to enable flexible working and limited geographic employment for limited defined periods. Can the Minister explain what “limited geographic employment” means and what is meant by “limited defined periods”? Will this put a maximum limit on the number of days, weeks or months in any given period that flexible working will be allowed? The clause covers the regulations that will be needed.

Paragraph 5 of the policy and scope paper refers to the,

“existing Defence Council regulations ... for terms and conditions of enlistment and service for persons enlisting, or those who have enlisted”,

and states:

“The regulations do not provide a comprehensive list of all the terms and conditions of service. Rather, they provide, for example, for the types of engagement a Regular may be enlisted to serve on, the duration of those engagement types, the ability to extend them”.

As the regulations do not provide a comprehensive list of terms and conditions, can the noble Earl assure the House that this ambiguity does not mean that the Bill will give the Ministry of Defence the power to extend the flexible time of a service man or woman against their will, or even impose flexible working when people are unwilling to take part? Can he categorically state that this flexible working will not be used to cut spending?

Paragraph 6 of the paper tells us that applications for flexible working will be considered by a “competent service authority”. Is that the headquarters level approvals board, mentioned in paragraph 7? Can he say more about the composition of this authority? Similarly, an appeal against a refusal will be considered by a “higher authority”. Is that the Defence Council? There is much more that we will want to explore in Committee.

There is one final point which I ask the Minister to comment on, or at least reflect on by Committee stage: refusal of an application. Paragraph 7(f) of the document states:

“An application is likely to be refused if personnel are at a high state of readiness to deploy to an operational theatre, or if the loss of their capability cannot be absorbed at unit level such as when serving on a ship, or in a high readiness role”.

That is perfectly reasonable and understandable, but how will the scheme affect forward planning, in particular, planning for a deployment at short notice? Service chiefs may consider that they need a particular combination of forces for an operation, only to discover because of flexible working that this is not immediately available. Again, yesterday we were told this measure would not interfere with operational continuity. I think the Minister has his work cut out on this matter, and I am sure that I am not alone in needing to be reassured and convinced.

Finally, the Bill will depend almost entirely on the use of regulations to achieve its objective. The Government propose that the SIs needed will be under the negative procedure. We are opposed to this and will seek to persuade the House in favour of the affirmative procedure.

The SDSR 2015 offered the prospect that this policy would be universally welcomed and supported. Instead, we have a measure that, while seemingly offering flexibility, will in effect penalise our Armed Forces by cutting pay

and pensions, forcing service men and women to choose between taking time off to care for a sick wife, child or elderly parent, or cutting their living standards—and all this parading under the guise of offering flexible working in a modern setting.

The Prime Minister today called for other parties to contribute, not simply to criticise. Yesterday, in the other place, Labour’s shadow Defence Secretary, Nia Griffith, responded positively, offering to work with the Government on improving Armed Forces pay. I, too, respond positively and tell the Minister that we on this side will work with him, other parties in this House and, most especially, noble and gallant Lords on the Cross Benches, many of whom have first-hand experience of the services. We will work with them all to reshape this Bill into one that offers genuine flexibility without cutting the pay and pensions of brave service men and women.

4.10 pm

Baroness Jolly (LD): My Lords, we on these Benches welcome the aims of the Bill before us today. There is no doubt that there is a desire from service men and women for measures to be taken to enable them to balance the demands of serving our country with the realities of family life. As I mentioned in my response to the gracious Speech, the results of the regular Armed Forces continuous attitude survey were published a couple of months ago, painting a picture of low morale, both personal and in serving units, citing the impact on family and personal life as one of the key reasons for leaving the service. I commend the attempt in this very short Bill to provide an opportunity for flexible working for members of the Armed Forces. We hope that it will go some way to improving the circumstances of some individuals, encouraging them to remain in the Armed Forces and encouraging others to join in the first place. In particular, we hope that it will help in maintaining, and possibly even increasing, the number of women.

My speech will not be long. I have a few reflections, followed by quite a few questions, but I am happy for the Minister to write and place a letter in the Library, if that suits his convenience.

The flexible offer can show itself in either reducing the number of hours worked per week or in restricting a service to a particular geography. That could be to assist with caring responsibilities or to allow for ease of access for work to home; it could also be to enable professional development in part-time higher education opportunities. It is at the discretion of the commanding officer and chain of command. However, myriad other measures can be taken to enable members of the Armed Forces to be able to work in a more flexible manner. Could flexible working include working from home? I know of instances where this could happen, and indeed does already. These days, with mobile phones and laptops, what is to prevent this happening if the CO is content? Perhaps primary legislation would be required to apply this further. It may simply be that a change in culture, and some investment in technology, is needed to make such changes.

How will the Bill be rolled out across the Armed Forces, and how will members be aware of these opportunities? I believe that it needs to be dealt with carefully and

sensitively, if it is not to have unintended consequences. What work has been done thus far to reduce unintended consequences? How do the Government estimate that they will ensure that no burden is placed on full-time serving personnel backfilling, and that operational capabilities are not affected, whether this be by excess or deficit in a unit? There is a 5.1% personnel deficit, with some units up to one-third under strength. It will need to be ensured that there is enough slack within units to allow this flexibility. Commanding officers might think twice. Can the Minister give some clarity to the specific meaning of the expression “manning crises”, which have the ability to terminate those flexible working arrangements? And what might be considered reasonable notice?

What work has been done to predict uptake in the three services and to ascertain the potential impact on the viability of an operating unit? How many would be anticipated each year? Is there a limit? Likewise, I am sure that the House would be interested to understand what the predicted financial impact would be. I note that issues such as pension and leave are accounted for in the Bill, but how is seniority affected? Clause 1(3) calls for the right conferred in the Bill to be,

“varied, suspended or terminated in prescribed circumstances”. I can understand why that might be so, but where will the meaning of “prescribed” be found? Who will be the arbiter of the interpretation, and is there a right of appeal? How will these new provisions be advertised? Will one be able to join the service and opt straightaway for flexible working?

Finally, a concern has been raised with me of disquiet among full-time regular members of the services who might become disgruntled. Care will need to be taken that any loss of capacity is filled in order to remain effective and ready for action. As I said, we know that personnel numbers are below the target, so some clarity here would be welcome.

The Bill’s introduction is timely, but we should not forget that there is much to be done in this area that requires no legislation at all, just a will to make it happen. In Committee, I look forward to examining areas for development and improvement.

4.16 pm

Lord Dannatt (CB): My Lords, I thank the Minister for yesterday’s very helpful briefing session on the Bill and for the background material that has been made available. This has all helped to work out what this short Bill is all about and what it is not about. It is clear that the underlying purpose is to improve operational capability through the retention in service of some personnel, whose personal circumstances would otherwise have led them to retire from the Armed Forces prematurely. It is presumably with this overall aim in mind that we are led to understand that the service chiefs support the Bill.

However, I believe that the flexible working provisions which the Bill would enable must be used sparingly, and be seen to be the exception and not the rule. There are dangers to unit cohesion—and therefore to morale and overall effectiveness—if the attitude develops that individuals can pick and choose what they will, or will not, do in terms of participating in exercises, deployments and operations. So there is a balance to be struck between increased flexibility and overall capability.

It is also my understanding that this flexibility will create something of a two-way street, with regulars opting for a period of reserve service, and reservists opting for a period of regular or full-time service. On the face of things, this would seem eminently sensible but I believe there is a potential danger here. In the case of the Army, the largest employer of service manpower, it can be said that the closer integration of the 80,000 regular soldiers with the 30,000 trained reservists produces an Army of 110,000. If we add to that some 30,000 regular reservists with a call-up liability then the Army is apparently some 140,000 strong. With the current disinclination to commit large numbers of boots on the ground—and no current operational imperative to do so—the case can quickly be made that an Army of 140,000 is simply too large and too expensive. The most expensive element of this large Army is the regular component and, in a period of continuing pressure on the defence budget, programmers could well be considering options to reduce the size of this. However, this move towards greater flexibility and the blurring of the distinction between regular, reserve and regular reserve service must be treated very carefully, because the core of the operational capability of the Army is its full-time regular component. At fewer than 80,000 that regular component is already too small, and any attempt to further reduce that number, supposedly mitigated by more flexible use of the reserve or regular reserve, is nothing short of a dangerous illusion.

Given that this Bill is about maximising the operational capability of our service personnel, there is one more matter that I feel bound to put before your Lordships, and I have already indicated to the Minister that I would do so. This relates to service personnel suffering from mental illness, and I stress that this point relates to serving personnel, not veterans. Serving soldiers, sailors, airmen and marines suffering from mental illness are under the care of the Defence Medical Services and, more specifically, the department of community mental health. A hundred years ago, we did not understand mental health—they called it shell shock—but today we understand anxiety, depression and PTSD and encourage people to come forward for treatment. However, when one of those serving individuals experiences a severe mental health event out of hours—potentially, a suicide event—the advice is to contact the local medical centre, if there is one, go to the local NHS A&E department, or otherwise ring the Combat Stress helpline. I am not alone in believing that this is completely unacceptable. The department of community mental health should be able to provide a 24/7 service to its patients. It is often at night and at weekends that people are at their most vulnerable.

I have raised this issue before and I am told that to provide this service would require the employment of some 40 additional mental health-trained staff, and that this would cost about £2million per annum. I am also told that in 2016, fewer than 50 serving personnel needed out-of-hours help. Fewer than 50 probably means 45, so I ask the question: is £2million really too much to help 45 serving Armed Forces personnel at a moment of crisis in their lives? In 1917, they shot soldiers who ran away with shell shock. In 2017, there are still too many cases of soldiers with PTSD who kill

[LORD DANNATT]
 themselves. I do not believe that £2 million is too much for the Ministry of Defence to spend to discharge its duty of care to its serving personnel with mental health illness, let alone meeting its responsibilities under the Armed Forces covenant. Some of those serving personnel have asked the question: if the MoD can spend £6 billion on two aircraft carriers, surely there is £2 million that can be spent on us?

I apologise if I have digressed away from the Bill, but if its purpose is to maximise operational capability through more flexible arrangements for certain individuals, let us not forget other individuals whose circumstances need a more flexible approach, and that flexibility does not include ringing up a charity's helpline.

4.22 pm

Baroness Eaton (Con): My Lords, I have very few military credentials I can burnish, in contrast to many noble Lords making valuable contributions today. However, I want to add my voice to those welcoming this Bill because, as a former leader of a local authority, I am utterly convinced that we need to do more to support families under pressure. This is a good way to describe military families, most of whom cope extremely well with the challenges they face, not least because of the supportive culture in which they are often immersed—often, but not always—on a military base.

The Armed Forces covenant and other measures, including the flexible working trials instigated under the new employment model that this legislation builds on, are all evidence that this Government do not want to take that supportive culture for granted. On the contrary, they want to strengthen it by modernising working practices so that they bear more resemblance to the terms and conditions available to many in the civilian population. The majority of service personnel will rejoin that civilian population, and we want to do all we can to ensure that family relationships are not undermined by the pressures of military life to the extent that they are unable to make a good transition once the forces' support structure is no longer in place.

One big pressure on these personal relationships arises from the fact that families and the military would both be described by academics as “greedy institutions”: that is, groups which seek undivided loyalty and encourage weak or no ties with other people or organisations. Currently, many of the demands placed on forces personnel are not negotiable or optional. This can severely tax families who feel that they always come second, and serving personnel who constantly experience role strain: being a good soldier may seem incompatible with being a good husband and father now that societal norms have shifted so much that being a good provider is no longer enough. The introduction of flexible working should make important inroads into the prevailing sense that families, by default, must play second fiddle.

However, these new working patterns will not in themselves be enough to address the high relationship breakdown rates in the military, just as the right to request flexible working introduced in April 2002 in the general population has not made a significant dent in our internationally high divorce and separation rates. Neither has parenting quality vastly improved.

Family support has to go beyond welcome efforts to help parents to balance work and family lives and offer them help when relationships are under strain or in real difficulties.

Statistics indicate that divorce rates, especially for those under 30, are much higher in the military in comparison with the general population, not least because marriage rates are also much higher. Moreover, when families falter while still in service, the worry and distraction can have a knock-on effect on a fighting force's operational strength. When spousal relationships fail, this drastically undermines the support available to military personnel on the home front.

Other service-related pressures include those arising from deployment and combat. Deployment in itself need not necessarily have a long-term negative impact on relationships, but longer deployments and deployment extensions can play a part in poor mental health in the spouse left behind. Also, if there were pre-existing relationship difficulties, this makes it more likely that deployment will be linked to lower satisfaction or other problems. Finally, where deployment and combat are associated with post-traumatic stress disorder and depression, these secondary factors seem to be what is driving poor marital satisfaction.

Surely deployment and combat are integral to military service. Perhaps more interesting and relevant to today's debate is the finding that if the belief is held by serving personnel and spouses that the military is not supportive enough, this itself is a risk factor for breakdown. So too is perceived lack of support from spouses.

Yet many people come into the services, especially the Army, with a history of childhood family relationship adversity. They may not have had good relationships modelled by their parents, so it is perhaps not surprising that they will struggle to be the supportive wife, husband, partner—or parent—they long to be. Many of those left behind at base will need to learn how to provide meaningful support for their deployed partners and how to help their children become resilient and flourish.

Some relationship and parenting help already happens informally within the military community, and money from the Armed Forces covenant LIBOR fund has enabled Royal Air Force, Royal Navy and Marines charities to team up with Relate. Serving personnel have seven free counselling sessions, whether face to face, by telephone, on webchat or through webcam, so that those deployed overseas do not miss out. Professor Jan Walker, who carried out research with British forces posted overseas in Germany, emphasises the very important role that webchat can play, given that many personnel do not want their commanding officer to know that there are problems. She also highlighted that spouses and partners back home during long deployments could benefit greatly from support—someone to talk to about their relationship who has had good training—even if the relationship is not in difficulty. In the forces culture, the wider societal view that family problems are a sign of weakness is, if anything, amplified, so confidentiality is essential but not always available in the goldfish bowl of life on a base.

This arrangement with Relate can be only temporary, which is why I ask for the Bill to be expanded a little to include a statutory offer of family support, with help

for a couple as well as for parenting relationships. Organisations such as the Centre for Social Justice and the Office of the Children's Commissioner for England, as well as my noble friend Lord Farmer, have long argued for family hubs where someone will have answers for parents with children of all ages who are struggling.

Making effective and early family support statutorily available for this important group of families would establish a bridgehead of support that we can build on in the mainstream population. When the Government commissioned the consultancy giant PwC to draw up plans for multiplying the provision of parenting support to meet the perceived high national level of need, PwC advised that the only way significantly to build capacity was by drawing on employers. Does the Minister agree that the MoD has a unique opportunity to set an example in this area that other employers can follow?

4.30 pm

Lord Brooke of Alverthorpe (Lab): My Lords, I welcome the Bill. I do not bring a great deal of experience of the military to the debate but I bring a degree of experience in negotiating. In my former life as a general secretary of the Civil Service trade union, I negotiated on part-time and flexible working. I was seen as quite progressive in the 1970s when I pressed for a move from full-time employment in the public services towards more flexible arrangements. The employer was opposed to it; the Inland Revenue, now HMRC, where I worked, opposed it in the first instance; and, within my union, the hard left—I would not associate Don, my noble friend Lord Touhig, with this—similarly opposed the change from having people on a full-time to a part-time basis. They felt perhaps that they would not quite be able to control them in the way that they had previously. So I was in the middle of the debate, but I believed that it was the right way forward as we started to see more of a welcome feminisation of public service.

Without any doubt, once we had reached an agreement, the employers changed their mind and started to welcome part-time working because, after they had put it into practice, they saw clearly that it was of great assistance to them in recruitment and retention. Without doubt, if we had not had part-time working in the Civil Service and many other parts of public service during the 1980s, employers would not have been able to maintain the complement required to keep the public service working. So it was most certainly a move in the right direction.

Today, I support what is being proposed for the Armed Forces in a number of areas and for very obvious reasons: they have to move at a different pace and sometimes in a marginally different direction from the rest of the working community. Underlying that, when we have to recruit and retain, we have to be cognisant of what is happening elsewhere and endeavour to match it where possible—or at least to amend arrangements to fit the circumstances in which the forces find themselves. Knowing who the Minister is, I am reasonably confident that he will ensure that we have a set of terms that are applicable to the forces and that fundamentally meet the requirements and move towards more flexibility and more part-time working, and I will give him full support on that.

Of course, there are problems. Based on experience, I share the view that there will be resentment among full-timers when they see people moving to part-time working. The noble Lord, Lord Dannatt, made the point that that must be taken into account and handled very carefully to make sure that such resentments are avoided as far as possible. However, it is a flexible working world and arrangements have to apply in every area within our domain of employment. Therefore, they have to apply, appropriately adjusted, within the Armed Forces, and I hope that this change will move forward quickly.

Picking up on the endeavours of the noble Lord, Lord Dannatt, to extend this afternoon's debate a little beyond the terms of the remit, I shall take the liberty—I have given the Minister notice of this—of seeing whether he is prepared to be flexible in his approach to the Bill.

Tomorrow I have the pleasure of moving a Private Member's Bill on the misuse of honours. This was first promoted 12 months ago by Gareth Johnson in the House of Commons, where it was given a close examination by a Select Committee and the Defence Committee. They came back with a very strong recommendation that the change introduced by my Government in 2006, before which the wearing of medals for the intent of deceit was a criminal offence, needs to be readjusted to bring us back into line with the practice in other countries, where, if people do that, they are liable to criminal sanctions. I will be moving a private Member's Bill to that effect, very similar to that of Gareth Johnson, who has given his agreement.

The Bill was substantially filleted in Committee in the Commons and reduced in size to a fairly small focus. But, happily, it was given the support of the Government—they were prepared to find time for it. Unfortunately, a number of MPs talked it out, regrettably on the Tory side. But it is a very worthy Bill that should come here. It did not make it, so tomorrow I will present it to this House. It seems highly unlikely that we will find time for the Bill to be taken in the Lords—I was 53 out of 64 in the ballot, so there is not much chance. However, knowing how open-minded and flexible the Minister is, and how anxious he is to try to meet the needs of those who have been in the Armed Forces and who have been honoured for their valour and courageous past, I hope he will be prepared to look at it.

I come to this subject primarily on the basis of my close association with the family of Peter Fontaine. He served in the Royal Signals for seven years, where he was picked up very quickly, commissioned and became a captain. He was out in the Far East, and was awarded the Burma Star in Lord Slim's "Forgotten Army". He was a great man who, having served in World War II, came back and made a career as an actor. He lived until he was 95 and continued to be alert and interested in making a contribution to society. As recently as 2015, he walked and participated in the VJ Day celebrations. He died in 2016.

To our regret, a man posing as a wing commander—he wore the wings and seven medals as if he had been in Afghanistan and many other places—inveigled himself into the family and became their close and intimate friend.

[LORD BROOKE OF ALVERTHORPE]

When Peter died, this man ended up carrying the coffin. It subsequently emerged that he was a total imposter. The nearest he had been to the Armed Forces was doing some work with Air Cadets—and yet in this country he is permitted to deceive and hurt people in this way. For a widow who had supported her husband for so many years to discover that this had happened, it was absolutely devastating. It is totally wrong that that is permitted to happen in this country in a way that it cannot elsewhere. It could not happen in this country until 2006, and that must change, with a marginal extension of the Bill—either the Minister could move an amendment or I would be happy to. I am sure that the House would fully support such a change, which should not cause too much trouble for the Government.

I have done much business in the past with the noble Earl. He has often wanted to meet me as best he could but has been inhibited by factors such as European Union regulations. In this instance there will be no inhibitions whatever because the Government have said previously that they would find time for this to be accommodated. So I hope that, now that it has been left with him, he can persuade his colleagues this time around that the Government will take the time to add this to the Bill. I hope that he is willing to consider that.

4.39 pm

Lord Walker of Aldringham (CB): My Lords, I too am grateful to the noble Earl the Minister for giving us a comprehensive briefing yesterday. However, as we are going to hear from the noble and gallant Lords, Lord Craig of Radley and Lord Stirrup, who know their former services better than me, I will focus my comments on the Army perspective, and I hope to be brief.

I am very uncomfortable about this Bill. On the one hand, as we have heard, it is proposing to introduce a form of flexibility which is modern, is in keeping with more enlightened businesses and institutions and will be welcomed by those who can take advantage of it. It has the potential to keep within the service high-quality people who need a break or geographical restrictions to their deployment for the very human reasons, which we have already heard about, that family life often throws at us. It is only natural that folk should seek stability in their lives when they have young families or if they have seen a great deal of separation from their wives and partners. It gives them a chance to recharge their batteries, which can be good for them and for the Army.

On the other hand, as is becoming clear, the devil is going to be in the detail of the regulations drawn up to operate the system. There are many unanswered questions to be resolved. Part of the contract between the individual and the Army is that he or she must be prepared to deploy to some far-flung place at a moment's notice, for it is always the unexpected that we must deal with. He or she must be physically fit, mentally prepared and properly trained for the particular type of operation that they are going to take part in. They have to fight along the roughest edges of humanity. Being half ready, half trained and undermanned will not do. Reshuffling unit strengths at the last minute damages cohesion, and is unsafe and unfair to our soldiers.

At the end of the last century, the Army used to have what was called a manning margin. This allowed individuals to go away on long-term educational courses and be replaced in the unit so that it would not be under strength. As efficiency savings have bitten over the years, that manning margin has dwindled to nothing. Units are therefore routinely under strength because people are away taking various courses. If the units now lose a percentage of that strength through the introduction of this Bill, as well as a further 4% reduction as of May this year in strength, which is the undermanning of the Army as a whole, we are beginning to talk about serious undermanning, with all the consequences that that means for preparedness and levels of training.

So the questions are mounting in my mind. Will there be a cap on the percentage of strength that may take advantage of this new proposal? Do we have any idea of the impact that geographical restrictions will have on unit cohesion and deployability? We have heard that the pay arrangements will mean a pro rata reduction against full-time pay. What will prevent the individual taking up other employment while away from his unit, and is that viewed as acceptable? Will it become a soft landing into other employment? Is this just another means, although the noble Earl declares that it is not, of reducing manpower costs, because it is buried in the wider new joiner effort which claims to have to reduce the sums spent on manpower so that we can be sustainable into the future?

Who is going to recommend an individual to the approving or denying authority? I assume that it will be the commanding officer of the individual, but instinctively he is going to want to keep his unit as well manned as possible. Will those who are covering for the absence become disaffected and choose to go? Notwithstanding an appeals process, are we opening a door to legal claims for discrimination from those who are told that they cannot have a break or that they must deploy outside their geographical area more than a certain number of times?

In recent operations, we have seen severe pinch points in the manning of certain specialist roles, such as petroleum operators and human intelligence resources. Will those roles be exempt? It seems to me that role dependency should be a critical element of the proposals. If so, are we going to include it? To lighten things, it is not just the front line we are talking about. I was talking to the director of the Corps of Army Music last week. He told me that if he loses his bass drummer his band is hors de concert. Folk in the Army are often tasked to do things they would prefer not to. Is it just possible that this new-found flexibility might be used to escape some unpalatable task?

I risk being accused of failing to enthusiastically espouse a modern practice that is shown to work well in other professions. My defence is that the Army is not like other professions. It is about people having to put their lives on the line in the most extraordinary circumstances. It is the Government's responsibility that they are as best equipped, well trained and well manned as possible, and psychologically prepared for the horror of death on the battlefield. Initiatives such as this have often had unintended consequences, and I

fear this may be one, particularly if we do not have an assurance that it has been analysed from every possible angle.

I understand the Australian and New Zealand armies have embarked on this policy but that it has not been long for either of them. Even so, I was told anecdotally last week that those of our own officers working with the Australian army see that it is already beginning to lose its operational credibility. If this is so, would it not be sensible for us to have more time to examine the Australian experience? It would be a crying shame if we were to find our Army losing its world-class operational credibility and its self-esteem because we had failed to carry out a sufficiently rigorous analysis of the likely impact of this Bill. We owe our men and women better than that.

4.47 pm

The Earl of Listowel (CB): My Lords, I too am most grateful to the noble Earl for the helpful briefing yesterday and for his introduction to this Bill. As treasurer of the All-Party Group for Children and a trustee of a mental health charity for adolescents, I welcome very warmly the Bill's intention to strengthen service families.

The noble Earl referred to the general principle of a work/life balance. I visited the German Reichstag with a party of parliamentarians this year. We know how productive the German nation is, yet what was most striking to me was that a Berliner I spoke to pointed out that if one works beyond six o'clock in the evening in Germany one's colleagues will say, "Well, you are not being very efficient, are you?" All shops in Germany are shut on Sundays. Indeed, businesses are not permitted to email office workers after working hours. In that example, it seems that by allowing people to have a good work/life balance they can be more productive and more effective. I hope we can keep that in mind more generally in the debate about productivity in this country.

What I say now is highly tentative. I note my deep inexperience of the armed services, so I pay great attention to the concerns of my noble and gallant friends and those of other noble Lords. I will certainly look to the Minister for every assurance on the important concerns they have raised on these matters. However, because of my interests I will say a few tentative words about the possible advantages of what is being offered. The noble Baroness, Lady Eaton, said most of what I would have liked to have said about families. Perhaps the Minister could say something in his response about parental leave: how does that apply to members of the armed services? Perhaps he might like to write to me on that point.

One issue that stood out for me in preparing for this debate was ex-servicemen experiencing mental health issues in their 40s and 50s. The noble Baroness talked about allowing relationships within families to be strengthened and allowing service personnel to spend more time with their families at times of family crisis. I can see how that might strengthen the family so that, later on, it is still intact. It might prevent more servicemen in their 40s and 50s encountering mental health difficulties. Another bonus of what the Government propose is that it might be possible to improve the transition

from life in the armed services to civilian life. It might allow one to continue working in the armed services but to spend a day, and then two days, in civilian employment during the last year or so of service. That might help ease the transition. The Minister made an eloquent case for the advantages, but I listened with great attention to what my noble friends and noble and gallant friends have said and look to the Minister for careful responses to those concerns.

I was grateful to the Minister for indicating that he is taking on board concerns from the Royal British Legion about ex-spouses of service personnel. Ex-spouses are not given the same rights as spouses in terms of housing access. It is important that they should have such access. I am glad that the Minister is considering that. Perhaps he could confirm that this matter has been raised with him and that he is giving it attention. I look forward to his response.

4.51 pm

Baroness Burt of Solihull (LD): My Lords, there is little not to like about this Bill. It extends to regular armed service men and women some of the rights which others in the services and in other walks of life currently enjoy.

It is not detailed and it is not prescriptive. It enables the Armed Forces to extend flexibility to their workforce as they see fit and in ways which they believe will work for them. I listened carefully to the noble and gallant Lord, Lord Walker, but control of who can and cannot be allowed flexibility remains firmly with the management of the forces. This workforce has hitherto been bound to working practices which are arguably no longer always needed in the modern world of warfare and peacekeeping in which we find ourselves.

I know that some noble Lords have a feeling of disquiet about the Bill. There is a sense that to be a committed member of the Armed Forces, to be prepared to put one's life at risk for one's country, to achieve the camaraderie and togetherness that are needed where one puts one's trust and one's life in the hands of others, nothing other than 100% full-time commitment will do. Personally, I think that this approach denigrates those who make the Armed Forces or any other walk of life their life's work. It suggests that you cannot be 100% committed and have a full family life, too; that you cannot be 100% committed and be sensitive to other things going on in your life and the lives of those around you. This approach has taken its toll on the home life of our Armed Forces personnel. Why should anyone be forced to choose between one's family and one's career? It has taken a toll on their families. I understand that operational necessities may mean that one's spouse, daddy or mummy may be stationed in inaccessible places for months on end.

We should not forget that one's comrades can be one's family too, but the main reason for this enabling legislation is, in my view, because of the toll that it is taking on the Armed Forces themselves, in the form of stress, which leads to poor decision-making and performance, and in the form of torn loyalties. Many people expect far more from relationships than they did 30, 40 or 50 years ago. Many fathers want to play a much larger part in their children's lives; many mothers want to continue their careers after having a child,

[BARONESS BURT OF SOLIHULL]

to use the skills for which they were trained; and the forces really need their skills. They need rounded individuals capable of making good decisions. They need diversity in their workforce, because lack of diversity leads to poor decision-making, and poor decision-making leads to loss of effectiveness and ultimately to loss of lives.

Our previous Prime Minister, David Cameron, understood this well. He set the Armed Forces the target that 15% of new recruits should be female by 2020 and they are making progress towards this target. However, the percentage of women in the Armed Forces is currently only 10.2%, so there is a way to go, and however well they do on recruitment, improvement will be limited if women keep disappearing just at the time when their skills and abilities are at their peak and they are needed most. So this enabling legislation is very welcome, but it will take more than legislation and subsequent changes in the rules regarding flexible working to have the desired effect: it will take a culture change, a change away from the attitudes I described at the beginning of my remarks, a kind of “TSB bank” change—a change that likes to say yes.

As the nature of warfare and the threats we face change, the variety of skills and abilities we need will change. Women will have these abilities, often just as suitably for the job as men will. The greater diversity of talent will give us greater ability to meet these threats and these opportunities. Like the noble Lord, Lord Touhig, I would like to know what plans exist to recruit more BAME, LGBT+ and disabled people.

I wish the Bill well, but even more, I wish the modernisers in the Armed Forces well in their quest to transform our armed services into a diverse and effective fighting—and caring—force, a force equipped with all the human resources it needs to respond to all the diverse challenges that it faces in keeping us safe, and keeping vulnerable, threatened peoples safe, in the changing and challenging world in which we find ourselves today.

4.58 pm

Lord Craig of Radley (CB): My Lords, this is, indeed, a very short Bill and its purpose seems sound. It is, as the noble Earl has explained, expected to help make service in the Armed Forces more attractive to the younger generation and is seen as an aid to recruiting and retention. It has the backing of the senior leadership in the services. In principle, I support the idea of introducing some specific, limited opportunities for individual service personnel to take a break for personal reasons from their 24/7 commitment. However, it will be important not to sacrifice operational effectiveness. Any application of the scheme must seek to strike a balance between operational demands and the reasonable interests of individuals. Ultimately, the former must be the principal consideration.

With such a short piece of primary legislation, the detail of what is intended must be covered by secondary legislation, by DCIs and/or by Queen’s Regulations. It would be helpful to have available, in Committee and at later stages, draft examples of the SIs and DCIs that will support the Bill’s application. I hope that the Minister will arrange that.

The phrase “flexible working” is clear in the Bill’s title but does not appear anywhere in the text. Instead, “part-time service” and “part-time basis” appear in Clause 1. A more general interpretation of “part-time” refers to so many hours in a day, days in a week or even possibly weeks in a month, but less frequently, if at all, to six months or a year or more away from work. Is it intended that the absences to be allowed are day breaks—possibly half-day breaks, for example—with all breaks of whatever length being measured in comparatively short time periods and never as a sabbatical?

The policy statement refers at paragraph 9 to,

“specified periods of time when they are simply not required for duty (and cannot be lawfully)—

I emphasise “lawfully”—“ordered to attend)”. It says elsewhere that a commanding officer is able to terminate an arrangement. Is there not some inconsistency there? “Part-time” also does not seem to cover the limited geographic employment mentioned in the Minister’s letter of 30 June about the second part of these proposals.

Is there a connotation to “part-time” that I am missing? I would prefer to stick with “flexible”, or “flexibly” where appropriate. This would allow for further variations of flex-working if ever required. Alternatively, could these absences be better described as “unpaid leave”? Leave is a well understood service arrangement, whereas part-time working can, albeit mistakenly, imply that the individual’s commitment to their service is just that: part-time. That is altogether different from a 24/7 commitment and might all too easily be misconstrued in a headline describing this Bill, were it to pass, as suggesting that the modern Armed Forces are now part-timers. Would it not be better to avoid any use of the words “part-time” and “part-timers”?

Maybe unpaid leave or short career breaks are already allowed by Queen’s Regulations. If so, this heavyweight but skeletal primary legislation would be unnecessary to cover these alternative career management arrangements. If the breaks were to be grouped as unpaid rather than part-time leave, some of the potentially adverse criticisms could be avoided without any recourse to primary legislation to deal with one specific type of flexible working. If the Minister will nevertheless hold to “part-time”, then there should be a definition of it in Section 374 of the Armed Forces Act 2006, which is entitled “Definitions applying for purposes of whole Act”.

Clause 1(3) inserts the words “A right conferred”, referring to new paragraphs (ha) to (j) of Section 329(2) of the Armed Forces Act 2006. I feel that “right” is a bit strong. Bearing in mind that such so-termed rights may be varied, suspended or terminated by a commanding officer, they are not inalienable. Might it not read better instead as “a term of service conferred on a person”, or alternatively as “a type of service conferred on a person”?

The secondary legislation policy statement sent by the Minister mentions at paragraph 3,

“improving opportunities for Reserves to commit more to make more effective use of all their knowledge, skills and experience”,

but the Bill is about Regular Forces and the reserves do not even get a mention in it. Perhaps the Minister can deal with this in his winding up.

I turn to other points to be dealt with by secondary legislation and instructions. How far will an individual who has taken his or her leave of absence remain subject to Armed Forces law? Are they deemed to be transferring to the reserves pro tem or do they remain regulars? Presumably pay, allowances and pension entitlements will all have to be recalculated. Will service medical and/or dental support be available? It is envisaged, is it not, that individuals will be covered if they are injured while away and will be entitled to the full equivalent compensation as if they were on full-time service? Will continuous occupation of service accommodation be allowed? Paragraph 20 of the Explanatory Notes refers to protecting,

“regulars from being separated from their permanent place of residence for prolonged periods”.

How is a “permanent place of residence” to be defined? To give confidence in approving the Bill, which lacks all such detail, it would be helpful in Committee to have draft examples of the intended further legislation, Defence Council Instructions and/or Queen’s Regulations.

Finally—I say this just to avoid any misunderstandings—the Bill, as I read it, is solely about the entitlement of a Regular Forces individual to apply for and make use of flexible working. It cannot be treated as a sort of Trojan horse that would allow the MoD or a senior budget holder to transfer a number of individuals, or even a unit, on to it as a savings measure to reduce the pressure on the defence budget at a particular moment; or even to defer or delay an individual’s return to full-time service as an economy measure—I stress that I do not read this into the Bill. The initiative about starting and ending this break rests with the individual, not their service. Is that correct? For the avoidance of doubt when it comes to subordinate legislation, an assurance now that the Bill is not a potential Trojan horse would be most welcome.

5.06 pm

Earl Attlee (Con): My Lords, I declare that I have no interests to declare because my commission was retired last Friday. Ill-informed public perception might be that my noble friend the Minister, if I do not toe his line, could have me called up and sent to South Georgia to be a lookout. Of course, we know perfectly well that he can do no such thing.

Noble Lords: Oh!

Earl Attlee: I am confident that my noble friend cannot do any such thing. I am also reasonably confident that he would not do so.

I strongly support the Bill for the reasons so expertly laid out by my noble friend the Minister. When my noble friend is on the Government Front Bench, he can make the Bill look like the best thing since sliced bread. But of course when he is on the Opposition Front Bench, he can make the Bill look like it is full of holes. But this is a good Bill.

Some have argued that the Government would not do this if there was plenty of resource for the MoD. That may be true but there is nothing wrong with

giving the system a good wire-brushing. Even if we did have plenty of money for defence, I believe that we should still be doing this. My noble friend the Minister was at pains to make it clear that this was not a cost-saving measure. I accept that claim but I have to tell the House that it will save money because if we avoid someone prematurely retiring from the services, we will not need to train a replacement and training people is extremely expensive.

The noble Lord, Lord Touhig, and others referred to the loss of income for service personnel on a reduced commitment. He is right that their income will be reduced, but this could be offset by significantly improved circumstances for the spouse. Perhaps the new arrangements would facilitate the spouse securing a much more advantageous employment position, perhaps just by being able to give a commitment that the family will not need to move to another location.

How will it work? I am in a position to suggest to the House how these arrangements might work, and in a way that my noble friend the Minister is not really able to. The first point is that these new arrangements will not really be applicable to junior service people in their first few years of service. We need to remember that in the Army we have large numbers of soldiers who serve only three, four, five or six years, and this system is really not for them. In the Army, junior NCOs cannot continue to serve past a certain age if they do not get promoted to sergeant. It is called the manning control point. The reason is that we cannot afford to have 45 year-old lance corporals in an infantry unit. However, suppose an RAF flight sergeant, a highly trained technician, realised that a reduced commitment would enable him to continue to serve in circumstances where he would otherwise have to retire prematurely. He, or she, would apply through his unit. However, most importantly, I expect that the decision about whether to grant the application would be made by the RAF personnel centre, not at unit level. The decision would take account of the overall needs of the service, and other services will obviously have similar arrangements.

The noble and gallant Lord, Lord Walker of Aldringham, asked about how unit cohesion would be maintained. In my opinion, it is very unlikely that flexible working would be granted to a soldier serving on regimental duty in a unit, for precisely the reasons the noble and gallant Lord outlined. However, I very much doubt that the Minister will back me up on this point because he will want to maintain maximum flexibility. That is the reality: you cannot be part-time at regimental duty.

What gets me excited is Ministers claiming that combat effectiveness will not be reduced by having women serve as combat infantrymen in the Army. It is simply ridiculous. I will need to have a friendly chat with the noble Baroness, Lady Burt, about the physical requirements of military service. Even more ludicrous is female Royal Marine commandos. I have never in my entire life been fit and strong enough to be commando trained, and despite this, until I turned 45, there were very few women who were as strong as me. I cannot understand how you are going to have female Royal Marine commandos without reducing combat effectiveness.

[EARL ATTLEE]

Going back to the decision made by the service personnel branch regarding whether to grant flexible employment conditions, the most important consideration will be whether there are sufficient deployable personnel available in the relevant career employment group or equivalent. There will be input from the unit, but the decision will be made by career managers at the centre.

I touched on the issue of high-volume junior ranks, but numerous staff and training appointments are not deployable. They are eminently suitable for part-time working arrangements. We must not forget that one of the flexibilities is a geographical restriction, so perhaps an officer could be posted to be commandant of a training camp. All he needs is an agreement that he will not be posted somewhere else, and he could continue to serve. Why should we lose really experienced officers just because of their family and personal circumstances?

I give my full support to the Bill, but despite that we will need to look at it very carefully indeed, as we look at every Bill in Committee and at later stages.

5.14 pm

Lord Stirrup (CB): My Lords, I too welcome the intention behind this Bill. As the Minister has explained, the Armed Forces are currently losing talented and experienced personnel who might be retained if they were able to secure some temporary flexibility in their conditions of employment. This is perhaps particularly, although not exclusively, true for female personnel. Although such flexibility might not by itself lead to a dramatic growth in the overall numbers of women in the military, it might allow the services to retain more of those who are highly capable, who could then go on to increase the percentage of females in the most senior ranks. This would be very welcome.

However, while supporting the Bill in principle, like other noble Lords and noble and gallant Lords, I am concerned that the proposed changes should not detract from the UK's overall military capability and effectiveness. We must remember the purpose of employing people within the military: it is not to produce goods or services for consumers on an everyday basis, but to deliver targeted military effect when and where the Government require it. The day-to-day outputs of military formations are very often in preparation for their real purpose, not an end in themselves.

I also wonder about the title of the Bill. In response to one of the questions raised by the noble Lord, Lord Touhig, do we not already have a degree of flexible working in the military—people producing a full output but with varying start and finish times, and even through working from home? Is this Bill not rather about flexible terms of employment? That would certainly make the variations in rates of pay and so on more easily understood by a wider audience.

However, although I have stressed the crucial need to maintain military capability and military effectiveness, this does not in my view mean that the nature of military life and its processes should not change. The Armed Forces that I left some six or seven years past looked and felt in many ways very different from the organisation that I joined half a century ago. Yet I

defy anyone to say that its 21st century personnel, in Iraq and Afghanistan for example, have not displayed at least the same level of professionalism, commitment and courage as their distinguished predecessors.

Accepted norms change over time, and no military can allow itself to become too far removed from the society that it serves and from which it springs. Yet militaries are, and have to be, different. These two axioms lead to the requirement for a difficult balancing act, setting individual needs and aspirations on the one hand against operational demands and duties on the other. The question we must address in considering the Bill is whether that balance has been appropriately struck—and the answer is that we do not know.

The Bill is simply enabling legislation. It sets out the desired ends, but says virtually nothing about the ways and means. These will be the subject of secondary legislation and military regulations, but it is they that will enable us to reach an informed judgment about the balance to which I have referred. Without knowledge of the detail, the Bill falls into the, “Trust me, I’m a doctor” category. Let me give some examples of the issues that need to be addressed.

What percentage of people will be allowed to move on to flexible terms of employment? In the very helpful briefing arranged by the Minister, we were told that the services expect the take-up to be small—perhaps 0.5% to 1% of the force—based upon experience elsewhere. But no other military has operated such a system fully, and certainly not long enough to judge how take-up might change as people become accustomed to the idea. The figure of 1% seems small given the very large proportion of people who cite the strict current conditions of service as the principal reason for their leaving the military.

It is true that a reduction in salary is likely to act as a deterrent to many, but that still leaves us uncertain of the final take-up. It is therefore important that the Armed Forces conduct an analysis to determine what part of their establishment—how many and where—could be subject to flexible terms without undermining operational capability. This would at least establish a clear limit beyond which we should not go. Can the Minister tell the House whether such work has been undertaken, and if so what are the results?

We also need to consider the broad conditions that should govern the application for a move to flexible terms of employment. I understand that the current intention is not to require people to specify the reasons behind any application, since it might involve personal issues that they would rather remain private—I understand that.

On the other hand, if the availability of such opportunities is limited—owing to operational pressures, for example—how are the services to judge between competing demands? How are those involved in the appeal process to judge the merits of a case if they do not know all the relevant details? Ought we not at least to be specifying the reasons that would be considered a valid basis for applying for a period of flexibility, or perhaps setting out the motivations that would not form such a basis?

Flexibility is very much to be welcomed, but it often leads to increased complexity. If a particular job is currently being done for five, or perhaps more, days a week, what happens if the incumbent is suddenly working for only three days out of every seven? I assume that there will still be work that needs doing, else one must conclude that the organisation was overmanned in the first place. How is this burden to be met? Perhaps in some cases it can be addressed through the increased use of reservists, but probably not in all. What other measures will be required to deal with the challenge?

Whatever mechanisms and procedures are put in place, they will surely lead to increased pressures on the personnel management staffs. A great number of posts within the military simply could not be occupied on a part-time basis: crews of Royal Navy warships, the personnel of combat units in the Army and the members of front-line squadrons in the Royal Air Force, to name just three instances. That means that, in many cases, someone moving to flexible terms of employment will need to be posted elsewhere—perhaps to a job with a current incumbent who has been in post for only a short time and who will have to be moved on. All this will require careful handling.

I understand that the services are currently examining the implications for their personnel management processes and organisations, but as yet have reached no definite conclusions. I should be grateful if the Minister could keep the House informed once they do. There may be consequences for staff numbers and there will undoubtedly be issues for the joint personnel administration system.

In passing, I question one of the assertions that has been made regarding the financial consequences of the proposed arrangements. It has been said that any savings resulting from the reduced pay bill when personnel move to part-time arrangements would accrue to the budget of the appropriate service, which could then use it to pay for backfilling arrangements or on some other expenditure of its choice. This seems to me to be wishful thinking. The more likely outcome, particularly given the pressures on the defence budget, is that the central staffs will reduce the service's overall budget allocation by a commensurate amount. It is true that if they did not act in such a fashion, an opportunity cost would fall somewhere—the central staffs, after all, do not get to keep any of the money. But I would discourage the idea that the Bill will somehow automatically lead to increased financial flexibility for the individual services.

Other noble and noble and gallant Lords have raised further important issues, and I could add to them. I will not at this point, but instead reiterate what is perhaps the central theme in this debate. For us to judge the appropriateness of the Bill's proposals, we need to know much more than we do presently. The devil is in the detail, and in this case the Prince of Hades is hiding in undecided, and certainly unseen, secondary legislation and regulation. We therefore need to see and discuss this detail before reaching a firm conclusion on the Bill. I accept that a list of detailed technical amendments to existing regulations will not serve this purpose, but some explanation of

and debate about how the new system would work in practice is in my view necessary before the Bill should be allowed to pass on from your Lordships' House.

I have asked many questions and sounded several notes of caution. I have done so not because I resist the legislation but because I want us all to be able to give it our enthusiastic backing. As I said, I support the Bill in principle. I hope that the Minister will be able to come back with proposals for further consultation that will allow me to do so in practice.

5.24 pm

Lord Sterling of Plaistow (Con): My Lords, thank you for allowing me to join in the debate at this time; I realise that I have only four minutes. I asked the noble Earl yesterday why we are having a Bill at all. I understand that there was a time when it was considered unnecessary. As several noble Lords said, if, in effect, the Bill had just been to give help to women joining the armed services, nobody would have been at all surprised, and it would have made a great deal of sense.

We want still to be considered the finest fighting force in the world. In this country, total public support for the armed services covenant is hugely important—and the X factor. They are special. Why? Because the armed services are totally different from any other organisation in this country. The people who join have a special ethos. In this day and age, we increasingly have to look at how we are regarded in other parts of the world. Russia, China or any of the other major countries have a highly trained, professional, full-time military, and that is what we are up against.

The term, “part-time”, has been commented on by many noble and gallant Lords. It is interesting that they are concerned about how the armed services will be considered in years to come. Regardless of Brexit, our friends in Europe—I use the word “friends”—are without doubt very interested that we should continue to be by far the most powerful hard power. Eastern European countries would unquestionably like that. The feeling is exactly the same in Washington. One of our problems in years to come will be that gradually and publicly, somehow or other, the background of the armed services will be considered to have changed.

People keep using the term “being modernised”. In a large number of major companies, including my own in the past, huge numbers of colleagues serve abroad. They are away for weeks at a time, on ships, or whatever. I question the idea that their home life is being interfered with, but it is very important that we have the finest professional armed services in the world. That is what young people want to be part of.

I cannot resist the chance of saying that one of our problems is that we do not have enough money. The armed services are being continually hollowed out. There is plenty of evidence of that. We are told that a number of our best people are leaving the armed services. I would like some detail on exactly the sort of people who are leaving and why. I am not saying that I disagree or do not trust that it is happening, but I want to know who is moving, and into which areas. I have contacts with quite a number of such people and it seems to be lack of morale in the longer term. We need more money, and to pay highly skilled people to do the job.

[LORD STERLING OF PLAISTOW]

My final point is that we cannot compare this with the reserves. There are certain elements of the reserves which are tremendous because they have specialised skills, but the idea of saying one can slip into one or the other is not on. If we are to retain the ethos and the standing of our armed services in the world, we have to think so carefully about what we are doing. We may live to regret it for a long time.

5.29 pm

Baroness Smith of Newnham (LD): My Lords, like most noble and noble and gallant Lords who have spoken this afternoon, I welcome the Bill, but with a degree of caution. I have a few more questions to add to the myriad that the Minister already faces. I, and the Liberal Democrat Benches as a whole, are less sceptical about the proposals than the noble Lord, Lord Touhig, but we have some concerns, and we might even agree with him on at least one point.

The Bill is intended to assist with recruitment and retention, and may help in particular with the recruitment and retention of women. As several noble and gallant Lords have pointed out, the devil is in the detail—or, at least, the devil would be in the detail if we could find any detail. At the moment, we are still waiting. The issues in the Bill are potentially profound. They may be extremely beneficial to those people who are able to use flexible working, but they raise concerns for all the services, and for those members of the Armed Forces who are not making use of flexible working. That is something that I want to come back to with regard to the impact on morale of those still doing their normal hours. Will they face further constraints and difficulties?

We have a set of issues about morale, particularly those raised by the regular *Armed Forces Continuous Attitude Survey* results from 2017. While family life and work/life balance may be important, other factors are also important—most notably, accommodation. As several other noble Lords have sought the indulgence of the House to raise other issues, such as mental health, families and counselling services, I crave the House's indulgence for a moment to ask the Minister what work the Government are doing to deal with one of the biggest issues that affects service families—the nature of accommodation and, in particular, the maintenance of service accommodation. There are still regular complaints and a very serious sense that CarillionAmey does not deliver. One issue is that its contract is not sufficiently well specified. But if you have cold water instead of hot water or a cooker that does not function, there are real questions about how quickly it will respond. What scope is there through this Bill—although it will probably not be through this Bill—or through the course of this Parliament to look at ways in which to enhance service accommodation? That is one issue that affects family life in the services and, by extension therefore, morale, and potential questions of retention.

Accommodation is one issue, but pensions is another and pay is another. There is a range of issues that need to be dealt with. This Bill deals with a very small aspect of morale—the issue of flexible working. One question that I would like the Minister to address,

which has come up and on which, although I hate to suggest it, there is a degree of confusion on some Benches, is about the elision there seems to be between part-time and flexible working. My understanding is that those two things are distinct and that flexible working would not necessarily entail a reduction in pay. Part-time work would, as it would in any walk of life, but engaging in a degree of flexible working, which could entail home working or flexible hours, would not in and of itself necessarily entail a pay cut. If the Minister could clarify that, it might be helpful to the progress of the Bill.

There are clearly questions of recruitment and retention. These proposals—assuming that the detail is appropriate—may assist with retention. Serving men and women may at the margins think that the ability to undertake flexible hours or to take leave to deal with caring responsibilities would help them to make the decision to remain rather than leave the services. That clearly could be beneficial to the individuals and the services, as well as to the UK as a whole, if we are not losing skilled people.

My noble friend Lady Jolly raised the question of information. How do serving men and women find out about this? The *Armed Forces Continuous Attitude Survey* suggests that only about one-quarter of servicemen and women actually think that leading officers give them adequate information. That has been one of the problems with the new employment model: there is a feeling among service men and women that they do not necessarily understand the detail. What is going to be different about this flexible working Bill? How are service men and women going to find out about the provisions? Are they going to have some general information? How far are we going to get into the details with them of whether there is going to be a cap on the number of service men and women who will be allowed flexible working at any one time?

The positive side is retention of people who may be looking for flexible working, but what about full-time regulars who may have to take on an additional burden if some of their colleagues are no longer available for deployment outside a particular geographical area or for a certain amount of time? That could give opportunities for reservists to be called up, as the Minister suggested, but it also raises questions about people who are still doing full-time work. I have had feedback which suggests that full-timers may then feel under additional pressure. If that is the case, what impact will it have on their retention rates? Have the Government undertaken any work into the impact on retention for full-timers?

I will look next at recruitment. Some work done by PricewaterhouseCoopers on public opinion suggests that there are very high levels of trust in the Armed Forces, right across the spectrum, but younger people are slightly less prone to trust them. About 80% of respondents thought that the Armed Forces are important for jobs, skills and training. Once again, as with trust in the Armed Forces, fewer young people are aware of the skills and training available. What are the Government doing to make recruitment more attractive; to enable young people—particularly young women—to understand the potential opportunities? I will correct something

that the noble Earl, Lord Attlee, touched on. He seemed to imply that my noble friend Lady Burt had suggested that we could let in women or other people who did not meet the appropriate physical standards. What my noble friend actually said was that, as the nature of warfare changes, so the variety of skills and talent may change. For example, for cyberwarfare you do not need the physical attributes of a Royal Marine. There may be people from all sorts of backgrounds who would never have dreamed of joining the Armed Forces. They are not necessarily opposed to the Armed Forces or disagree with them—they are not pacifists—but they would never want to do some of the physical things. They are so computer savvy that they would be brilliant recruits, but they are not about to go along to the local recruitment office. What are the Government doing about a wider approach to recruitment?

Many questions have already been raised and I do not want to reiterate them. We clearly need to think about manning levels generally and ensuring that flexible working does not damage operational capabilities. I assume that Her Majesty's Government have looked into this and believe that the proposals being put forward will not create any problems for operational capabilities. The Minister certainly suggested that they are evidence-based, yet they have raised several concerns. Can the Minister reassure the House that they are not aimed at cost saving; that manning and deployment proposals have been thought through; and that the high-level support for flexible working will be there through the ranks? Like the noble Lord, Lord Touhig, the Liberal Democrat Benches would like to see regulations subject to affirmative rather than negative procedures. It is important that this House and the other place can actually see what is being proposed. We would also like to know how the military regulations are promulgated and scrutinised, as was touched on earlier.

In conclusion, these Benches give the proposals a cautious welcome. My noble friend Lady Burt said, in effect: "What's not to like". There is very little in here to disagree with, but we clearly need to be very careful to ensure that the proposals are fit for purpose. We therefore look forward to the clarifications that the Minister will give this evening. We look forward even more to elaboration in Committee on the many questions that have come up this evening.

5.39 pm

Lord Tunnicliffe (Lab): My Lords, I, too, thank the noble Earl, Lord Howe, for introducing the Bill and for the briefing he provided. He has always been careful to provide very thorough briefings. However, the constant theme that has arisen during this debate is the lack of detail. Many concerns have been raised as a result of the great trouble that we have envisaging how the measure will work in practice and be compatible with military requirements.

It is a pleasure to wind up this debate. Although it does not have the longest of speaking lists, it was a matter of "feel the quality, not the width". It was good that noble and gallant Lords spoke in a way that brought us up short. We so often have conversations about the military as though we are talking about industrial production and it is just another profession. The noble and gallant Lord, Lord Stirrup, hit the

point when he said that this is about targeted military action. The noble Lord, Lord Sterling, talked about having the finest force in the world. Let us not lose sight of the fact that the military is about having personnel who are able to kill people, and who are willing to risk their own lives doing so. Other than a very small part of the police force, no other sections of our community are employed to do this; it is a very special way of working.

There were one or two outlying speeches, but curiously enough they came back to this special point. The noble Lord, Lord Dannatt, talked about mental health and its problems. The noble Baroness, Lady Eaton, talked about family support. I think this comes back to the fact that when you put people in these difficult environments, which we believe is essential to our nationhood, for want of a better term, you have to peculiarly and specially support them. So I look forward to possible amendments from the noble Baroness, Lady Eaton, and, indeed, from the noble Lord, Lord Dannatt, if he ventures some—because we should treat these people whom we are asking to do special tasks in a special way.

Talking about individual speeches, I am afraid that I must dissociate myself and these Benches from the remarks of the noble Earl, Lord Attlee, which apparently suggested that women should be excluded from various tasks. I trust the military—

Earl Attlee: My Lords, to be clear: certain tasks. The Liberal Democrat Front Bench spokesman alluded to my speech, and did so very carefully. There are plenty of roles in the Armed Forces that women are brilliant at, but in my opinion there are some to which they are not suited.

Lord Tunnicliffe: I thank the noble Earl for that intervention. I will go on. Where it is reasonably practical, I do not believe that it is appropriate to exclude women on the basis that they are female. I believe that it is entirely appropriate for the military to set standards of physical performance required for a task. I entirely accept that will mean that in some areas the probability of women achieving those standards may be quite low, but the test should be: are they capable and is this reasonably practical? In that sense, I dissociate myself from the noble Earl's remarks.

But underlying all this, we support the principle behind the Bill, as I think does everybody. The Armed Forces have distinct, often highly demanding, working conditions. However, the distinct nature of life in the forces does not mean that we should not offer our loyal service men and women opportunities to work flexibly when circumstances allow. The world is changing about us and our institutions must change. My noble friend Lord Brooke described how reluctant organisations had subsequently found flexible working to be of value to them and their employees, and how problems could be overcome. Nevertheless, while accepting the general principle, we have reservations.

We have concerns that this shift may present a slippery slope that eventually coerces or even forces service personnel to reduce their hours to save the MoD money. I have total faith that the noble Earl, Lord Howe, would not do this, but I do not have total

[LORD TUNNICLIFFE]

faith that subsequent generations would not do it. In my career I have employed large volumes of labour to do jobs where the demand changed. Frequently, I would have given my right arm to have flexibility—to have that labour solely when I needed it and not to have to employ it when I did not. Flexibility is a way of saving money. Indeed, a number of noble Lords mentioned that—including the noble Earl, Lord Attlee. The noble Earl, Lord Howe, himself said that while this is not a money-saving issue, it will save money in recruitment and retention. But the fact that it is there and the continuous pressures on budgets will mean that people will be tempted—and it will not be straightforward; it will be pressures at various unit levels—to coerce and to use these devices to save money.

We on these Benches worry that junior personnel, who have already been subject to pay caps, may lose out if the introduction of flexible working is used to justify a decrease in the X-factor payment. Most of all, however, we worry about the lack of detail in the Government's proposals. Once again, I thank the Minister and his officials for the documents that they have provided so far. However, given that this commitment originates from the Government's 2015 strategic defence and security review, it is disappointing that your Lordships' House has not been presented with either a more substantial Bill or indicative regulations. The department's policy statement mentions that these proposals were drawn up following "consultation with service personnel". Again, we have not seen the detail. The noble Earl, Lord Howe, referred to a trial. Where was the trial, what sort of units were involved, and what was the impact on those units?

The noble Baroness, Lady Jolly, said, over and over again, that we need to see the detail. The Minister should know that there is one thing your Lordships' House does well, and that is detail. We need that in the Bill. I therefore hope that the Government will be more generous in providing information before Committee. Colleagues have asked legitimate questions during today's debate, and I hope that they will receive detailed answers, either in the Minister's remarks or by letter.

While the scope of the Bill is narrow, this debate has given us an opportunity to consider some related issues. In their 2010 SDSR, the Government committed to cutting 25,000 civilian jobs in the MoD by 2015. Unfortunately for the former Defence Secretary and current Chancellor, a miscalculation necessitated a further reduction of 3,000 civilian roles in order to come in on budget. Previous Governments of both parties have pursued a thoroughly sensible programme of getting the military out of uniform where they were effectively doing civilian jobs. It was a splendid programme that meant that you did not have people in uniform doing certain jobs, particularly in the increasingly complex areas of procurement, programming and all the various support roles the modern military needs. Instead they went into civilian jobs, where they could have a lifestyle like civilians, with the same flexibilities, and in general they cost less. There was almost a philosophy building up that people in the military—people in uniform—were the ones who did the real, active

military stuff. They were deployed overseas at notice, fought in the front line and manned combat platforms. I wish that that had gone on, because if it had, we would have a clearer distinction to talk about now.

Combined with the lowest-ever recorded levels of satisfaction with the basic rate of pay and pension benefits, it is little surprise that some see their future outside the Armed Forces. I hope that this is one of the areas being looked at as part of the wider Armed Forces People Programme, because the introduction of flexible working can be only part of the answer to the ongoing retention problem.

We all know that service personnel form close bonds with their units. These bonds see our service men and women go to great lengths for each other, working not only for Queen and country but for each other. This includes, at times, laying down their life to save that of a comrade. The noble Lord, Lord Dannatt, said that these arrangements must be used sparingly; the noble Baroness, Lady Jolly, said that there would possibly be unintended consequences; and the noble and gallant Lord, Lord Walker, was uncomfortable about how these geographic arrangements would work. We hope that all these issues can be overcome but, before we pass this legislation, we need to know just how it will apply.

This may not be a reason to oppose these measures but can the Minister confirm whether any thought has been given to the possible impact of some personnel in the same fighting unit having significantly different working patterns from those of their comrades? Can he say a few words about what steps, if any, would be taken by commanding officers to mitigate any issues that arose? The noble and gallant Lord, Lord Craig, talked about these matters and was worried about the concept of part-time working. He felt that the words themselves were somehow incompatible with commitment.

Can the Minister also commit to providing more information about the specific criteria against which applications will be judged and about how each of the forces will go about the constant task of assessing the compatibility of flexible working with their operational needs?

In conclusion, Labour supports any attempt to strengthen the rights of working people, whether in civilian life or in the Armed Forces. It is vital to ensure that the Armed Forces can recruit and retain the best talent. Providing flexible working opportunities has a potentially important part to play, but it is certainly not the only answer.

In the spirit of cross-party co-operation, referred to by my noble friend earlier, we very much look forward to working with the Minister and his team to improve this Bill and to improve the lives of our hard-working service men and women. However, we will need much more detail to understand exactly how the legislation will work.

5.52 pm

Earl Howe: My Lords, as always, and as the noble Lord, Lord Tunnicliffe, rightly said, we have had a good debate, and I thank noble Lords for their insightful contributions. I was very grateful for the supportive comments of many speakers regarding the Bill's purport.

I will try my best to respond to as many as possible of the questions and points that have been raised but I hope that noble Lords will bear with me if I do not manage to address each and every one today. I will of course write to any noble Lord where I have something to add.

I begin with the contribution of the noble Lord, Lord Touhig. I was disappointed by his sceptical reaction to the Bill. In fact, uncharacteristically, his remarks came over as sceptical bordering on the cynical. I just ask him to give some credit to the services. I believe that we need to support them, in the first instance, for having identified a gap in the current offer to the Armed Forces and, secondly, for coming up with proposals to address that gap in a way that reflects best employment practice in industry and commerce.

Indeed, I stress one key point to the noble Lord and to the noble and gallant Lord, Lord Walker. The new flexible working options have the full backing of the three services. They have been consulted and engaged throughout the design process, and they will continue to be involved as we implement the changes. As I said earlier, the chiefs of the services support these proposals, and they have regularly provided direction and guidance during their development. That development work continues, which is why I do not currently have all the answers requested by the noble and gallant Lord, Lord Stirrup.

As I said, we have consulted the services throughout this project and their advice has helped to shape the design of the new flexible working arrangements. We recently engaged with the three services' families federations, which have collectively said that they welcome the MoD's plans. We continue to engage with a range of key stakeholders, and that process will intensify as we continue to develop and finesse our policies in the lead-up to the introduction of the new arrangements in April 2019.

Let me deal with another misconception. There is no question of the services or the MoD imposing flexible working on anybody. Flexible working will only happen following an application by an individual. Far from imposing on regular personnel, these changes provide further protections to personnel in enabling them to achieve a better work/life balance to suit their circumstances.

The noble Lord, Lord Touhig, and the noble and gallant Lord, Lord Walker, suggested that this could all be a plot to reduce the pay bill and/or deprive people of pay. No it is not. The new arrangements have been designed with cost neutrality in mind. As I have stressed before, this change is predominantly about giving service personnel more choice over the way they serve. It will help the Armed Forces to retain our current personnel and to attract and retain future joiners. I thought that the question posed by my noble friend Lord Attlee was very apt: why should we lose personnel because of their family set-up? The answer is, we should not, and I hope the Bill will help us to address this.

Of course, those wishing to vary their commitment will see a commensurate variation in their reward. That variation will be fair and reasonable, both to those who work flexibly and to those who do not.

Pay will be calculated on a proportional basis. Further work is under way to determine the precise impact on pensions and the full range of allowances, against the principle that the outcome will be fair and proportionate. We already offer the ability to undertake flexible start and cease-work times for no loss of pay. However, the Bill is designed to offer the ability to work less than others. Therefore, it is right and fair to others to reduce pay proportionately.

As I have just said, flexible working should be seen as filling a gap in the flexible working arrangements already available in the Armed Forces. The noble Baroness, Lady Smith, was right to point out that flexible working is something of an umbrella term in this context. A number of formal flexible working arrangements, such as variable start and cease-work times, have been available for some years subject to local chain of command approval, but these invariably involve doing the same amount of work over a different working pattern, rather than a formal agreement to work less for less pay. We recently introduced a number of progressive flexible working changes, including new leave options and improvements for those taking career breaks, but these flexibilities are limited in their applicability and do not go far enough. As a snapshot, some 2,000 applications were approved across the services in the last six months, covering the various arrangements currently available.

The noble Baroness, Lady Jolly, asked whether the Bill could enable other types of flexible working, such as working from home. I have largely dealt with that and, as she will appreciate, that is not necessary because we already offer opportunities to work from home, as I know she is aware of from her own experience.

The noble and gallant Lord, Lord Craig, asked some detailed questions, including on entitlement to service accommodation. I reassure him that entitlement to service-provided accommodation is a key element of the conditions of service that support the mobility of personnel, and that entitlement will not change as a result of flexible working because it will not change personnel mobility.

The noble and gallant Lord also asked what this will mean for reserves. Reserves are already able to serve in a range of different commitments, so legislative change is not required for them. Under Future Reserves 2020 we have expanded reserves' terms and conditions of service to meet developing service needs, and there will be no change in entitlement to medical and dental services. Regulars will remain subject to service law at all times, even when they are working part-time. As the noble and gallant Lord knows, the duty to serve and obey, enforced through disciplinary action, is central to the functioning of the Armed Forces. It will remain essential for commanders to be able to issue lawful commands to personnel undertaking part-time or geographically restricted service. Those commands must be followed. However, it will clearly not be lawful for a commander to order a regular to attend for duty on one of their agreed days off or to serve outwith the prescribed maximum number of days of separation.

Keeping part-time regulars subject to service law at all times has the added advantage of absolute clarity for all. There will be no difficult questions for personnel

[EARL HOWE]

or commanders to consider about whether someone is or is not subject to service law on a given day. The noble and gallant Lord, Lord Craig, asked me a number of other questions and I hope that he will allow me to write to him on those.

However, what I can and should say to the noble and gallant Lord, Lord Stirrup, with great respect to him, is that this is not about flexible terms of employment. Regulars are not employed, so the legislation refers to terms and conditions of service. The noble Baroness, Lady Jolly, and the noble and gallant Lord, Lord Stirrup, asked about levels of uptake. The answer is that we expect a small but significant number to take up the new arrangements. We will manage expectations and explain that applications will be approved only where the MoD can accommodate the arrangements without unacceptably affecting operational capability. We expect that the majority of service personnel will remain on full-time commitment arrangements. So in answer to the noble and gallant Lord, Lord Walker, there will not be a specific cap on numbers, but the services will have full control over the number of people they can allow to work flexibly and will have the controls to vary this over time.

The noble Baroness, Lady Jolly, and others asked about implementation. We plan to allow the first applications from 2019, as I mentioned earlier, and we anticipate that applications and the services' ability to accept them will grow slowly. This will take careful management and a change of culture in some areas. Implementation will include a communication campaign, along with training and guidance for commanding officers and potential applicants alike.

The noble Lord, Lord Touhig, the noble Baroness, Lady Jolly, and the noble and gallant Lord, Lord Walker, asked about the decision-making process. Commanding officers will not make the final decision on applications to work flexibly. They will be considered by an approvals authority within each service at headquarters level, which will be informed by advice from the chain of command, manpower planners, career managers and other relevant parties. The process is still being finalised, but our aim is for an agile system that will be able to administer applications efficiently.

As regards the applications that are considered, of course some will be refused, as the noble Baroness, Lady Jolly, rightly anticipated. A new flexible working application is more likely to be refused if personnel are in a role that is delivering a critical output or is highly deployable, such as on a ship or in a high-readiness unit, or have already been warned to be ready to deploy to an operational theatre. An appeals process will be put in place to reconsider applications that have been rejected. Each service will have its own separate appeals review body, which will include career managers and other subject matter experts. Personnel will retain their right to enter a service complaint if their appeal is unsuccessful, which will have the oversight of the independent Service Complaints Ombudsman.

Let me stress again that maintaining operational capability will be at the forefront of any decision on allowing a serviceperson to temporarily reduce their

commitment. We will also retain the ability to recall personnel to their full commitments in cases of national crisis. We judge that in time this will enhance our national defence as it takes effect and we experience the benefits of improved retention, a more diverse workforce, and the ability to deploy a broader spectrum of our people, both regular and reserve, when and where we need them through the flexibility which this initiative will bring.

The noble Baroness, Lady Jolly, asked whether personnel will be able to join the services and take flexible working straightaway. My noble friend Lord Attlee was quite right on that point. We envisage that personnel will be expected to complete both their initial and trade training along with a period thereafter to settle in and consolidate their training before flexible working is considered.

The noble and gallant Lord, Lord Walker, asked about the legal risks of refusing applications. Decisions on applications will be subject to a robust process, taken at a senior level on advice, and, as I said, with an appeal available. A disappointed applicant will have avenues available to them to seek a remedy. Those appeals or complaints will be considered carefully, with oversight as necessary from the independent Service Complaints Ombudsman. As a result, we would not anticipate a rise in discrimination claims in this context.

The noble Baroness, Lady Jolly, raised an interesting point about workloads, wondering, if I can put words into her mouth, whether these arrangements will mean there will be more work for those who do not avail themselves of flexible working. We will manage the levels of flexible working permitted and therefore will be able to ensure that the right levels are maintained to deliver defence outputs. It is envisaged that capacity surrendered to flexible working arrangements will either be within reducible capacity or otherwise be sourced through other means, such as employment of reserves. Like other organisations with part-time workers, the organisation will change over time to better accommodate flexible working.

The noble Lord, Lord Touhig, asked what skills have been lost so far. I simply say that all personnel who depart take hard-won skills and experience with them, as he will know. Saving any of those skills will clearly help. While figures on the number of skilled service leavers are not held centrally, the Ministry of Defence is absolutely committed to ensuring that our personnel who leave the Armed Forces make a successful transition to civilian life.

The noble Lord also indicated that he would propose that new Defence Council regulations should be subject to the affirmative resolution procedure. The changes will be made by amending existing Defence Council regulations, which are subject to the negative procedure. The matters to be set out in new regulations will be procedural—the right to apply, the right to appeal and so on. The negative procedure is appropriate in this context.

The noble Baroness, Lady Jolly, asked what the prescribed circumstances would be to vary or terminate the new arrangements. These will be set out clearly in new Defence Council regulations, scrutinised as necessary by Parliament. The new arrangements will be terminated

only when absolutely necessary—for example, as I indicated, in a national emergency or when there is a major manning crisis.

The noble and gallant Lord, Lord Walker, suggested that we should prohibit those availing themselves of flexible employment from undertaking secondary employment. I simply say to him that this Bill is not about enabling secondary employment. Regulations already exist with stringent controls over the types and forms of employment that may be accepted, but only with authority. As in all cases, service duty takes precedence.

The noble Baroness, Lady Jolly, asked whether flexible working would affect someone's chance of promotion. Many factors affect promotion, as she is aware, but a period of flexible working will not of itself impact on promotion. In designing the new arrangements we have agreed a number of principles with underpinning activities aimed at ensuring that very thing. These include that we would wish to avoid intentional or unintentional career penalties for those who undertake flexible service. We will create the opportunity for individuals to maintain or regain career momentum. We will seek to maximise accessibility of transfer between the regulars and reserves in both directions by minimising negative career impact. When one thinks about it, a decision on promotion is very largely forward-looking, rather than looking back. It is very substantially about the person's potential.

The noble and gallant Lord, Lord Walker, asked whether personnel would be able to dodge deployments. In the right circumstances some will be able to avoid being deployed, but a request on those lines will be approved only where the service can continue to deliver its operational capability. It will be refused where that cannot be achieved. Protection from deployments for a limited period where possible will retain some of our skilled personnel.

The noble Baroness, Lady Smith, asked how personnel would find out about flexible working. We have a communications plan in force already to build on the reality of the flexible duties trial, but I shall be able to give her further particulars of that in due course.

My noble friend Lord Sterling raised the important issue of service ethos and was worried that our proposals might damage it. I hope that, as the Bill proceeds, I can convince him that that will not be so. In fact, we expect that the arrangements will enhance ethos over time by helping us to retain and recruit the best people for defence. The evidence that we have gathered from published research literature, consultation with our people, surveys and an ongoing trial tells us clearly that personnel have reported consistently that the impact of service life on family and personal life is the most important factor that might influence them to leave. The three most frequently cited benefits of flexible working are that it helps employees to reduce the stress and pressure they feel under, it enables better work/life balance and it encourages people to stay with their current employer.

I was grateful to my noble friend Lady Eaton for her contribution about family stability and support. I will write to her about the points that she raised. I should be glad if she could provide evidence of the

gaps that she feels exist and that are not currently provided for by other statutory bodies in family support, so that I can understand what type of additional support she feels is needed by service families. We need to understand whether families want that additional support, because finding a balance between paternalism and an intrusive approach against making that support readily available is clearly very important.

I listened carefully to the noble Lord, Lord Dannatt, who argued for better mental health service availability for serving personnel. I will gladly follow up the points that he raised after this debate. I also listened carefully to the noble Lord, Lord Brooke of Alverthorpe, regarding his Private Member's Bill on the abuse of military honours. The Government were well disposed in principle towards the Bill introduced in the previous Parliament; I should be happy to talk to him about the introduction of a similar Bill in your Lordships' House and the scope for giving it appropriate debating time, which of course is a matter for the usual channels. We explored whether it might have been possible to amend this Bill in the sense that he has suggested, but the advice that I had was that it was not within the scope of the Bill's Title. As I have said, I would be glad to talk further to the noble Lord.

Lord Tunnicliffe: Where the Minister responds in writing to Members, I would be grateful if he could copy it electronically to all of us who have taken part in the debate.

Earl Howe: I should be glad to do so.

I am conscious that in the time available I have not responded to the noble Earl, Lord Listowel, on his concerns about families, the noble Baroness, Lady Burt, on BAME recruitment and other matters, and the noble Baroness, Lady Smith, on families' accommodation. I will do so, however, in writing.

I hope that, despite the reservations that have been voiced, this Bill will receive a fair wind from your Lordships. Our Committee proceedings will doubtless enable us to explore a number of areas of detail about which, quite understandably, noble Lords have raised questions. Until then, however, I commend the Bill to the House.

Bill read a second time and committed to a Committee of the Whole House.

Gulf Countries and Qatar *Question for Short Debate*

6.15 pm

Asked by Lord Collins of Highbury

To ask Her Majesty's Government what steps they have taken alongside Gulf countries to de-escalate tensions in the region; and what action they are taking to encourage Qatar to engage with its neighbours regarding concerns about extremism.

Lord Collins of Highbury (Lab): My Lords, there are many combustible areas in the world today, but few involve allies of this country, as this situation does. The timeframe in which this crisis has developed, even by modern standards, has been incredibly fast.

[LORD COLLINS OF HIGHBURY]

On 5 June, the quartet of countries Saudi Arabia, the United Arab Emirates, Egypt and Bahrain cut diplomatic ties with Qatar, accusing it of destabilising the region. The measures include closing airspace to Qatar Airways. On 8 June, Qatar vowed that it would not surrender the independence of its foreign policy. On 23 June, Qatar was given 10 days to comply with a 13-point list of demands, including shutting down the Al Jazeera news network, closing the Turkish military base, cutting ties with the Muslim Brotherhood and curbing diplomatic relations with Iran. On 1 July, Qatar's Foreign Minister said that the state had rejected the demands but was ready to engage in dialogue under the right conditions. On 3 July, Saudi Arabia and its allies extended by 48 hours the deadline for Qatar to accept their list of demands. On Friday, Qatar again denied links to extremism and dismissed the allegations against it as baseless. Then in a joint statement the quartet accused Qatar of blocking all efforts aimed at resolving the rift, adding that Qatar intends,

“to continue its policy aimed at undermining the stability and security of the region”.

The quartet vowed to take all necessary “political, economic and legal” measures against Qatar “in due time”. They did not specify what those steps could include, although officials have previously suggested they could intensify efforts to isolate Qatar economically.

The Foreign Secretary, Boris Johnson, spent the weekend shuttling between the major regional capitals urging both sides to de-escalate the dispute. He met the Saudi Crown Prince, Mohammed bin Salman, and Abu Dhabi's Crown Prince, Sheikh Mohammed bin Zayed Al Nahyan. Is the Minister in a position to share what was said at that meeting? Did the Crown Prince indicate how they were going to act on Qatar following the country's refusal to agree to their demands? Of course, Crown Prince Mohammed bin Salman is a key player in the crisis, and his elevation as successor to King Salman is seen as an endorsement of his plans to overhaul the kingdom's economy and aggressively confront Iran in the Middle East.

I have raised previously the report on the foreign funding of extremism in the UK that was commissioned by David Cameron and given to the Home Secretary and the Prime Minister in 2016. We do not know its contents or conclusions, but we were made aware by the Home Office Minister, Sarah Newton, that it had,

“improved the Government's understanding of the nature, scale and sources of funding for Islamist extremism in the UK”.

If that is so, can the Minister inform us whether the report has also improved our understanding of relations in the Gulf and whether it has had any implications for the UK's efforts to de-escalate the current crisis?

The demands on Qatar, as I have said, include closing down the television network Al Jazeera. His Excellency the ambassador for the United Arab Emirates has written to me, and no doubt to other noble Lords, suggesting that there is a clear difference between the content of its English and Arabic language channels. Is the Minister in a position to say whether the Government share this concern? What is their view on the further erosion of the right to freedom of speech in a region where it is already extremely limited?

The decision of the quartet not to respond immediately with fresh measures may, I sincerely hope, reflect the diplomatic efforts to ease the dispute. President Trump spoke with the Egyptian President al-Sisi on Wednesday, urging all parties to negotiate constructively to resolve the dispute. The tone was more balanced than his previous statements, which had offered unbridled support for the Saudis. The US Secretary of State Rex Tillerson is currently in Qatar and will be travelling to Saudi Arabia in an effort to help broker a resolution to the crisis. His senior adviser has said that Saudi Arabia's preconditions for restoring diplomatic and economic relations with Qatar are not realistic, and that the negotiations did not make any progress and the conflict could last for several months. However, just today Qatar signed a new agreement with the United States to further strengthen their co-operation on combating terrorism and its financing—it is the first and only country in the GCC to do so. Qatar believes that this memorandum of understanding should serve as a model for others in the GCC to create such a framework with the US to unite in the fight against terrorism.

What is the Government's assessment of this latest development? Is this something the Minister believes the UK could or should be part of? What discussions are the Government having with the US to take on such initiatives and progress a resolution to the dispute? If prolonged hostility between the Qataris and the Saudis drives the Qataris towards Iran and Turkey, that would be the opposite effect to that desired by the Saudi bloc. Turkey has moved closer to Russia and Iran over the Syria conflict, and such a crack in the previously pro-western GCC bloc would further weaken the western position in the region.

As Boris Johnson has said,

“Gulf unity can only be restored when all countries involved are willing to discuss demands that are measured and realistic”.

He has repeatedly called on the Gulf states,

“to find a way of de-escalating the situation and lifting the current embargo and restrictions, which are having a real impact on the everyday lives of people in the region”.

The Prime Minister's spokesperson has said that,

“Qatar should continue to build on the progress it has already made to address the scourge of radicalisation and terrorism in the region, in partnership with its Gulf allies”.

Today we have seen some evidence of that with the MoU.

The demands made on Qatar seem impossible to deliver and, therefore, no exit is clear. Forcing allies to choose when that choice is impossible to deliver also leads nowhere. To avoid the terrible consequences of a new conflict in a region already torn apart, a new bridge needs to be found, and I very much hope that the Minister will tonight be able to inform the House on the steps this Government are taking to find that bridge.

6.24 pm

Lord McInnes of Kilwinning (Con): My Lords, I am sure I speak on behalf of all noble Lords when I thank the noble Lord, Lord Collins, for bringing this enormously important topic before your Lordships' House. It is important to emphasise from the very beginning what a difficult but pivotal position Her Majesty's Government find themselves in over the current Gulf dispute. There is

no doubt that on both sides there are specific British interests that must be protected. Probably more important, however, would be the damage to the equilibrium of the Gulf states and the wider Middle East by allowing this dispute to escalate further. As we celebrate the defeat of ISIL in Mosul, we cannot allow our common front to be undermined. In many ways, the current dispute comes from the independent foreign policy path followed by Qatar at the same time as other Gulf states have sought an increasingly unified foreign policy, led by the Saudis and the United Arab Emirates.

On both sides of the dispute, there is a strong partnership between the United Kingdom and, on one side, our friends and allies Saudi Arabia, the United Arab Emirates, Bahrain and Egypt, and, on the other, our equally essential global partners Qatar and Turkey, while the outcome of the dispute relies on successful mediation by our friends Kuwait and Oman. We therefore have a unique opportunity to ensure that British influence is an integral part of keeping pressure on all parties to ensure a successful de-escalation of the dispute, at the same time as ensuring, importantly, that all accusations of terrorist support are properly investigated in a transparent way that the world community can have confidence in.

The ultimatum delivered to Qatar undoubtedly raises issues that are of concern to all of us in your Lordships' House. As the noble Lord, Lord Collins, said, the accusations of terrorist support made by a number of Gulf states have been in the public domain for 10 to 15 years. In my opinion, the current crisis is a product of three factors: the growth and viability of political Islam; the ongoing conflict and civil war in Syria and Iraq; and Iran's interest in proxy wars throughout the Middle East.

The war in Syria and Iraq has produced a game of three-dimensional chess involving ISIL, Iran, Assad, Syrian rebels and Russia. How can one doubt, therefore, that any unanimity among the Gulf states is going to be pried apart in this kind of conflation? The joint foreign policy of the GCC countries has been most dramatically undermined in relation to Iran's involvement in Syria, Iraq and Lebanon. While Qatar and Oman have demonstrated the ability to retain dialogue and influence in Tehran, the other Gulf states, principally the Saudis, have become further entrenched in moving further away from Iran, which can only bring about further suspicion within the GCC. At the same time, Qatar's apparent support and protection for the Muslim Brotherhood and the political Islam favoured by our own NATO ally Turkey has put Doha on a collision course with Abu Dhabi and Riyadh. Qatar's foreign policy has reached a point where it is difficult to see how there can be a joint foreign policy within the GCC.

It now seems incredible that only 10 or 15 years ago there was a realistic expectation of a joint foreign, currency and defence policy within the GCC. I applaud the efforts of my right honourable friend the Foreign Secretary in his personal commitment to find a way out of the crisis. In repeatedly asking that any demands be reasonable, Her Majesty's Government have set the correct tone to avoid further escalation. All accusations of terrorist involvement must be dealt with but there is

a balance of reasonableness in all things and demands cannot be premeditated to be impossible to fulfil. One is reminded of the Austro-Hungarian ultimatum to the Serbians in 1914: there was no way out. We cannot allow this position within the GCC to continue and we must do all we can to ensure that there are ways out for all involved.

Equally, there must be found a means by which a path towards compromise can also be found in Doha. The Qatari people are now suffering because of the country is seen as being too close to Iran as well as to terrorist organisations. The Qataris must be prepared to work with other states to demonstrate continuing vigilance on both these issues.

Only through this kind of constructive engagement can the UK, France and the United States ensure that agreement can be reached. I am glad that the US Secretary of State Rex Tillerson has dampened down the expectation that the Americans would take a belligerent attitude to Qatari interests. In fact, in the past 24 hours, that position has changed quite remarkably. It is no one's interest that Qatar is pushed into the warm embrace of Iran. I am very pleased that Her Majesty's Government have taken such a sensitive approach to this dispute and I urge the Minister to reinforce the current trajectory of ensuring realistic demands from the Saudis and the United Arab Emirates as well as transparency from Qatar in dealing with terrorist organisations and their financial support. However, I shall finish on the point that Qatar is a sovereign nation and its foreign policy objectives cannot be completely constrained by its neighbours.

6.31 pm

Lord Hain (Lab): My Lords, the current stand-off against Qatar exposes fundamental and dangerous fault lines in the region which are a recipe for continued conflict from Syria to Yemen. The Qatar crisis also highlights the acute contradictions in British Middle East policy. These regional divisions have seriously complicated the attack on Islamic State/Daesh. For the past two years, military action against ISIL in Syria has enjoyed the participation of countries in the Middle East: Jordan, Saudi Arabia, United Arab Emirates, Bahrain, Qatar and, belatedly, Turkey, but whereas Saudis, Qataris and Kuwaitis have openly and generously funded radical Syrian Islamist groups, including indirectly, and perhaps inadvertently, ISIL, the Emirates have not. Abu Dhabi has been much more cautious: keen on a transition from Assad but commendably concerned that this does not open the door to jihadist fundamentalism. Meanwhile, Kurdish leaders have pointed the finger in particular at Turkey and Saudi Arabia, accusing the British Government, among others, of hypocrisy for supporting those countries while trying to get rid of ISIL. Qatar is never far from these criticisms either.

These divisions have intensified following the Saudi-led blockade imposed on Qatar in June, supported by Egypt, the Emirates and Bahrain, and noisily backed by President Trump, though not, it seems, the US State Department. These states resent Qatar for a variety of reasons: its independent foreign policy, its relationship with Iran, its sympathy for the Muslim Brotherhood, its hosting of the irreverent Al Jazeera

[LORD HAIN]

television station and its sponsorship of jihadi groups. The latter is ironic because the Saudis have long exported their fundamentalist Salafi ideology promoted by jihadis.

The principle of free media and free speech inherent in the largely ex-BBC staffed English Al Jazeera television channel seems to be under attack in a region not noted for a free media, but there are legitimate complaints from Abu Dhabi and others about Al Jazeera's Arabic channel. If one is to believe the accuracy of the reports of some of the translated content, there would appear to be little doubt that it has had, and still has, presenters and commentators who have permitted and, in some cases, have engaged in, commentary which can be described as hate speech: for example, the promotion of Sunni/Shia sectarianism and openly anti-Semitic views. Some extremist Islamists, such as al-Julani of Syria's al-Nusra, have appeared on Al Jazeera Arabic. The channel has also interviewed Qaradawi of the Muslim Brotherhood, who is banned from entry into the UK and who is on record as having spoken approvingly about what Hitler did to the Jews in the Second World War. Figures such as these have been allowed to put forward repugnant views without being challenged and, on occasion, have even been endorsed by Al Jazeera commentators.

Additionally, Qataris and others, who have been designated by the US and the UN and, in some cases, by other states, for involvement in the raising of funds for terrorist activities have been permitted by Qatar to continue to operate, prompting complaints by the US Department of the Treasury. To further complicate matters, Turkey has airlifted 1,000 troops to Qatar in an act of solidarity against the blockade, and President Erdogan has criticised Saudi Arabia, where the recent elevation of Mohammed bin Salman to Crown Prince and his apparent appearance to herald a more aggressive foreign policy.

Qatar of course hosts the largest US airbase in the Middle East, with 10,000 US troops. Qatar is the world's largest exporter of liquid natural gas, LNG, and has an estimated \$335 billion—£254 billion—strategically invested globally, with billions pumped into the UK and US economies. Certainly, Britain relies heavily on Qatari gas and Saudi oil, as well as lucrative sales of military equipment to them. Meanwhile, across the region, Iranians, as Shiites, sponsor Hezbollah and other militias; Saudis and Qataris, as Sunnis, sponsor al-Qaeda and other jihadists including ISIL, helping unleash a monster aimed at them.

It seems to me that two minimum conditions are necessary to bring Qatar back into the fold and stabilise the region. First, Britain has to adopt a more even-handed stance between Riyadh and Tehran. Historically we have had close relations with the Saudis for obvious reasons: oil purchases and defence equipment sales. That has meant Britain aligning, as the US has, with Saudi opposition to Iran. Both countries have poor human rights records, although Iran at least practises democracy. Both have their malign proxies in the region: Iran has Hezbollah; the Saudis have jihadis. The open war in Yemen between the Saudi-led coalition and Iranian-linked Houthi rebels is disastrous for Yemenis.

Since 2011, an intra-Sunni battle for regional influence has driven this instability, with Saudi Arabia and the Emirates lined up against Qatar and Turkey. At the same time, the Saudi-Iranian struggle for regional dominance has been worryingly escalated. After the Arab spring uprisings, Sunni states vied with each other for influence by supporting rival Islamist groups, with the Muslim Brotherhood being promoted by Qatar and Turkey, but Saudi Arabia and the UAE viewing it as a real threat.

In Egypt, Abu Dhabi and Riyadh actively supported the military coup that deposed the Qatari and Turkish-backed Muslim Brotherhood President, Mohamed Morsi; in Libya, the two blocs backed opposing parties in the civil war; and in Syria, Qatar supported al-Qaeda-linked networks where Salafist Islamists were backed by Saudi Arabia. Meanwhile in Bahrain in 2011, the Saudis, fearing increased Iranian influence, intervened in 2011 to stop a Shia-led human rights uprising.

In many ways, the situation in Qatar is now serving to re-entrench these battle lines. Riyadh and Abu Dhabi's main problem with Qatar relates to Doha's support for Sunni groups that compete against the former's regional proxies, not just what they criticise as Al Jazeera Arabic's encouragement of agitation. Qatar shares with Iran a gas and oil shelf across the Arabian Gulf and so has an immediate economic interest in better relations with Iran, but then there are similar economic links between the Emirates and Iran. Yet Qatar has supported action against Iranian militias in Syria and Yemen, with some of its soldiers wounded in Yemen fighting for the Saudi-led forces.

Perversely, President Trump's bumbling bellicosity in the region could actually strengthen Iran's position, just as the Saudi-led military intervention in Yemen increases Iranian influence there. Unless the US and Europe are prepared to embrace regional ownership of the region's conflicts and to put the onus on its states, above all the Saudis and Iranians, to find a common solution together, there seems to be no prospect of establishing peace and stability in the Middle East. Despite the benefits of getting rid of Saddam, Iraq is a salutary case study of how western intervention can go disastrously wrong.

The Qatar crisis and President Trump's confrontational stance toward Iran are intensifying regional divisions, in turn threatening peace in Libya, Syria and Yemen. Meanwhile, Tehran has entered a US-military declared no-go zone in Syria and blamed Riyadh for an ISIL attack on Tehran.

Iranian and Qatari malevolence in the region is matched by the Saudis and the Turks. Therefore, the West will not achieve progress, stability and peace by continued partisan interventions and aggressive confrontations. Diplomacy, engagement and mutual respect should be the priority, not coercion, polarisation and bombast against Iran from Riyadh and Washington, to supine approval from London.

Instead, Britain should be making common cause with both Saudi Arabia and Iran to fight a common ISIL enemy and seeking to dissuade Turkey from its sectarian rule, encouraging a realignment of Middle East politics to overcome its bitter and violently corrosive fault lines, of which the Qatar crisis is merely the latest and worrying symptom.

6.40 pm

Lord Hussain (LD): My Lords, Saudi Arabia, Egypt, UAE and Qatar are all friendly countries to Great Britain, and we value their friendship. No doubt we would like to see peace and prosperity enjoyed by all these countries. I have had the opportunity to visit UAE and Qatar for my holidays and have visited Saudi Arabia on a pilgrimage—known as Umrah. I enjoy watching Al Jazeera, the English news channel. Hence, I have come to learn a little bit about the cultures and way of life in these countries, which are in many ways very different from one another.

I also had the opportunity of meeting the speaker of the Federal National Council of the UAE, Dr Amal Al Qubaisi, and, more recently, met the Qatari Foreign Minister, Sheikh Mohammed bin Abdulrahman Al Thani, during a visit to the British Parliament.

With regard to the current crisis, on 23 May 2017, the Qatari news agency gave details of a speech by Sheikh Tamim bin Hamad Al Thani in which he apparently offered praise for Hamas and Iran and criticised other GCC Governments—except that he did not. The Qatari Government hurriedly announced that the official news agency site had been hacked, but it was too late to stop sharp reaction from other Gulf Cooperation Council states, led by Saudi Arabia. The hacking claim may be true, but the views expressed were close to the known opinions of the Qatari leadership.

Saudi Arabia, the United Arab Emirates, Bahrain and Egypt broke off diplomatic relations with Qatar. Other states aligned with the Saudis, including Mauritania and the Maldives, and the exiled Government of Yemen followed suit in breaking off diplomatic relations. Jordan and Djibouti downgraded diplomatic ties. Saudi Arabia, the UAE and Bahrain closed borders to Qatari shipping and aircraft and gave Qataris two weeks to get out of their respective countries while at the same time ordering their nationals to leave Qatar. The scale and speed of the Saudi-led reaction suggested that the moves had been planned in advance.

The Qatari Government are variously accused of supporting ISIS and al-Qaeda terrorism in Saudi Eastern Province and Manama, the Bahraini capital, and the Houthi rebels in Yemen. Qatar and the UAE have supported different militias in Libya that fought each other. Some have gone as far as to describe the clashes in Libya as a proxy war between the Qataris and the Emirates. That has been one of the factors that has prevented stabilisation in Libya.

The accusation of supporting terrorism is applied liberally in the Middle East: Iran, for example, regularly accuses the US and its allies of supporting terrorist organisations. Qatar's definition of legitimate organisations may have been broader than that of Saudi Arabia and the UAE. Saudi Arabia has gradually moved from an equivocal position to one closer to the UAE: that all Islamic organisations should be treated as terrorists. The US Government said in 2014 that Qatar was a permissive jurisdiction and, along with Kuwait, was financing terrorism—but later praised its efforts to ban it.

Qatar funded and developed Al Jazeera, a news organisation with a relatively objective output, as long as it is not talking about the Qataris. Al Jazeera has

not been shy about including content critical of other Gulf states. It has given a platform to the Muslim Brotherhood and supporters.

Since the crisis started, the Saudi-led coalition has given a long shopping list of demands from the Qatari Government. There are 13 points, including: curbing diplomatic ties with Iran, Syria and all those tied to terrorist organisations; shutting down Al Jazeera; shutting down news outlets that Qatar funds; immediately terminating the Turkish military presence; and so forth. Qatar has responded and the US Secretary of State, who is visiting the area today, told reporters in Doha that the Qatari Government had reasonable views in the month-old diplomatic crisis with Arab neighbours. Qatar is quite clear in its position, which is very reasonable—that is what Tillerson said on his arrival in Doha today.

As we have heard, the situation in the area is escalating, at a time when there are already tensions and wars in Yemen and Syria. Iraq is not peaceful either. Therefore, it will be another disaster if any form of military action becomes an option in these crises. We have to learn from our past. In 1990, when Saddam Hussein was talking about taking over Kuwait, the international community perhaps did not respond as quickly and as sharply as it should have. That gave an indication to Saddam Hussein that perhaps his views were accepted. He took advantage and we know what happened: he captured Kuwait, which led to the first Gulf war—with the dire consequences that we all know.

What are the Government doing to de-escalate the situation and to make sure that military action is not an option? Whatever disagreement there is between the states, there should be no military option. Saudi Arabia accuses Qatar of supporting extremist organisations. But many more fingers from around the world will be pointing at Saudi Arabia than at Qatar, for supporting extremists and terrorists. This is not the time for a blame game. We need a resolution of this crisis, and it is only right that Britain should play its role. We have huge respect in that region, and no doubt around the world, and we should use our good offices to bring these countries together and de-escalate the present crisis as much as we can.

6.49 pm

Lord Desai (Lab): My Lords, it is not really an interest to declare, but I have appeared frequently on Al Jazeera, and did so even before it started, because it used me as a person on whom to train their interviewers.

The puzzle about this issue is—what is going on? It makes absolutely no sense on a logical level. Countries known to back extremists and jihadists are accusing each other of backing extremists and jihadists. They may be saying, “My jihadist is better than your jihadist, therefore I can back mine but you are a villain to back yours”. When I was speaking yesterday on the security debate, the noble Lord, Lord King, asked me why I had not talked about Shias and the differences there, when I talked about Middle East history. Of course, the Shia-Sunni problem is there. But the puzzle is that Gulf Cooperation Council countries have been behind the scenes financing and backing the very hard wars going on in Syria and before in Libya and elsewhere.

[LORD DESAI]

They were like puppet masters, manipulating things. That is a continuation of the Middle East war, which has been going on for at least the last 10 years, if not longer, but is now coming closer to home.

One never knows in these matters, but it may be that President Donald Trump did not quite understand the dynamics of what is going on in the Middle East and that in his first big trip abroad, talking to all his friends, he revealed something that the CIA knew. Perhaps he said to the Saudis, “Let me tell you a secret—did you know that these guys actually support so and so?”. I am just guessing, because there is no reason otherwise why these people, who knew what each other were doing, should suddenly break up.

Now that the Syrian war is about to end and ISIS has been temporarily defeated, the war will move very close to essentially a Shia-Sunni war. Qatar is the friendliest Sunni country for Iran—and it is also a fairly rich country. I am just guessing that basically the Middle East is preparing now, I would not say for a final confrontation, because these things go on for ever and ever, but for the confrontation going on in the GCC region. The war is coming home, and it is partly to do with American suspicion of Iran, but also because the Saudis are trying to get more ambitious about the leadership of the GCC. I see absolutely no reason why anyone should think that the GCC should have a common foreign policy. The ASEAN does not have one, so why should the GCC? What nonsense is this?

I would have very low expectations of success if we intervened, either for us or for the Americans, because we have very limited cachet with these people. We sell them arms and we buy their oil—but we sell arms to all of them and buy oil from all of them, at least with the GCC countries. So we have to be careful, when we go diplomatically mediating, that we do not do something that means that finally the whole thing is blamed on us and everybody else escapes blame.

I have fears that this thing is not going to be settled any time soon. I suspect that America basically wants to get back into the Iran question and break the accord that Obama and the EU have carefully constructed. The voter base from which Trump comes did not like the Iran settlement; the Republican Party does not like it and wants to disrupt it as soon as it can.

As an economist, I can offer explanations without being anywhere near the real world. This is a crisis in which we should be very careful not to assume that the quarrelling parties necessarily want peace. Let us hope they do not fight, but it is going to be very difficult to avoid it, especially because Turkey is spoiling for some larger role in the area and its friendship with Iran has been growing. We could get into very troublesome waters. I urge Her Majesty’s Government to inform us, from whatever knowledge they can reveal, whether there is a serious, rational explanation of what is going on. As I said before, it makes no sense in ordinary terms. I therefore believe that, as in many previous wars, the two parties are spoiling for conflict. That has happened before and it will happen again.

6.56 pm

Lord Luce (CB): My Lords, it is always a pleasure to listen to the noble Lord, Lord Desai. I certainly go along with his cautioning words about this current, dangerous dispute. I also congratulate the noble Lord, Lord Collins, on his quite brilliant sense of timing in bringing up this issue now. I agree with all the noble Lords who have said that this dispute is dangerous. The countries of the Gulf, particularly Saudi Arabia and Qatar, are on the verge of pressing a self-destruct button. It is urgent that they pull back quickly and try to unravel this dispute. We debated the Middle East last week and, as we all know, it is in absolute turmoil. However, relative to their neighbours, the Gulf states have hitherto managed to remain relatively stable over the decades. They are all friends of ours and it is in all our interests that these differences between them are resolved satisfactorily. We all know that there have been long-standing tensions and disputes between those countries: border disputes between Bahrain and Qatar and between Saudi Arabia and some of the other neighbouring states. However, they are now playing with fire, particularly in the current atmosphere in the Middle East. They could be pushing Qatar towards the hands of Iran, which is no help to anybody.

In some of the speeches so far, noble Lords have reflected on the reasons for this current tension. One is, of course, the current turmoil in the Middle East, with the arguments and disagreements which have emerged on which Islamic groups and militias should be supported in Syria, Libya, Yemen or Lebanon. Beyond that, as other noble Lords have said, there is the Saudi/Iranian tension: the rivalry for regional power status through proxy wars on both their parts, which provides a tinderbox that could blow up at any point into a wider conflict. The third reason is Qatar and its history. With its wealth since the 1980s, it has wanted to strike out independently in its foreign policy, without much clarity of purpose, in countries like Sudan, Libya and elsewhere. It has practical arrangements with Iran—the fresh water pipeline and joint co-operation on gas production—which make sense and are good. However, even since the 1960s, Qatar has tended to support the Muslim Brotherhood, much to the disagreement of many of the other states. There is much to discuss about the Muslim Brotherhood, which believes more in the unifying of religion and politics as opposed to the views of other Arab states. Let us remind ourselves that the Wahhabi movement, which emerged in the 18th century, has from time to time done quite a lot of damage in terms of fomenting violence. I do not want to overstate this but I think that we have to take both points of view into account.

The noble Lord, Lord Hain, and others emphasised and made absolutely plain the interdependence not only between the Gulf states but internationally as well. Qatar has the Al Udeid air base with United States troops and is the main supplier of liquefied natural gas around the world, including to Asia and Europe. Indeed, one-third of our LNG imports are from Qatar. Thirty per cent of all the daily gas supplies of the United Arab Emirates are from Qatar. As the noble Lord, Lord Hain, said, the investment overseas

is something like £254 billion, so the interdependence is enormous. No country can afford to damage that. Therefore, we come to the question of our position. There has been a slight tendency to suggest that we should intervene and do this, that and the other, as we are a post-colonial power. However, we are a long-standing friend of Gulf countries. It is in our interests to remain positive in the dialogue that we have with them. After all, we also have to accept that in the last recorded year, £30 billion-worth of trade was done between this country and the Gulf. There are 166,000 British citizens in Gulf countries. Therefore, the Gulf is very important to us, but in my view not just in terms of trade and security but also in terms of people-to-people contact, education, healthcare and culture. It is important that we have this link in all fields.

As has been implied already, the GCC has not been a powerful grouping of nations. Nevertheless, it is a forum for them to get together. They are all different countries, as we know. Oman, for example, is quite distinctive and through history has had a very close relationship with Iran. That is, and should be, very valuable, to the Gulf states, particularly Saudi Arabia, at this time of tension. We can argue about whether their monarchies are likely to survive but that question was argued about in the 1970s and they are still there. We might contemplate what might happen if they did not survive. The alternative could be far worse.

Therefore, the question is: what should the United Kingdom Government do? First, we should not interfere and take sides. Secondly, we should not accept that external powers, including us, should be asked to choose between their relationship with Qatar and their relationship with the other Gulf states. That is unacceptable. We must do whatever we can in this post-colonial age to look at constructive ways forward. I suggest one thing only, and I would be very grateful to the Minister if she could comment on it. Last December in Bahrain, our Prime Minister formulated a strategic partnership between the GCC and the UK, and attended that important meeting. It set out the common interests between ourselves and the Gulf countries. I highlight specifically, and ask the Minister to comment on, the following.

Two paragraphs in the communiqué refer to counterterrorism and counterextremism, including in relation to Daesh and al-Qaeda. They also refer to the need for us to address the acute threats posed by these organisations, and to set up a working group on counterterrorism and border security and to look at the financing of extremist groups. The second paragraph refers to the countering of external and internal threats, where we agree to co-operate and set up a national security dialogue. That gives us the basis upon which we can establish and try to discover more common ground with all our friends in the Gulf—not just Qatar but Saudi Arabia and all those countries. This agreement gives us the forum and the framework in which we can try to do that.

I would like to think that the dialogue has already started—I would like to hear from the Minister whether it has. We should be establishing what groups and what individuals in the Middle East pose a threat to stability in the Gulf and to Britain and the West as well.

We need to define what we mean by “Islamist groups” and establish how much damage each of them can do through an effective system of monitoring which can identify where secret funding is taking place. In this way we might contribute, in a modest way perhaps, to restoring trust and stability. I will be grateful if the Minister expands on this to say what we are doing about that new and important agreement.

7.06 pm

Lord Judd (Lab): My Lords, I am glad to follow the noble Lord, with whom, not infrequently, I find myself in much agreement. I declare an interest as a member of the All-Party Parliamentary Group on Human Rights; in the context of what I will say tonight, that is an important interest to declare.

The current escalating spat between the Saudi Government—along with other GCC member state Governments—and Qatar, over Qatar’s alleged support for terrorism and ties with Iran, risks being at the very least a dangerous threat in the global fight against extremism, and at worst will result in further polarisation and violent conflict in the Middle East, as has been argued in this debate.

Steps need to be taken by the international community, including the UK, to do all we can to ensure that this situation is de-escalated as soon as possible. Every GCC country needs to take a hard look at what they should be doing to tackle extremism—including of course the Saudis in regard to the propagation of hard-line Wahhabi/Salafist thinking in other Muslim countries, not to mention their appalling record on human rights in their approach to Yemen.

Although Al Jazeera is far from perfect—for example, falling short of impartiality at times, and in its inexcusable lapses on the issue of anti-Semitism—the demand that the Qataris should shut it down is clearly neither wise nor acceptable. What should be encouraged is greater, not less, transparency and accountability in the Middle East.

In the context of the dispute with Qatar there is a very real human cost as well: thousands of people in the Gulf—particularly families with mixed GCC nationality couples—face the prospect of their lives being further disrupted and their families torn apart by new arbitrary measures announced by Saudi Arabia, Bahrain and the United Arab Emirates for Qatari nationals to leave their countries. Sadly, reciprocal measures by the Qatari Government are now being enforced.

Statements by the authorities in Saudi Arabia, the UAE and Bahrain that people will be punished for expressing sympathy towards Qatar or criticising government actions have contributed to the climate of fear spreading across the region.

The sad reality is that Qatar commits a number of serious human rights violations, not least in its treatment of foreign workers. The latest news is that the Qatari Government have imposed a ban on workers—citizens and approximately 2.2 million expatriate workers, mostly from Asian countries—taking annual leave. They will be prevented from having any meaningful relaxation. The ban will hit particularly hard the workers in companies overseeing the construction of projects for the 2022 FIFA World Cup, and it may result in serious

[LORD JUDD]

and fatal work accidents. In addition, the blockade on Qatar will result in many migrant workers facing an even more difficult future, with fears of soaring prices of food and staple goods, unpaid wages, lay-offs and destitution if they are shipped back home before they have earned enough to pay off the exorbitant recruitment fees that they paid to seek employment in Qatar.

More generally, the crisis is a reminder that all Gulf states should continue their efforts to reform the exploitative elements of the kafala system—sponsorship-based employment that, at its worst, facilitates the systematic abuse of workers and international labour standards. Under the kafala system, a migrant's work and residency permits are tethered to their employer, rendering a worker entirely dependent on the sponsor throughout employment.

I referred to how much I found myself in agreement with the noble Lord, Lord Luce. We are facing a very dangerous situation, and we must not make the mistakes we have made in the past. The solution will lie in the hands of the people of the region and their Governments. We simply cannot manage the situation at hand, let alone try to run it. Our job, together with others, is to be as supportive and helpful as we can in enabling the parties to move forward—of course, talking wisely with them, while all the time remembering that, if it is to mean anything, the solution must lie with the people of the region.

That brings me to my ultimate point. We will have repeated crises of this order until we see throughout the region the emergence of systems of government and social structure that meet the challenges of accountable government and human rights fulfilment, as well as all the challenges of the years ahead. I am deeply grateful to my noble friend for having given us the opportunity to debate this subject tonight. Time is not on anybody's side.

7.14 pm

Lord Purvis of Tweed (LD): My Lords, I find myself again in the fortunate position of following the noble Lord, Lord Judd. It is always a pleasure to do so. I agreed with almost everything that he said, and what I agreed with most was that it was a pleasure to listen to the wisdom and wise counsel of the noble Lord, Lord Luce, in this debate.

Along with others, I commend the noble Lord, Lord Collins, for allowing us to debate this issue. We are coming to the end of our parliamentary year, but I hope that the tensions will be de-escalated and there will be a degree of resolution before the recess. I hope also that the House will have a further opportunity to discuss the very wide issues that have been raised in this short debate.

At the weekend, I had the privilege of being in Georgia to speak to a number of students and young people from the Gulf and MENA region, who were visiting to discuss similar issues with their counterparts from the Caucasus. It was interesting that when this issue was raised, they saw it within the context of the new, developing relationship between the four powers in the region—Saudi Arabia, Turkey, Iran and Egypt, all with very different types of leaders than they were

even a decade ago and with differing ambitions for the coming decade; the immense technological revolution that has transformed the way that young people and communities in those countries communicate; the response from the Government, especially since the revolutions in 2011 and 2012; the ongoing tension between the mercantile and trade ambitions of moving from carbon economies to that of sovereign wealth; and the West's relationship with them.

It is within that context that in December last year the Foreign Secretary gave a speech entitled "Britain is Back East of Suez". He said that,

"any crisis in the Gulf is a crisis for Britain—from day one; that your security is our security ... that your interests military, economic, political—are intertwined with our own".

That is of course correct. But we are no longer a colonial power, and we can only reflect on our two centuries' presence in the Gulf, dating back to the disputes between the Houses of Thani, Al-Khalifa and the Saudis, and indeed to the Wahhabi tensions in the 18th century. We cannot extricate the UK from this crisis or ignore its complexity, which was outlined so well by the noble Lord, Lord Hain. However, these are distinct nation states now, part of the family of nations and with state's rights, and our relationship with them should be on that basis.

It was the simplistic statements from the US President last month that alarmed many. While at that point he seemed to take credit for the blockade and criticised Qatar as a funder of terrorism, we have heard today that his Secretary of State in Qatar has said that the position is "reasonable". We are now a month on from the announcement of the blockade and the crisis, which the Foreign Secretary said would be our crisis from day one. The noble Lord, Lord Collins, indicated that the Foreign Secretary is in the region, and according to press reports he is there with Mark Sedwill, the Prime Minister's National Security Adviser. Can the Minister confirm that that is the position and whether the UK is supportive of the State Department or, in effect, the President? That tension is developing a life all of its own.

There remains a lack of clarity in the UK's position around the statements of concern and then optimism. It would be helpful to know whether the Government are confident that the situation will not be escalated.

Given the fact, as the noble Lord, Lord Luce, said, of the UK's reliance on the LNG supply from the shared Qatari and Iranian South Pars/North Dome gas field—representing 16% to 17% of all supplies of LNG to UK households—do Her Majesty's Government agree with the condition on Qatar to sever links with Iran? British and Dutch company tankers are bringing such supplies through Suez. What contingencies are in place for imports and discounts, with British interests at stake? If that route is not necessarily blocked, it certainly could become more difficult for our supply routes.

The blockade is already having an impact on our wider allies outside the area, as the noble Lord, Lord Judd, said. In Qatar, with a population of 2.7 million, 2.1 million are migrant workers. The remittances they send home are immense. Last year, Indians working in the Gulf sent home almost £55 billion in remittances. Remittances

sent to Nepal represent almost 30% of its entire gross domestic product, while for Somalia they represent 37%. Remittances sent from Qatar alone come to more than \$11 billion. If the UK is not being asked to choose among our allies, an aspect of concern is that many of the countries whose workers are in the region are in effect being asked to do so. In one of the wealthiest places on the planet, an ongoing crisis is affecting some of the most vulnerable workers in the world. It would be helpful to know what our Government are saying to the GCC countries which are operating the blockade as regards the impact it is having on our wider allies around the world.

There can be no question but that as far as the UK's interests are concerned, removing the funding of violent extremism and terrorism should be a priority, but this debate has reflected consistently that a degree of equanimity is required. I have seen many times in northern Iraq this year that groups receive funding from a variety of nations. If there is one element where the Prime Minister said on the steps of No. 10 Downing Street, "Enough is enough", what would come with that would be a much greater degree of transparency. There would be transparency not only of the sources of funding but of the organisations that are receiving it.

I turn to the separate issue of the media, also mentioned by the noble Lord, Lord Collins. It is widely known that a number of years ago Egypt and other countries expressed concern about the editorial position taken by Al Jazeera Arabic as well as the English service. However, as the noble Lord, Lord Collins, indicated, we operate under principles of free expression in the media. Under the condition where Al Jazeera Arabic and Al Jazeera English are closed down, what would be the Government's position? For those colleagues who attended the briefing given by the BBC World Service and the expansion of the BBC Arabic service last night here in Parliament, it is something special that there is a form of free media in the region, especially for the young, given that the average age is 29. What will be the Government's position if one of the conditions is to have that broadcaster closed down?

This is perhaps a defining crisis for the region because it touches on many of the issues around the technological revolution that is taking place. People in the region receive their news through different platforms, with 93% of the population of Qatar accessing the internet through their mobile devices. It is interesting to note that in the past month the UAE has indicated that any citizen who makes a sympathetic comment about Qatar could receive a prison sentence of between three and 15 years or a fine of 500,000 dirhams, the equivalent of £100,000. The Bahrain Ministry of the Interior has said,

"any show of sympathy or favouritism for the Qatar government ... in the form of tweets, posts or any spoken or written word", risks a prison sentence of up to five years, while in the kingdom of Saudi Arabia the sentence is five years' imprisonment and a fine of £600,000.

Have the Government raised these issues because ultimately we are not debating only state to state and regional interests, we are discussing the shifting patterns of the next generation? The Government really should have a distinct position on this, especially as regards freedom of expression and human rights.

7.23 pm

Baroness Goldie (Con): My Lords, I thank the noble Lord, Lord Collins, for bringing this very important issue before the House and I want to thank all noble Lords for their constructive and helpful contributions to the debate. I make it clear first of all that the Government share the concerns expressed by noble Lords about the current tensions in the Gulf and the threat they pose to regional stability. The most immediate effect of the current embargo and restrictions on Qatar is their impact on the everyday lives of people in the Gulf. Among other things, families have been separated, imports of basic goods have been blocked or delayed, and exit permits have been restricted to employees working in essential services. We are also concerned about the impact the crisis may have elsewhere in the world. For example, it could distract Gulf states from the critical support they provide to African countries in peacekeeping contributions and humanitarian assistance, and from finding political solutions to the conflicts in Syria and Yemen.

As was recognised, the stability of the Gulf is also fundamental to the security and prosperity of the United Kingdom. The noble Lords, Lord McInnes and Lord Purvis, in particular commented on that aspect. The Department for International Trade is engaging British businesses to identify the potential implications for UK trade and investment, and ensuring that the UK and other countries are not in any way forced to take sides or choose where to do business.

The Government thus believe that a swift resolution to restore Gulf Cooperation Council unity is in the interests of all parties. The longer tensions continue, the greater the threat to regional stability. The noble Lords, Lord Desai, Lord Luce and Lord Judd, all eloquently alluded to that. But Gulf unity can be restored only when all countries involved are willing to discuss demands that are measured and realistic. The United Kingdom wants to encourage such discussion. We have to be sensitive in discharging that role. The noble Lord, Lord McInnes, identified that sensitivity, as did the noble Lords, Lord Desai and Lord Luce. I seek to reassure the noble Lord, Lord Luce, that we do not take sides. Indeed, the noble Lord, Lord Purvis, made the important point of observing that there is a need to respect sovereign states in the area.

I was pleased to note that the approach adopted by the United Kingdom Government, which is to encourage de-escalation and dialogue, seemed to enjoy support in the Chamber. Indeed, the noble Lord, Lord Hussain, justifiably asked what we are doing. That is a very important question to pose; let me try to respond.

The Prime Minister, the Foreign Secretary and other Ministers are engaging with our Gulf allies to get all parties firmly behind Kuwait's mediation efforts. I respectfully suggest to the noble Lord, Lord Desai, that the UK can influence. Indeed, our close and historic friendship with all the Gulf states is perhaps more relevant than it has ever been because of today's turbulent world. The Prime Minister spoke to the Amir of Kuwait on 19 June and welcomed Kuwait's mediating role. The United Kingdom has offered to support this process.

[BARONESS GOLDIE]

The Prime Minister has also had a series of calls with Gulf leaders. Most recently this includes, on 4 July, His Royal Highness Prince Mohammed bin Salman of Saudi Arabia and His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi. Indeed, the noble Lord, Lord Collins, asked whether some details of these discussions could be disclosed. I can say that, in the calls, the Prime Minister underlined the need to de-escalate the crisis. The threat of terrorism and violent extremism is one we share. We must continue to work together to keep our people safe. We encourage all sides to strengthen the efforts to fight terrorism and extremism, including work to counter terrorist financing and to reduce support for extremist groups, all of that building on progress already made.

At the weekend, the Foreign Secretary held a series of meetings with Gulf leaders from Saudi Arabia, the United Arab Emirates, Kuwait and Qatar. In all his meetings he stressed the need for de-escalation and emphasised that the concerns of Qatar's neighbours must be addressed through dialogue. All these efforts have been in close conjunction with our international partners, particularly the United States and France. The United Kingdom was pleased to join discussions with Secretary of State Tillerson and Kuwait's Foreign Minister last night. This was alluded to during the debate. It is positive, and the United States involvement is welcome.

Turning to the second part of the Question asked by the noble Lord, Lord Collins, I should first make it clear that Qatar will continue to be an important partner of the United Kingdom in the fight against terrorism.

However, serious allegations have been made against Qatar and we will study the evidence carefully—indeed, the noble Lord, Lord Hussain, raised this point. We encourage Saudi Arabia, the United Arab Emirates, Bahrain and Egypt to disclose any evidence they have to the relevant authorities. It is important that Qatar should treat the allegations seriously and respond to its neighbours' concerns. This includes building on the steps that it has already taken to tackle the funding of extremist groups. I reassure your Lordships that the United Kingdom also calls on Saudi Arabia, the United Arab Emirates, Bahrain and Egypt to lift the current embargo and restrictions against Qatar.

Let me now try to address some of the specific points that arose during the debate. If I fail to address all points raised, I shall undertake to write to any of your Lordships whom I omit to address. The noble Lord, Lord Collins, mentioned the 2015 report. I want to clarify that, as the Prime Minister has informed Parliament, Ministers are considering advice on what is able to be published and will update Parliament in due course. There was much media speculation that the report was suppressed because of a focus on Saudi Arabia. I have to say that these claims are totally incorrect.

The noble Lord also raised the memorandum of understanding signed today between Qatar and the United States, and asked for our assessment of that development. I cannot comment in detail—we have yet to see the detail of the memorandum of understanding—but Qatar is a partner of the United Kingdom in the

fight against terrorism. However, like other countries, it needs to do more. This includes building on the steps that it has already taken to tackle the funding of extremist groups.

The noble Lord asked what all this means in relation to Iran. The current situation certainly provides opportunities to Iran. Qatar's need to mitigate humanitarian consequences means that it is finding alternative options for the importation of food and other essential items and identifying other trading routes. Iran is one country offering support, including access to ports and air space. My noble friend Lord McInnes also referred to that.

A number of your Lordships, particularly the noble Lords, Lord Collins, Lord Hussain and Lord Purvis, referred to Saudi Arabia and UAE attempting to limit press freedom and free speech by demanding that Qatar close Al Jazeera. The United Kingdom strongly supports the right to free speech and press freedoms across the world. Promoting freedom of the press is not just the right thing to do; it is also the smart thing to do. Where it is denied, we see a stifling of healthy debate and innovation, harming a country's long-term social and economic prospects. The United Kingdom regularly raises human rights issues, including freedom of speech, with our partners in the Gulf.

The noble Lord, Lord Hain, in a very interesting contribution, raised the issue of our relationship with Saudi Arabia. I welcome his point that diplomacy is needed to manage our relationships with Saudi Arabia and with Iran. We remain concerned about Iranian activity in the region, but the recent upgrade in United Kingdom-Iran relations means that we are better placed to raise our concerns with the Iranian Government at a higher level. In the face of shared threats such as Daesh, there is an opportunity for Iran to choose to align its effort with the international community.

Disagreements between countries in the Gulf are obviously not unknown. The United Kingdom shares a long and strong history with all the GCC states, including Saudi Arabia. We have excellent trading and investment partnerships, and continue to work closely on regional security. None of this changes as we encourage the current situation to be resolved quickly.

The noble Lord, Lord Hain, also raised the issue of the funding of extremism. We are clear that we need to identify and shut down all sources of such funding, domestic and international. We will continue to work closely with international partners to tackle this global threat.

A number of noble Lords raised the issue of energy supplies from Qatar, including Qatar's prominence in the production of liquefied natural gas. I have to say that the United Kingdom does not assess that the current situation in the Gulf warrants any concern for our gas security. We think it highly unlikely that there will be any disruption to our supply of Qatari LNG.

The noble Lord, Lord Luce, raised the issue of the UK-GCC strategic partnership agreed by the Prime Minister last December. I reassure the noble Lord that we continue to work on this, including on the commitments to tackle extremism, despite the ongoing tensions. As the Prime Minister has said, the Gulf's security is our security: we have an interest in taking this work forward.

The noble Lord, Lord Purvis, raised the important issue of business and the economy in relation to Qatar. It is the case that air and sea routes for people and goods in and out of Qatar have been rerouted through Oman and Iran where no direct route is available. That has meant that travel around the region has increased in time and cost, both of which will have impacts on businesses that operate regionally. However, businesses are adopting alternative supply and flight routes for the time being, while the blockade continues, but the UK is supportive of Kuwait's mediation efforts and we hope these will lead to a swift de-escalation of the situation.

In conclusion, the continued isolation of Qatar will only bring further instability to a region which has already seen more than its fair share of troubles. The UK is clear that there is an urgent imperative to de-escalate tensions. We firmly support the important mediation work of Kuwait and stand ready to support these efforts. We will continue to engage with all parties. We hope that progress can continue to be made to restore Gulf Cooperation Council unity; we feel that that is a key element of stability in the Gulf region.

House adjourned at 7.37 pm.

