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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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

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House of Lords

Thursday 20 July 2017

11 am

Prayers—read by the Lord Bishop of Newcastle.

Introduction: Lord Duncan of Springbank

11.07 am

Ian James Duncan, Esquire, having been created Baron Duncan of Springbank, of Springbank in the County of Perth, was introduced and took the oath, supported by Baroness Goldie and Lord McInnes of Kilwinning, and signed an undertaking to abide by the Code of Conduct.

Oaths and Affirmations

11.12 am

Lord Carrington took the oath, and signed an undertaking to abide by the Code of Conduct.

Transport: North East of England

Question

11.13 am

Asked by Baroness Quin

To ask Her Majesty's Government what are their priorities for transport investment in the North East of England over the next two years.

The Parliamentary Under-Secretary of State, Department for Transport (Lord Callanan) (Con): My Lords, the Government's priority is to create a more reliable and less congested transport network that works for users, builds a stronger, more balanced economy, enhances competitiveness and supports housing growth. These priorities, along with advice from Transport for the North, will inform the Government's decisions on investment in the national networks. At a local level, we expect local authorities and local enterprise partnerships to use devolved funds to deliver local plans that help their communities to prosper.

Baroness Quin (Lab): My Lords, I congratulate the Minister on his appointment. When we were candidates on opposing sides in Gateshead in 1992, I do not imagine that we thought we would be facing each other across the red Benches of this House. Given the additional infrastructure investment in Northern Ireland, and given that it will be years, if ever, before HS2 benefits Tyneside and the north-east, I urge the Minister to bring forward, not delay, badly needed transport schemes in our region. In particular, I urge him to bring forward A1 dualling before 2020 and to bring in vital rail improvements, such as the Ashington to Newcastle rail line, to help travel-to-work areas in the region.

Lord Callanan: I thank the noble Baroness for her question. We both use all of these transport routes ourselves. In the election in 1992 she did considerably better than I did in votes cast. The day that Gateshead becomes a Conservative seat I suspect is still, sadly, a long time away. She makes some important points. She asked, first, about the A1. As she is aware, work on the A1 north of Ellingham schemes are due to start in 2018. Construction of the scheme to dual the A1 between Morpeth and Ellingham is due to start in 2019-20. Phase 2 of the Tyne and Wear Metro reinvigoration programme is currently being supported with a capital grant of £317 million. We are currently in discussions with Nexus regarding its proposals for new rolling stock for the Metro on the Ashington to Newcastle line. I am aware that this is a priority of Northumberland County Council and we are currently in discussions with it about the best method of achieving it.

Lord Palmer (CB): I welcome very much the mention of the A1, but for the past 40 years successive Governments have agreed that the remaining 61% of the undualled A1 ought to be dualled. Why has that not happened?

Lord Callanan: As someone who travels on it regularly, I can assure the noble Lord that I share his frustration. This Government have the largest programme of transport investment since Victorian times. Clearly, money is always difficult, but as I said, we are starting on the programme. I know that the Member of Parliament for Berwick-upon-Tweed is definitely on the case—particularly on my case—and is making this point with great vigour. We will get on with it as quickly as possible.

Baroness Jenkin of Kennington (Con): My Lords, can my noble friend tell the House what is being done to encourage more women to become train drivers and whether there is a gender pay gap between men and women train drivers?

Lord Callanan: I do not think there is a gender pay gap, particularly on the railways, between men and women—the problem is just quantity. Currently 95% of train drivers are men. Women can do the job perfectly well and, given the state of industrial relations and the problems on the railways, I hope that we get many more sensible, pragmatic women train drivers. They might see the benefits of the current 24% pay rise that is being offered and want to get on with doing the job that men, in some cases, sadly, do not.

Lord Beith (LD): My Lords, the coalition Government committed substantial funds to the Highways Agency for schemes, including dualling a considerable part of the A1 north of Morpeth. Can the Minister give me a specific assurance that that is not one of the nine schemes that the Highways Agency is now reviewing and may not go ahead? Otherwise, can he be quite firm in the promise that the work will begin in 2018?

Lord Callanan: I know that the noble Lord takes a close interest in this matter as a former Member of Parliament for Berwick-upon-Tweed. I can give an assurance that the work that I outlined will start in 2018-19.

The Lord Bishop of Newcastle: My Lords, the proposed expansion of the Tyne and Wear Metro by the North East Combined Authority will provide very important greater access for rural towns and villages and opportunities for local rail integration. How will the Government support the North East Combined Authority to make this planned extension a reality? I will be grateful to hear from the Minister.

Lord Callanan: As I mentioned in my earlier answer to the noble Baroness, Lady Quin, we are currently in discussions with Nexus regarding its proposals for new rolling stock. DfT and Treasury officials continue to work with Nexus to understand the business case for the replacement of the current fleet and to explore all funding options. As I have also mentioned, we are currently supporting the Metro with a capital grant of £317 million. The local growth fund is providing £2.5 million for the refurbishment of the Metro stop at Newcastle Central Station and the operational costs are supported by a revenue grant of £203 million over the nine years. I am aware that there are proposals to expand the Metro and I can confirm that officials from my department are in discussions with Nexus officials to see how this can best be accomplished.

Lord Anderson of Swansea (Lab): My Lords—

Lord Spicer (Con): My Lords—

Noble Lords: This side!

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, it is the turn of the Labour Benches.

Lord Anderson of Swansea: My Lords, we in south-west Wales are not concerned about the confirmation of new lines but about the apparent abandonment of a major electrification project from Cardiff to Swansea. There has been a series of body blows to Swansea of late, including the long delays in the lagoon. Can the Government confirm that they have not written off south-west Wales? Do they believe that life ends at Cardiff?

Lord Callanan: My Lords, of course we have not written off south-west Wales. As I said, we have the largest programme of transport investment since Victorian times. As regards the particular scheme he mentioned, we are looking at all the possible options. New technology now enables bimodal trains to operate which could allow for a seamless transition from diesel to electric. I am aware that many parts of the country actually do not want overhead electric gantries despoiling landscapes; and in many cases, there is no appreciable increase or improvement in service by electrification. However, we will continue to look at all the options.

Security: ID Cards Question

11.21 am

Asked by **Lord Campbell-Savours**

To ask Her Majesty's Government what consideration has been given to the introduction of ID cards as a contribution to the maintenance of security in the United Kingdom.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, Her Majesty's Government have considered the introduction of ID cards and have concluded that they would not contribute significantly to the maintenance of security in the United Kingdom.

Lord Campbell-Savours (Lab): My Lords, the Government's policy paper on EU citizens who wish to live in the United Kingdom proposes that up to 3.2 million EU citizens would need to apply for settled status supported by an identity document which could include personal data, a photograph and, according to paragraph 35 of the paper, possibly even nationally recorded biometric data; in other words, a national identity card-like document that will open the door to entitlements. With national security in mind, why not use the introduction of these identity documents as the test bed for a national roll-out of identity cards for us all throughout the country?

Baroness Williams of Trafford: I have to pay tribute to the noble Lord's tenacity on this point. He is absolutely right to observe that, as we leave the EU, we are entering new territory. We said in the EU citizens policy paper that all EU citizens and their families in the UK, regardless of when they arrived, will, on our exit from the EU, need to obtain an immigration status in EU law. They will need to apply to the Home Office for permission to stay, which will be evidenced through a residence document. The form it will take may be digital in the longer term, but when introduced it might be similar in format to the current biometric residence permit.

Lord Blair of Boughton (CB): My Lords, does the Minister remember the murder of Detective Constable Stephen Oake in Manchester by a man with the name, apparently, of Kamel Bourgass, who was also convicted of the ricin plot in 2003? Does she further recall that one of the things we know about Kamel Bourgass is that that is not his real name and we have no idea of his identity? The same is true of one of the people convicted of the attempted bombings on 21 July 2007. Why we are resisting something that, given the terrorist situation we are currently in, must be an advantage to the country?

Baroness Williams of Trafford: I hope that the noble Lord will agree that while many European countries have identity cards, there is no evidence that they offer any greater protection than we have in this country. I think he will also appreciate that better security, better use of intelligence and better cybersecurity are very efficient uses of resource in looking at this problem.

Lord Marlesford (Con): My Lords, I hope my noble friend the Minister recognises that knowing who people are is a pretty crucial ingredient of national security. I am not particularly keen on identity cards because a competent forger nowadays can forge any document, including biometrics. What is needed is a national number with biometrics, held nationally, which everyone has instead of the plethora of numbers, most of which mean nothing at all. Will the Minister at least study the need for and the possibility of introducing a national identity number?

Baroness Williams of Trafford: My Lords, we have many numbers that help in assuring our identity. I am not sure that this would add to the mix. I am certainly happy to look at this, but I do not think there is any evidence that a national identity number would improve security in this country. I have already outlined to the noble Lord, Lord Blair, how this country is helping to make us safer.

Lord Wallace of Saltaire (LD): My Lords, under the coalition Government we found ourselves trying to check who was on the electoral register against the national insurance number and discovering that the Government do not have, across their different departments, clear rules on which identity numbers we have. I have different numbers for my passport, the NHS and national insurance. As we move toward more of a database society, is there not an argument for considering how, in the relationship between the citizen and the state, we at least move toward common rules across departments for recording who we are, where we are, where we live and so forth?

Baroness Williams of Trafford: My Lords, the Government's Verify system helps in regard to identity. We are certainly looking, for when the UK leaves the EU, at just what that residency document will look like.

Lord West of Spithead (Lab): My Lords, as well as the very persuasive arguments by my noble friend Lord Campbell-Savours, all the work we have done in the cyber world has shown that the best way of stopping identity theft is for people to have a card with biometric data that they can use when accessing things such as the Government Gateway. More work is being done digitally online. This will become something that people will almost certainly have to have. A passport does not really cover that. When you add all the other benefits—for example, recognising who people really are—surely it is overwhelmingly desirable to go down this route.

Baroness Williams of Trafford: The noble Lord mentions the Verify system, which is a very good way for people to prove who they are online. There are a mixture of different ways in which people can prove identity for different purposes, and the noble Lord is right to raise that.

Lord Rogan (UUP): My Lords, in elections in Northern Ireland, voters must provide an identification document, such as a driving licence, passport or social security

card, to be able to vote. This is acceptable to the electors in Northern Ireland and causes no objections whatever. Surely the same could apply to the ID card throughout the UK in this current security situation.

Baroness Williams of Trafford: My Lords, the Government have announced plans to pilot the use of various forms of documentation as proof of identity when voting in specified local authority areas during the local government elections in 2018. There are no plans, however, to establish a specific electoral identity card pilot at this stage.

Prisoners: Imprisonment for Public Protection Sentences

Question

11.29 am

Asked by Lord Brown of Eaton-under-Heywood

To ask Her Majesty's Government when they propose to exercise the power under section 128 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 to alter the test to be applied by the Parole Board to the release of those Imprisonment for Public Protection prisoners who have served years beyond their tariff terms.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the test used by the Parole Board in assessing the suitability for release of prisoners serving a sentence of imprisonment for public protection is working. These prisoners are being released in increasing numbers. In 2016 there were 576 first-time releases of IPP prisoners—the highest number since the sentence became available. This trend is expected to continue. We have no present intention to alter the test applied by the Parole Board.

Lord Brown of Eaton-under-Heywood (CB): That is all very well, but there are more than 3,000 such prisoners left. After the shocking recent press reports about the sex offender treatment programmes tending to increase rather than reduce the likelihood of sexual reoffending, does the Minister really continue to think it fair and appropriate for IPP prisoners long past their tariff date for release having to prove a negative? They have to prove that they will not reoffend on release, which the chairman of the Parole Board describes as “incredibly difficult”.

Lord Keen of Elie: I am obliged to the noble and learned Lord for his observations with regard to this matter, but I remind the House that we are talking about prisoners who are at a high risk of committing further violent or sexual offences if released. The independent Parole Board, when not directing release, is concluding that the risk to the public is too great for these people to be safely managed in the community. Our duty of care is not only to the IPP prisoners but to the members of the public who may become the next victims of their violent behaviour. I acknowledge that recent reports on the sex offender treatment

[LORD KEEN OF ELIE]

programmes have indicated that between 2000 and 2012 reconviction rates were higher for sexual offending in respect of those who had undertaken the programmes. By the time that those results were published, Her Majesty's prison and probation services had already taken the decision to cease delivery of those core programmes and have accelerated the transition to what are called the Horizon and Kaizen programmes.

Lord Blunkett (Lab): My Lords, I have already acknowledged in this House and elsewhere the role I played in the introduction of the original programme and sentence and how we got part of it wrong. I wonder whether the Minister accepts, as the head of the Parole Board does, that the new 10-year licensing period is leading to recall of prisoners on a very large scale, to the point where it is clogging up the role of the Parole Board in releasing prisoners and ensuring that they are returned to incarceration in circumstances which in normal sentencing programmes would never happen.

Lord Keen of Elie: With respect to the observations made, I first make this point: the licence period is actually for life, but the licensee can apply to have it limited to 10 years. That is the present position. More pertinently, let me draw this to the attention of the House: over 30% of those released under licence as IPP prisoners are in breach of their licence conditions within 12 months of release. They do not wait 10 years; they do not wait five years. Where there is a problem with regard to release under licence, it emerges very swiftly after release.

Lord Wigley (PC): My Lords, does the Minister accept that in the case of IPP prisoners who are way beyond their tariff and for whom training courses for rehabilitation may not be available, it is little surprise that many of them have their attitude to society aggravated by that experience? Can he give an assurance that every IPP prisoner now has access to the courses necessary for those purposes?

Lord Keen of Elie: IPP prisoners have access to the appropriate programmes and matters have improved considerably over the past few years so far as that is concerned, but it is not always necessary that an IPP prisoner should undergo a specific programme to satisfy the Parole Board as to their suitability for release. There are other means by which this can be achieved.

Lord McNally (LD): My Lords, as the noble Lord, Lord Blunkett, acknowledged, both the Ministers who brought in this legislation and the coalition Government who abolished IPPs saw them as a mistake. Section 128 was put into the Bill particularly to deal with the present situation that the Minister faces. It is not true that he is dealing with this problem in a way that will get rid of it quickly. It will be with us well into the next decade. It is also not true, as he implies frequently, that what the noble and learned Lord, Lord Brown, I and others are doing is throwing open the gates for dangerous prisoners. There would still be a very hard, close

process before these men were released but it would get rid of an obvious and glaring injustice. The Government should make use of Section 128 for the reason it was put there.

Lord Keen of Elie: We are of course conscious of the ability to move under Section 128. That remains under review. However, under the present regime we have seen an acceleration in the number of releases. Be that as it may, let us keep in mind the simple fact that where people achieve the present test, we have a breach of licence conditions rate of about 30%. We are dealing with very difficult and in each case dangerous individuals who must be managed in the community for its safety as a whole.

Lord Phillips of Worth Matravers (CB): My Lords, how many IPP prisoners have been refused release by the Parole Board because they have been unable to discharge the burden of proof upon them?

Lord Keen of Elie: I understand that at present the rate of release on first oral hearings of IPP prisoners is about 38%. That is a material increase in the release rate of three or four years ago, when it was about 28%.

Health: Obesity Question

11.36 am

Asked by **Lord Robathan**

To ask Her Majesty's Government to what extent they attribute the slowing in the growth of life expectancy identified by Sir Michael Marmot to health issues related to obesity, such as type 2 diabetes.

Baroness Chisholm of Owlpen (Con): My Lords, we agree with Sir Michael that it is difficult to draw conclusions about the causes of the slowing of growth in life expectancy at this stage. We will follow further research with interest. A number of factors contribute to the length of people's lives, including having and maintaining a healthy weight. We know that obesity is a leading cause of serious diseases such as type 2 diabetes, heart disease and some cancers.

Lord Robathan (Con): My Lords, in the United States life expectancy is now declining. Where America leads, we often follow. There, there are no party political points made about this but rather a general acceptance that the major factor, among others, is obesity and linked conditions such as type 2 diabetes and heart disease. Will Her Majesty's Government please redouble their efforts to educate the population, especially in schools and the NHS where they have authority, about the benefits of healthy eating and taking exercise in an attempt to avert the innumerable individual tragedies this will lead to and the terrible consequences for our health service and society?

Baroness Chisholm of Owlpen: We take obesity extremely seriously and have a lot of initiatives going forward such as introducing a soft drinks industry levy, which will come into effect in April. The important thing could be harnessing new technology. We need to make sure that we can get to people, particularly young people. We will work with Public Health England on good initiative ideas, and with commercial players to investigate opportunities to bring forward a suite of applications that enable consumers to make the best use of technology and data to inform their eating decisions.

Baroness Walmsley (LD): My Lords, in the SACN report, the variation between different groups was seen to be quite unacceptable. For example, in the Borough of Kensington and Chelsea, the difference between different demographic groups for men was 16 years. To what does the Minister attribute this inequality and what do the Government intend to do about it?

Baroness Chisholm of Owlpen: It is definitely true that inequality has a part to play but it is interesting that it is due not only to funding. While I was researching this, I noticed comparative statistics on life expectancy at birth across the G7 nations. Those show no direct correlation between GDP expenditure and health outcomes. For instance, the USA spent 16.6% of its GDP on healthcare but has the lowest life expectancy at 78 years. Italy spends the least at only 9.1% of its GDP and has the second highest life expectancy at 82 years. Diet and lifestyle—which everybody has a responsibility for—go a long way in playing a part in this.

Baroness Hayman (CB): Surely the Minister agrees that the point the noble Baroness, Lady Walmsley, is making is not a comparison between how much is spent per head on healthcare but about the poverty that gives rise to the inequalities that lead to disparities in life expectancy. She is drawing attention to that basic poverty, aside from the need to have well-funded health services.

Baroness Chisholm of Owlpen: That is exactly why the NHS is spending an increase of £8 billion in real terms between 2020 and 2021, and why public health funding has been ring-fenced and the grant will remain in place for 2017 and 2018. We have also been committed to the Healthy Start scheme and provided an estimated £60 million-worth of vouchers to families on low incomes across England in 2015-16. These can be exchanged for fresh or frozen fruit, veg and milk, and provide free vitamins that support intake during pregnancy and early years. An average of 480,000 children benefited from the issue of these vouchers every four weeks last year.

Lord Brooke of Alverthorpe (Lab): My Lords, does the noble Baroness accept Public Health England's view that sugar in alcohol is a major contributor to obesity? I welcome the Government's announcement this week of a drugs strategy. When will they turn their attention to the alcohol strategy, which is now well out of date and badly in need of attention?

Baroness Chisholm of Owlpen: We have taken forward initiatives, and public information about the guidelines is included in Public Health England's "One You" campaign, which aims to motivate people to take steps to improve their health through action on the main risk factors such as smoking, inactivity and alcohol consumption. It includes a drinks tracker app to help drinkers identify risky behaviour and lower their alcohol consumption. Spending on alcohol services for adults went up from £200 million in 2014-15 to £230 million in 2015-16.

Lord Spicer (Con): My Lords, if poverty is a factor in diabetes, how are we to deal with the matter in the north-east, which was the subject of the first Question? We have pumped in money there but seen in last week's figures that the north/south divide in prosperity is still as strong as ever.

Baroness Chisholm of Owlpen: That is why we confirmed before the election that the ring-fenced grant would remain in place for this year and next, transferring responsibility to local government. It has created an opportunity to join up public health with the funding streams for local services such as housing and economic regeneration in the interests of improving the health of the local population. Local authority public health spend is in addition to the money the NHS spends on prevention.

Baroness Wheeler (Lab): My Lords, Michael Marmot's report emphasises the important role that dementia has played in the near halving of the increase in life-expectancy levels since 2010, because of the sudden and sustained increase in older deaths. Dementia and Alzheimer's are now the leading cause of death among women aged over 80 and men aged over 85. How does the Government's insistence that money is going into the system to tackle this square with the evidence in the report that health and social care spending is going down, at a time of rising health needs linked to the ageing population, and Sir Michael's own comments that financial settlements have been "miserly"? What will the Government do to address the Alzheimer's Society's comments on the report? It said that, "the chronic lack of funding to the social care system ... is devastating people with dementia", and that action is needed, "before the care system collapses entirely".

Baroness Chisholm of Owlpen: Dementia is such a depressing disease for anybody to have. It affects not only those who have it, who are incredibly frightened, but their loved ones, who have to care for someone who becomes a completely different person in front of them.

The *Challenge on Dementia 2020 Implementation Plan*, which was published in March 2016, sets out the actions that the Government and key stakeholders will be taking in order to implement the 2020 challenge. It sets out how the Government will put the views and lived experience of people with dementia and their carers at the heart of our delivery strategy by establishing a new dementia 2020 citizens engagement programme.

[BARONESS CHISHOLM OF OWLPEN]

The Government have already invested an additional £2 billion to put social care on a more stable footing and alleviate short-term pressures across the healthcare system.

Every department has to take responsibility for what is going on with obesity in this country. It affects all departments—the Department for Digital, Culture, Media and Sport, the Department of Health and every other department—and we need to make a joined-up effort to ensure that we tackle the crisis of obesity in this country.

BBC: Equal Pay

Private Notice Question

11.45 am

Asked by Baroness Smith of Basildon

To ask Her Majesty's Government what discussions or consultations have taken place between Her Majesty's Government and the BBC regarding equal pay.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, the Government have not discussed equal pay with the BBC. However, the Government believe in transparency, which is why we have required the BBC to publish the salary details of its staff and talent. Employers with more than 250 staff, including the BBC, are now required by law to publish their gender pay gap and will do so for the first time at the end of this financial year.

Baroness Smith of Basildon (Lab): My Lords, given that it is nearly 50 years—half a century—since the Equal Pay Act, that is quite a disappointing Answer. We should all be immensely proud of the BBC as a standard bearer and a standard setter for high-quality drama, entertainment, factual programmes and news. The publication of salary levels has received considerable comment, some perhaps unfair. As other media outlets are not as open and transparent as the BBC, we do not have any information on the competitive context.

However, on the issue of gender pay equality within the BBC, the criticism appears justified—and while Eddie Mair's reference to the male anatomy on Radio 4's "PM" programme last night might be a bit much for your Lordships' House on the last day of term, it is hard to understand why the male Y chromosome justifies a higher salary. It is significant how many of our most senior, well-qualified and experienced women presenters and journalists are paid so much less than their male counterparts. So I have two questions for the Minister: given that he specifically referred to transparency in his Answer, is it not time for the Government to ensure that all employers publish gender pay audits; and does he share the concerns that the disclosures yesterday could lead to the loss of experienced, talented women from the BBC?

Lord Ashton of Hyde: My Lords, I think there is a slight confusion here. On the one hand, the accusation is that publishing these figures will lead to talent being attracted elsewhere; on the other hand, we are able to see the position in the BBC. I agree with the noble Baroness that it would appear that, based on this sample of 96 employees out of the 19,000 BBC employees, there is a roughly two-thirds, one-third split. I am very pleased that the director-general of the BBC has admitted that this is not good enough and is committed to narrowing the gap to make it equal by 2020. So I am pleased that we did this. We have learned some lessons. It remains to be seen whether the gloomy prognostications of those who think it will harm the BBC come to pass.

Baroness Burt of Solihull (LD): My Lords, clearly the publication of these figures has been a wake-up call for the BBC. I note that other media organisations have gleefully criticised it. Well, we will see what we will see when they have to publish their pay gap figures next year. Will the Minister confirm that, with effect from next year, all organisations with 250 or more staff will be required to publish their gender pay gap figures, thanks to the work of the Liberal Democrats and specifically Jo Swinson in the dying days of the coalition?

Lord Ashton of Hyde: I am certainly not sure about the last part of that question. However, I can confirm that the regulations came into force on 31 March this year for the public sector and on 6 April for the private sector. Organisations with more than 250 employees have 12 months to publish their gender pay gap figures for the first time, and will have to every year thereafter. That means that the BBC will need to publish its overall figures by April 2018. That is a much more important measure, which will look at all the employees in the organisation, not just some of the top-paid stars.

Baroness Royall of Blaisdon (Lab): My Lords, drawing attention to the gender pay gap in the BBC is extremely important, and I was shocked to see that neither Jenni Murray nor Jane Garvey, who are excellent broadcasters, were even mentioned—which means they earn less than £150,000 a year. Closing the gender pay gap by 2020 is, frankly, too late. I would also ask about the black and ethnic minority pay gap. It is shocking to note that Chris Evans earns more than every person of colour who is employed at a high level in the BBC. What are the Government doing to make representations to the BBC on that aspect of the pay gap?

Lord Ashton of Hyde: I did note the comments that Jane Garvey made about the differential in salaries. This illustrates the problem when you look at specific individuals, because the comparison between them is not necessarily obvious just from the figures. They may work at different periods, for one day a week or five days a week. It may include some parts of their remuneration but not others, which may come through BBC Studios or other commercial arms of the BBC. But the general point is made. We take diversity seriously and have put diversity in the BBC's new public purposes

in the charter renewal to make sure that it delivers for everyone in the UK. Our position is clear: the BBC should be leading the way in diversity, both on screen and off screen, in equal measure.

Lord Tebbit (Con): Would my noble friend not take any sauce from opposition parties on this matter? After all, none of the opposition parties has ever seen fit to have a woman leader. This party—our party—has had two women Prime Ministers. Let them put their actions where their mouths are and elect a woman leader.

Lord Ashton of Hyde: My Lords, I always listen to my noble friend. As far as I am concerned, I am in an interesting position. I serve a female Prime Minister and a female Leader of the House. I am answering a Question from a female Leader of the Opposition. In my department, there is a female Secretary of State, a female Permanent Secretary and a female Government Whip. When I recover from that—I mean, when I go home after a very pleasurable day—I go home to a wife and four daughters.

Lord Laming (CB): Does the Minister agree that some of these salaries are not just large but extraordinarily large, by any standards? When you contrast that with those of public servants who are dealing with life-and-death issues day by day, does it not seem that our priorities have got seriously out of order at this time? Could the Minister use his influence to indicate to the BBC that, frankly, when it comes to talk about how we could lose these fantastic talents—well, why not?

Lord Ashton of Hyde: My Lords, I completely agree. This is a sort of philosophical question that should really have a debate. It is a question of cost versus value and priorities. I would point out that the Labour Party, in the discussions on the proposal to require these issues to be published, thought that it was a bad idea and that the proposal should be withdrawn.

Lord Steel of Aikwood (LD): Does the Minister not agree that it is outrageous that any individual is paid more than £2 million from licence fee money?

Lord Ashton of Hyde: It is a very large amount—but why draw the line at £2 million as opposed to any other amount?

Baroness McIntosh of Pickering (Con): My Lords, I congratulate my noble friend on serving so many women masters with such good grace and fortitude. Further, I congratulate the Government on introducing Ofcom as the first external regulator and for advising it to introduce an operating framework for the BBC. Should equal pay not be one of the first models that the operating framework should cover?

Lord Ashton of Hyde: My Lords, I do not agree with my noble friend. Diversity and equal pay are management issues for the BBC. The board of the

BBC should be obeying the law and should be paying people on an equal basis, regardless of gender, sexual orientation, ethnicity or anything else. The BBC knows full well what our view is, and the director general of the BBC is committed to doing something about it by 2020.

Fox-Sky Merger *Statement*

11.56 am

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, with leave I will repeat a Statement made in the other place by my right honourable friend Karen Bradley.

“Three weeks ago, I came to this House to set out my initial decisions in relation to the proposed merger between 21st Century Fox and Sky plc. Having referred the bid for a phase 1 investigation by Ofcom and the Competition and Markets Authority in March, the decision before me was whether to refer the merger to a fuller phase 2 investigation by the Competition and Markets Authority.

I told the House then that, following Ofcom’s advice, I was minded to refer the merger to the Competition and Markets Authority on the grounds of media plurality, and minded not to refer on the grounds of commitment to broadcasting standards. At the same time, I confirmed that I had received a set of undertakings in lieu of referral from the parties and was minded not to accept them.

I also set out the steps that I would follow for the next phase of the decision. I said that, as required by legislation, I would allow the parties to the proposed merger the opportunity to make representations on my position on media plurality. In the interests of transparency and ensuring that all the evidence had been considered, I would allow all interested parties, including the public and parliamentarians, to have their say, particularly on the question of commitment to broadcasting standards. I set last Friday as the deadline.

As I know is now very well known by the House, decisions by the Secretary of State on media mergers under the Enterprise Act 2002 are made on a quasi-judicial basis. This means that I must take my decision only on the basis of evidence that is relevant to the specified public interests. I must act independently and follow a process that is scrupulously fair and impartial. I have sought throughout this process to be as transparent and open as possible, and have kept the House informed at every available opportunity. In keeping with that spirit I have come to the House today to give as full an update as I possibly can before it rises.

I can confirm that I have received detailed representations from 21st Century Fox and a letter from Sky, which I will aim to publish, subject to statutory and confidentiality requirements, once I have taken my final decision. I also received a letter from Lachlan and James Murdoch on Friday last week, and a further letter from 21st Century Fox this Monday, which it has since published.

[LORD KEEN OF ELIE]

The detailed representations from 21st Century Fox raise a number of points on Ofcom's public interest test report and the analysis underpinning Ofcom's recommendations, contesting its view that the transaction raises public interest concerns that justify a referral to a phase 2 investigation by the CMA. Neither of the parties has offered any further or amended undertakings in lieu of referral. I also have received a substantial number of responses in relation to my referral decision.

In coming to my decision in this case, I must take account of all relevant representations made to me. As a result, my final decision on referral can be made only after I have fully considered all relevant evidence on both the plurality and commitment to broadcasting standards grounds. Given that the consultation closed only on Friday, there has not been time to consider all the representations, and I am not in a position today to make my final decision on referral. What I can do, however, is confirm to the House that, having carefully reviewed the parties' representations, and in the absence of further proposed undertakings, I am currently still minded to refer on the media plurality ground and still minded not to accept the undertakings in lieu of a reference.

To be clear, as I have said, I must fully consider all relevant representations before reaching a final decision, and I will take the time I need to look at the many that I have received, balancing the need for careful consideration of relevant evidence with the merger parties' legitimate need for a prompt decision. However, I have prioritised considering the parties' representations and the detailed points that they have made to me. While some of the points they have raised may benefit from closer examination by the CMA at phase 2 in the event that the merger is referred, there was nothing in their representations that has led me at this stage to change my mind about the appropriateness of referral. Unless new evidence from other representations changes my mind in the coming weeks, the bid will therefore be referred to a phase 2 review on at least one ground—media plurality. I thought it would be helpful to set out my current view to the House, given the public interest in this case, as well as to the parties so that they can be as clear as possible about my intentions and the likely next steps for the bid.

Bearing in mind the obligation to act promptly as part of this quasi-judicial process, I expect I will be in a position to come to a final decision on referral, including in respect of the broadcasting standards ground, in the coming weeks, potentially during the Summer Recess. Should that prove to be the case, and as I have done previously when stages of this merger have taken place outside of the House sitting, I will write to the parties informing them of my decision as well as the Leaders and Speakers of both Houses, to the honourable Member for West Bromwich East and to the chair of the CMS Committee, whom I was pleased to see reappointed last week.

As I have said previously, I trust that making this Statement to the House gives another welcome opportunity to discuss this important issue, and further cements my undertaking to openness and transparency. I commend this Statement to the House".

12.02 pm

Lord Stevenson of Balmacara (Lab): My Lords, I thank the Minister for repeating the Statement made in the other place. I am grateful to the Government for returning to the Houses of Parliament, both here and the other place, just before Recess to update us on progress.

We have been following the twists and turns of this saga closely. It is obvious, and absolutely right, that the Secretary of State is taking her quasi-judicial responsibilities very seriously. While we regret that she is minded not to refer the bid on grounds of broadcast standards, we support her decision, as I take it to be, to refer the bid to the CMA on the grounds of media plurality.

I have three main points that I hope the Minister will be able to respond to. The first is on the timing. Could I press the Minister on the possibility that the Secretary of State might announce her decision during the Summer Recess? Surely Parliament must have the opportunity to scrutinise any decision that she makes. It is not her job to operate to 21st Century Fox's corporate timetable; in my view, the company would be better to abide by the rules as they currently are and respect the role of Parliament in this, and it should signal that very clearly. In my view, the Secretary of State should demonstrate to those at Fox that it is she, as an elected representative of the people, who is in charge, not them. I ask that the usual channels in this House also be kept abreast and that we be informed if there is to be a Statement so that we can respond to it.

Secondly, I want to press the Minister on the broadcasting standards investigation. I suggest it needs a bit more work before a decision is finally reached. Recently, compelling arguments for this have been made in the other place by my right honourable friend the Member for Doncaster North and the right honourable Members for Twickenham and for Rushcliffe—noble Lords will be aware that that is a pretty distinguished cross-party alliance. The truth is that the Murdochs have a history of regulatory non-compliance and of corporate governance failure that calls their commitment to broadcasting standards into serious question. Ofcom says that there are,

"significant concerns about Fox's approach to ensuring Fox News content complies with the Broadcasting Code".

We saw in the phone hacking scandal that senior employees and executives at News International failed to comply with criminal law or with acceptable standards of journalistic conduct—and, frankly, acted with a flagrant disregard of basic human decency. We see from the ongoing sexual and racial harassment scandal at Fox News in the United States that there is ample evidence of what Ofcom calls "significant corporate failure".

Does the noble and learned Lord agree that it is time to look again at the fit and proper person test applied in the case of broadcasting standards? I heard it said by a distinguished former member of Ofcom that that test could be satisfied only if the person concerned was caught in the act of murder, had been prosecuted and that the body was exhibited before any such decision could be taken. That is probably a test too far. The noble and learned Lord will recall that, in

the Digital Economy Act, several noble Lords from around the House joined together to table an amendment that suggested that there were other models for the fit and proper person test that might be more appropriate—particularly those applying under the Financial Conduct Authority. At that stage, we were persuaded by Ministers that it would be inappropriate to press the amendment to a vote, which I now regret, because they promised an early opportunity in the legislative timetable to bring forward recommendations on it. Can the noble and learned Lord confirm that that is still the plan and share with us which legislative vehicle will be used for it?

Of course, the best way to get at a lot of these corporate failure issues would be to proceed with the inquiry that has already been promised, which is specifically to look into part 2 of the Leveson inquiry. Will the noble and learned Lord confirm that that could still be implemented, because that could be very germane to what we are discussing today?

There is a third issue that we need to look at. On one hand, a lot of the problems that have been caused here are to do with the way in which the corporate veil hides individual actions in a way that would be inappropriate in the broadcasting area. This issue is really about control of media organisations. This is not a battle for the control of a particular broadcasting entity called Sky News; it is really a battle between old media and new media. At the heart of that lies control of personal data, in which there is considerable interest and investment being made. It is about data power—the power to know who is watching what and what their interests are will be more important as competition increases. We are talking about battles between the organisations concerned in this merger and organisations such as Google and Facebook. Does the noble and learned Lord believe that the CMA has the powers to investigate this aspect of media plurality? Without knowing where the data sources and how they are being used, it will be difficult for it properly to assess the impact on media power going forward? I look forward to hearing from him.

Lord McNally (LD): My Lords, like the noble Lord, I welcome the Statement and the courtesy and openness with which the Secretary of State has approached her responsibilities. That is why I find it extraordinary that, having emphasised and carried out her duties to Parliament so assiduously, it could even be suggested that she should make a decision during an eight-week gap between Parliament rising now and returning on an issue that has been before her, regulators and Parliament for years. That would be an absurd assault on parliamentary dignity and responsibility, and I strongly urge her not to follow that road.

Part of the problem is the siloed nature of the decision, when what is needed, as the noble Lord said, is a holistic judgment about the fitness of this takeover. But that is how it has been played. The problem is also the siloed nature of modern business structures. Various parts of the structures can clear part of the siloed questions when we all know, as I have said, what the web is and that the spider is at the centre of that web.

I also press the Minister on whether this could lead to the second stage of Leveson and on the point made right at the end. I remember a few years ago somebody

buying a canal and everybody thought what an absurd price he had paid for a canal—the age of canals was over. Then it suddenly dawned on everybody that he had not bought a canal; he had bought miles and miles of land on either side of the canal and made a fortune as a property developer. The same is true now, as the noble Lord has said. I have often pondered what on earth niggles Murdoch that he has tried, year after year, to get 100% control of Sky. What act of vanity is this? He may be vain but he also knows where a quick buck is to be made. It occurs to me that there is ample evidence that what Sky has is a database of some 13 million people, which could become increasingly valuable in the data battles ahead. I wonder whether the Secretary of State has asked the Information Commissioner's advice on this aspect of the takeover and on how it fits into other legislation that we are considering. This is a foreign bid for a British database, which should give concern about how it is being handled. I go back to the friendliest of warnings: the Secretary of State would be very wrong to consider making this decision while Parliament is in recess.

Lord Keen of Elie: I am obliged to the noble Lords, Lord Stevenson and Lord McNally, for their observations on this matter and I appreciate their acknowledgement that the Secretary of State is endeavouring to treat this matter in as open a way as possible. Given the quasi-judicial nature of the task that has been laid on her by statute—one that she cannot alter by her own whim, as it were—and bearing in mind the quasi-judicial process that we are in, it is implicit that the Secretary of State must act promptly, for the benefit of both the public and the parties interested in the proposed merger. It is in those circumstances that she has to consider the matter of timing. I appreciate the point made by the noble Lord, Lord McNally, about the dignity of this House, the other House and Parliament in general, but the Secretary of State is in a position where, because of the timing issues, the announcement is liable to be made during recess. As she has said, however, she is intent on assuring the House by way of intimation to the Speakers of both Houses when the decision is made and the nature of that decision.

The noble Lord, Lord Stevenson, referred to her decision. I reiterate that the Secretary of State has made no final decision on any matter. She has reached a preliminary view on the basis of the information before her at present.

So far as standards are concerned, further work will be done before a final decision is made. In particular, the Secretary of State will look at all the representations that have been submitted to her until Friday, which cover both media plurality and broadcasting standards. She will look at both issues before coming to a final decision. It is possible to reach an informed decision and verdict without a body. The circumstantial evidence may be compelling in itself, and all the circumstantial evidence will be taken into account.

As for the reference to the CMA, it would not be for the Secretary of State to constrain the scope of the CMA's phase 2 investigation, and I would not suggest that any constraint should be placed on that investigation by the Secretary of State.

[LORD KEEN OF ELIE]

I hear what is said about data protection but we have to remember that personal data held by Sky, or indeed by Fox, are protected by the Data Protection Act. That applies not only to personal data but to more extensive caches of data held by Sky, so there is already a degree of protection in place.

Part 2 of Leveson was raised. No final decision has yet been made on that. Indeed, no final decision can be made until the chair of that inquiry has been consulted on the point. A statutory provision under the Inquiries Act dictates that the chair of an inquiry will be consulted before any final decision is made about the second phase of an inquiry programme, so that remains outstanding.

In these circumstances, I again commend the Secretary of State's Statement to this House and reinforce the point that she has arrived at no final determination but will do so only after she has considered all the representations submitted to her.

12.16 pm

Lord Falconer of Thoroton (Lab): My Lords, I am grateful to the noble and learned Lord for repeating the Secretary of State's Statement in this House. I am also grateful to the Secretary of State for keeping Parliament informed as to what her process is. I am glad that she is minded to refer on plurality and horrified that she is minded not to refer on broadcasting standards. I understand and accept what the noble and learned Lord says: no decision has been made about either matter at the moment. My concern is that Sky, a trusted broadcaster, could go the way of Fox News in the US, and we could lose an impartial broadcaster that complies with our standards. I am extremely worried that Sky will fall 100% into the hands of a family who have been guilty of allowing regulatory standards to be ignored in relation to the newspaper industry in the UK and have allowed Fox News to be guilty of a whole series of illegalities and breaches of the law, particularly in relation to sexual harassment.

From a legal point of view I am extremely concerned that the Secretary of State will rely too heavily on what appears to me a flawed finding by Ofcom that Sky would remain fit and proper if it became 100% owned by 21st Century Fox. I appreciate what the noble and learned Lord says about the Secretary of State's role being quasi-judicial. What advice is the Secretary of State receiving on the legal position in relation to the extent to which she is bound by Ofcom's fit and proper finding? To what extent is she aware that a totally different threshold has to be passed to refer the broadcasting standards issue to the CMA from the standard applied by Ofcom in relation to the fit and proper test?

I have a final observation. I would not mind if the Secretary of State referred the matter to the CMA on grounds of both broadcasting standards and plurality. However, I would be horrified if she thought that she could rule out any consideration of whether that was right during a recess. That would be wholly inappropriate.

Lord Keen of Elie: I say to the noble and learned Lord that Ofcom is there to discharge its statutory functions. The Secretary of State is here to discharge her statutory functions in a quasi-judicial manner, and she will do so having regard to all the evidence. She will have to evaluate that evidence, and she will do so in arriving at her final decision. As the noble and learned Lord will be aware, it is not usual to disclose either the making of legal advice or its content. That is reflected in the Law Officers' Convention and, indeed, in the *Ministerial Code*, so I make no further comment on that point.

As regards the noble and learned Lord's observations about the behaviour of Fox and the position of Sky going forward, clearly all these considerations will be in mind when the Secretary of State arrives at her final decision—one she has not yet made in respect of either plurality or broadcasting standards. In due course, those matters referred to a phase 2 inquiry will be the subject of the most intense investigation by the CMA. So, at the end of the day, the points of concern raised by the noble and learned Lord are bound to be addressed in the context of this decision. As regards the timing of the decision, it is regretted that it may fall during a period of recess; indeed, I acknowledge that. That is one reason why this Statement is being made to the House today—to try to ameliorate the consequences of that.

Baroness Neville-Rolfe (Con): My Lords, I share the concerns expressed about the delay in this matter, although I do not have quite the same emotional approach to the issues. My noble and learned friend outlined the constraints. Assuming that there is a reference to the CMA, which seems likely, what can be done to ensure that there is proper analysis of the situation that broadcasting faces, with its being heavily regulated in a world where the internet is driving everything and Sky and its competitors are becoming more and more dependent on the digital world, as the noble Lord opposite explained? Is there a way in which that can be looked at in the context of this deal, to shine some light on this important matter? If not, is there another way that it can be addressed?

Lord Keen of Elie: I acknowledge the importance of the point made by my noble friend. Clearly, in the context of broadcasting, one is looking not only at terrestrial broadcasting but at the wider sphere of news and broadcasting across the internet, in the modern age. Those are matters that the Competition and Markets Authority will have in mind when it comes to make its decision following its in-depth review under phase 2, if a decision is made that there should be a phase 2 referral.

Lord Inglewood (Con): My Lords, my noble and learned friend in repeating the Statement of the Secretary of State appears to have omitted that the letter being circulated would come to the Communications Committee of your Lordships' House. Could he confirm that I heard it right? Secondly, if I did—and I declare an interest as an ex-chairman of that committee—I suggest that the chairman ought to be added to that list.

Finally, as an aside, in respect of what my noble friend Lady Neville-Rolfe said, when I was chairman of the Communications Committee we did a report on precisely how you might deal with the very issue she raised.

Lord Keen of Elie: With respect to the query raised by my noble friend Lord Inglewood, I referred to the chair of the committee as being included among those to whom the decision will be intimated, together with the Leaders and Speakers of both Houses.

Lord Collins of Highbury (Lab): My Lords, I seek reassurance from the noble and learned Lord in respect of the issue of data. When the original Statement was repeated in this House, I raised the issue of data protection, and the noble and learned Lord referred to the Data Protection Act—but that is not what the issue is really about. It is about how data are mined, used and abused in terms of media plurality. Can I have a reassurance, if the Minister refers this to the CMA, that the CMA will have the ability to look at this key issue? It is about how things can be manipulated—it is not simply about data protection.

Lord Keen of Elie: My Lords, regulators do not have a role in scrutinising what data are held by companies involved in mergers, but if representations are made about the issue of data, such as data-scraping or data accumulation, those are matters that the Competition and Markets Authority will take into account in arriving at any decision that it makes in the context of a phase 2 inquiry.

Lord McNally: Has the Information Commissioner been consulted? I did ask that question, and the noble and learned Lord did not answer.

Lord Keen of Elie: I am not in a position to answer that question at this time, but I shall endeavour to make inquiries and write to the noble Lord to advise him on the position on that point. I shall place a copy of any letter in the Library.

Transport: Remote Island Communities in England

Motion to Take Note

12.24 pm

Moved by **Lord Berkeley**

To move that this House takes note of the transport needs of remote island communities in England.

Lord Berkeley (Lab): My Lords, I am very grateful for the opportunity to debate the transport needs of remote island communities in England, and it is my first opportunity to debate with the new Minister, whom I of course welcome.

There are not many remote islands in England. I was advised by the clerks that I could not mention the Isles of Scilly by name, but we have a few other islands in England, which the House of Lords Library has

included in its very helpful briefing, including the Isle of Wight, the Holy Island of Lindisfarne, Lundy and the Farne Islands. I hope that I have not forgotten any inhabited islands but we shall see.

I question whether the Isle of Wight really is remote. It has several competing ferry services, so it is nothing like as remote as the Isles of Scilly. However, it has transport problems, which were ably challenged by the previous MP, Andrew Turner, and are now being taken forward by the new MP, Bob Seely. Bob Seely has also taken the initiative of forming an all-party group for islands. I have joined it and am pleased that Derek Thomas, the MP for St Ives—and Scilly—has, too. I hope that many noble Lords, as well as Members of the House of Commons, will join it. Derek continues to work hard to improve the transport services to and from Scilly. I shall concentrate my remarks on Scilly, which I think is pretty unique within England.

First, I declare an interest. My wife is a councillor on the Council of the Isles of Scilly. She is also the co-ordinator of FRIST—Friends of Isles of Scilly Transport. She has lived on the islands for 40 years. FRIST's campaign slogan is to create,

“reliable, affordable, all year round lifeline transport links with the mainland”.

My links with the Scillies go back to 1707, when an ancestor of mine was with Admiral of the Fleet Sir Cloudesley Shovell, whose fleet got wrecked off the Isles of Scilly on the Outer Gilstone Rock, with the loss of about 2,000 lives. It was a very big disaster. My director ancestor—a future Earl of Berkeley—was in the ship behind that went on to the same rock but got washed off, otherwise I would not be here today. I am very pleased to be here today.

If you ask any islander what is the biggest challenge they face on Scilly, their answer is transport to and from the mainland. It is vital for the economy and for the islanders' welfare and social fabric. The cost of living there is much higher. To take one example, building materials cost 40% more on the main island, St Mary's, and 60% more on the four inhabited “off islands”.

I will briefly explain the present transport services. We have the “Scillonian” ferry service, which is celebrating its 40th birthday this summer. I am not sure that “celebrate” is the right word but we can debate that. It operates six or seven days a week from Penzance to St Mary's, from March to November, but there are no passenger sea services in winter. There is a freight ship that operates two or three times a week, and a fixed-wing air service from Land's End, Newquay and, in the summer, Exeter to St Mary's. All the above are operated by one company, the Isles of Scilly Steamship Group. There was a helicopter service until 2012, when it closed. A new service is planned with a new heliport in Penzance, but the planning permission for that has been challenged by a judicial review by the steamship company. The company denies that it is a monopoly, saying that it is just a sole operator, which is an interesting definition of the words. It says that anyone else can start a service. But woe betide anyone who tries—they will get a judicial review thrown at them, on the most spurious grounds, in my view.

[LORD BERKELEY]

Turning to the costs, the single fare on the “Scillonian” is £55 and by air from Land’s End it is £80. That means that for a family of four—two adults and two children over the age of two—the cost would be well over £500 return, and you would have got only to the mainland, not to the end of Cornwall.

One of the biggest problems is reliability. The “Scillonian” gets cancelled very occasionally—it is very reliable—but flights are frequently cancelled due to the weather. In winter, 49% of the flying hours from Land’s End are disrupted. This a very high figure and there is no ferry on which people can go instead. It can mean that islanders are cut off for several days, usually due to fog or low cloud.

People suffer badly as a result of having only these unreliable flights in winter. People travelling for health appointments on the mainland can get stressed by the uncertainty. We were recently contacted by a woman patient who was unable to fly on that day because of fog who said that this was the eighth appointment that she had had to miss. Another patient attending hospital on the mainland for a scan was informed by the hospital, “If there is one more instance where you do not turn up you will not get a scan”. That is painful and horrible for people. The worry is that these instances are typical rather than exceptional. It is especially serious for people who are on a course of chemotherapy. If you want to go to a meeting you have to leave a day or two early, as do people booked on holidays, to make sure that you get to the mainland, because there is no through ticketing or code sharing.

Conversely, in summer the air service and ships are often full up—at this time I have friends who cannot get across for several days—and so the islands desperately need more capacity in the summer and an affordable and reliable winter service, preferably by ship. The helicopter will help when it starts but it will not be sufficient.

The freight situation is bad—I have a great interest in freight, although there is no rail freight to Scilly—because the steamship company appears to charge according to the whim of the staff or directives from the management. There is no transparency over the charges or even a written price list. It charges extra or delays shipping and customers can have their goods lost or damaged, as anyone who is brave enough to challenge the company frequently finds out. I have many examples of this but, sadly, I do not feel able to name names because there is a real fear among the people and companies involved that they will be added to the black list.

I will give one or two examples without names. One customer said that there is a considerable variation in freight charges, made worse by the lack of transparency. He said that eight boxes weighing 80 kilograms came in at £15.82, whereas another seven boxes from the same consignment, with the same weight of 80 kilograms, came in at £18.35. Surely there must be a price list. A second customer has strong evidence of predatory pricing, which gives an unfair advantage to the local subsidiaries of the steamship company. I suspect the CMA will want to investigate that. It should.

A third resident, a businessperson, surveyed 50 logistics companies which regularly deliver to Penzance for the islands. It is a long story but, frankly, the whole service is a disgrace, a shambles. You do not know when the freight is going to arrive or how much it is going to cost, and sometimes the company turns away deliveries at Penzance for the most spurious reasons, including slight damage to a pallet. That is crazy. He points out that the quay staff are wonderful but that communication with management does not seem to exist. His conclusion is that freight issues are stifling investment in the islands. He says that change must come to this unacceptable situation. I entirely agree.

Visitor numbers are now the mainstay of the island economy because the trade in flowers and so on has reduced over time. There is general agreement that there is plenty of space for more visitors, especially in the shoulder and winter months, but in June the air service was 2,000 passengers down on last year, largely due to fog disruption. That has a serious effect on the operators of holiday accommodation. One person told me that he is losing business because of it. He said, “The current service is not fit for purpose and the islands are losing business as a result”. That is a common complaint.

Let us compare these problems with Scotland, where the Scottish Government and the local councils support island life in a number of ways. Ferries are often operated by charging passengers on a road-equivalent tariff and commercial services often run alongside the subsidised ones. But the key difference is that services are much more frequent and fares are lower than the equivalent service for the Isles of Scilly.

I could go on about this for a long time but we need to talk about solutions. After a number of years of disagreement both within the Isles of Scilly and with the mainland about what could be done, there is now a new council with a new commitment to work together to find solutions, and I certainly welcome that. Some years ago, Ministers said at a meeting with island representatives, “Come back when you can speak with a single voice”, and of course they were quite right. Now everyone is talking with the same voice—the council, the business group known as the Islands’ Partnership, Healthwatch, FRIST, the community interest company and Cornwall Council, as well as Penzance Town Council. The two councils have done really good work on the infrastructure of the quays and airports, but that is not enough because what is needed is service improvement. The quays at St Mary’s are nice but there is no passenger service in the winter. There is a nice hardened runway at Land’s End but the planes cannot fly in the frequent foggy conditions. The current services are hopeless for anyone who wants to travel with any degree of certainty, whether for business, holidays or hospital appointments. The crews and front-line staff do a great job but they are often let down not only by the weather but by the management.

I am afraid that the situation has all the hallmarks of a lazy monopoly provider which, sadly, is putting shareholders’ returns well before the needs of its customers. I think that three changes are required. The first is competition, something we often talk about in your Lordships’ House. I know that a number of people

have asked the CMA to investigate whether there is an abuse of dominant position by the sole operator, and we shall see what it says. However, it would help enormously if the air services and the sea services were run by separate and independent companies. That would bring competition, would, I am sure, improve customer service, and would probably reduce fares. The second change is something known as “aid of a social character” which is allowed under EU competition law. I hope that the Government do not sneak something in to abolish it when we go through Brexit. It would give the islanders a percentage reduction on their fares. The system operates well in Scotland and it is a major benefit to the residents there. The third change is a winter subsidy passenger service contract for a ship service perhaps three times a week to provide a cost-effective service that would be much more reliable and much cheaper than fixed-wing aircraft and helicopters.

Scilly needs something like this. People think that the islands are very beautiful and prosperous, but that is not the case. On 1 June last year the *Daily Telegraph* reported:

“Between 2014 and 2020, both Cornwall and West Wales will receive over €1,000 (£800) per person from the EU Structural and Investment Fund - similar to that received by Romania and Bulgaria”.

I know Romania well, but do we really want Cornwall and the Scillies to look like that? The present services are not fit for purpose. The new helicopter service will help, but the route needs further competition to improve reliability, reduce costs and see a step change in the freight sector, which generally thrives on competition. This is what Scotland gives its island communities in order to help them sustain their way of life and their economy. Do the UK Government not care about their own islands? They are far fewer in number but they are equally in need of support.

In conclusion, I hope that the Minister will look favourably on the requests I have made, and those from other noble Lords who are to speak in the debate, and that he will agree to meet me and colleagues from the representative bodies of the islands to take forward the discussions. I hope that he will visit the Isles of Scilly to see them for himself, and I hope also that he will not be held up by the air services. I beg to move.

12.40 pm

Lord Teverson (LD): My Lords, I congratulate the noble Lord, Lord Berkeley, on getting this debate and particularly on allowing all of us a quarter of an hour to speak—a restriction which I hope I will get nowhere near.

Having said that, I have some criticism in that, although I live in Cornwall and often visit west Cornwall and Scilly, I was born in Essex and worked in east London. Of course the Isle of Dogs, Canvey Island and, across the water from us, the Isle of Sheppey and the Isle of Thanet, are also key islands in the realm of England, but I think probably on the Isle of Dogs, with Canary Wharf, the problem is not one of lack of public transport.

Last autumn I had the privilege to visit Scilly and to chair a conference on the transport needs there. I was asked over as I have a background in the transport

industry and represented Scilly as an MEP some years ago. I was struck—not just from my own experience over many years of travelling to Scilly, but by that well-attended conference on islands with a population of some 2,000, not all of whom were there, by many means, but a significant number of whom were, including all the decision-makers—by how much the transport facilities and access to Scilly, and between it and west Cornwall, needed to be improved, and by their unsatisfactory nature.

During my period as an MEP in the late 1990s, the same arguments were there. The issues around the replacement of the “Scillonian III” and improving the robust nature of the sea route were most important. At that time, as well, we had a helicopter route, and the airframes of those vehicles were ageing very substantially. As we found out, the property value of the heliport at Penzance was going up and up and tempting redevelopment.

Since that time, the tourist economy of Scilly has been far more challenged. Scilly has benefited for many years from a stable type of visitor who goes back many times but is of a certain age. That type of tourism is more difficult and more challenging. There are fewer people who have a tradition of going there. At one time the islands’ hoteliers were known for enjoying a season on Scilly and then the winter in the Bahamas. Those days, I regret on their behalf, are long gone. There really is an issue now about transport to these important islands some 20 or 30 miles off the west coast of the mainland.

As the noble Lord, Lord Berkeley, said, that area of monopoly is a real challenge. It was a great disappointment to me—having supported development and planning permission for a new heliport very near to the old one, to which there were very few local objections—that there was a judicial review to hold up the process. That meant that the aspiration of people not just in Scilly but in west Cornwall to take advantage of a quite risky—in the best sense—entrepreneurial attempt to greatly improve transport connections has been put back and potentially challenged. I will not go into the motives or reasons for the judicial review but I think that it was very regrettable and that an alternative method of travel is being threatened or prejudiced. These investments, if prolonged for too long, risk not happening. This whole issue of improving these connections, bringing competition, is key.

I want to make one other point which reinforces the points made by the noble Lord, Lord Berkeley: because connections to remote islands are not a great challenge in England and Cornwall, we do not really focus on them at all—unlike in Scotland, where huge care is taken to make sure that island communities are not prejudiced in their access to services and travel to the mainland.

In terms of the Isles of Scilly, we have to change that view in respect of England and Cornwall. That community, which is more under threat than it has been in the past, now needs to be given due attention in terms of accepting that principle, which I think is right for all citizens across the United Kingdom, which is that you should not be discriminated against because you live offshore. For that reason, I would like to see

[LORD TEVERSON]

government initiatives to readdress that balance between Scotland and England and Cornwall, and I would very much like to see the monopoly in transport to the Isles of Scilly challenged, with competition coming in and encouragement of greater choice not only for the citizens of Scilly but for those many adventurers who wish to cross the Atlantic to our remote islands off our west coast. Those islands are great to visit and great to live on for those who have the privilege to be there but who need to come back to the mainland for their education, for their medical needs and for all the other services that we take for granted.

12.46 pm

Lord Cameron of Dillington (CB): My Lords, I, too, thank the noble Lord, Lord Berkeley, for introducing this debate. I must first declare an interest as a frequent holiday visitor to Tresco in the Isles of Scilly, where our family often occupies a cottage during the first half of August—I am greatly looking forward to it in a couple of weeks' time. I have also been known to visit Scilly in the winter when tourism is not in full swing and the 2,500-odd residents are left very much to their own devices, which isolation is the kernel of our debate.

I have raised before in this House the question of rural deprivation and isolation, and the need to rural-proof the delivery of services to rural areas—I probably bang on about it too much and will probably continue to do so. The problem is that most people, particularly those who live in the cities, do not understand that if you do not have access to your own transport then in many parts of rural England a simple trip to the hospital, to the courts or sometimes just getting to work takes on the magnitude of a major expedition. Neither do most people understand the transport difficulties of businesses struggling to survive in rural areas. How do you and your staff get to work? How do you get your goods to market or raw materials delivered? How indeed do you reach out to understand your marketplace?

I remember going with the Countryside Agency, which I chaired at the time, to visit a successful rural business—I think it was somewhere in the Welsh Marches. We asked that rural businessman what advice he would give to anyone starting a business in a rural area. He said, "Go to the towns, mate." There was a hushed intake of breath and we thought he may not have understood who we were or what the question was. Then he went on, "Go to the towns, mate, and see what they're wearing, see what they're eating, see what they're sitting on or even how they decorate their homes. It's the urban marketplace that makes or breaks a rural business and you have to understand it, have a feel for it and use it". They were wise words.

Think of this important connectivity from the point of view of a Scillonian. How do the people of Scilly use the urban marketplace or urban services when it is almost impossible or prohibitively costly to reach them? Imagine if in winter you have to fight for an expensive place on a small plane, vulnerable to winter weather, just to visit your family in hospital or have meaningful contact with the outside world. Imagine if your food

costs were 20% more than on the mainland or if the cost of your building materials, as the noble Lord, Lord Berkeley, has already said, was nearly 50% more and petrol and heating oil were 26% to 40% more. Furthermore, imagine if your vital tourist numbers were dropping, all largely because of the high cost of transport.

Of all the examples I could choose to explain the isolation and transport difficulties of deep rural England, the Isles of Scilly must be at the top of the list. Statistically, in terms of access to services, the islands are ranked in the bottom 2% of the most deprived of all the 32,500 wards of England. As already explained by other noble Lords, the population is at the mercy of one company that virtually controls all entry and exit for not only people but also goods—raw materials in and finished products out. It makes any business, especially the tourist business, uncompetitive.

I talk to other visitors who manage to make it to the islands. There is certainly no lack of appreciation of what is on offer when they get there. It is just the hurdle of getting there that has seen the drop in visitors, particularly since 2012 when the helicopters stopped. Transport to the Isles of Scilly needs looking at urgently. The Competition and Markets Authority needs to look carefully at the monopolistic position of the Steamship Group. I will say no more about that.

Another aspect worth looking into is the question of government help for transport to and from these island communities. I was born and brought up in the north of Scotland, where for more than 50 years the Government have helped with transport to the islands. I stress the 50 years because this is not the new Scottish Government being lavish in their social policies. Even before Winnie Ewing had the twinkle in her eye of the first Scot Nat seat in Parliament in 1967, the UK Government, under the Highlands and Islands Shipping Services Act 1960, subsidised travel to the Hebrides and elsewhere in Scotland. They now have a road equivalent tariff scheme, RET, which links ferry services to the cost of travelling the same distance by road.

Without boring noble Lords with statistics, they have proven in Scotland that the number of visitors and passengers is hugely influenced by the cost of travel. Where RET applied, it gave rise to an increase of 17% in the number of passengers in two years. If RET applied to the trip from Penzance to Scilly, it would reduce the cost of a return boat trip from around £110 to £12.50—a huge difference. In terms of service, looking at the mainland connection to, say, the Isle of Islay—as a Scottish comparison of about equal distance to the mainland as Scilly is to Cornwall—the boat there runs three to four times a day and twice on Sunday. The ship, "Scillonian III", runs once a day, not at all on Sunday and, more to the point, not at all during the winter months October to March.

Coming back to costs, while visitor numbers in Cornwall are increasing, those to Scilly are decreasing. If the Scottish analyses are correct, this is due largely to the high cost of transport. With 70% to 80% of the Scilly economy based on tourism, this is disastrous for the island inhabitants. If the Government are concerned about the extra costs of any transport support, think

about the number of residents claiming benefits if the economy of the islands suffers a major collapse. That is not off the cards at the moment. Of course, I expect the Department for Transport are not too worried about extra costs to DWP—we will not go there.

What is to be done? Apart from encouraging the new helicopter service to get under way as soon as possible, the Government should look seriously at the support they can give to the people of Scilly. There is no doubt that, in winter particularly, this connection should be defined as a lifeline service and that, as mentioned by the noble Lord, Lord Berkeley, a public service obligation ought to apply during those winter months, October to March, when the ferry service currently does not run. There needs to be a winter link that is a subsidised obligation.

The Government could also look at the air discount schemes that operate for many remote parts of Scotland. In a way, that might be more useful, once helicopters are running again, than keeping the ferry service running throughout the winter, bearing in mind the age and seaworthiness of the current “Scillonian III” ferry, and the often stormy state of the seas during those critical winter months—which, of course, at the moment it does not have to face. I realise there are currently some concessions for local residents but they apply only on the ferry, which of course does not run in the winter. Furthermore, they fall well short of the two free journeys to the mainland available to the residents of the Western Isles, Orkney and Shetland, for those who have a national entitlement card.

None of this will encourage what is the lifeline for the people of Scilly—namely, the number of visiting tourists. They need flexible alternatives from a variety of origins at a reasonable price, with as much reliability as possible given the frequent adverse weather conditions, which is one reason why the proposed new helicopter link is so important. I realise that, in these austere times, this Government will be unlikely to introduce a road equivalent tariff along the lines of the Scottish scheme. But there may be some halfway house possible; even double the road equivalent tariff would be a huge step forward. We need something that aids the transport of people and goods to the islands—I stress “goods” because the expense of their transport undermines the quality of life on Scilly for visitors and tourists. The Government should look seriously at the options for that.

Some form of investment is definitely needed. Would it be possible for instance for the Government to grant aid, by way of an investment or capital loan, for the replacement of the current passenger and freight ferries and the facilities needed at either end? This would reduce the time and thus the costs of getting people and goods to and from the islands. That might be doable and would certainly be helpful. Something needs to be done, and I ask that the Government look seriously at what they can do to help what is an urgent economic and social problem in the making. A taskforce is required to look at what is needed to improve the connectivity of the Isles of Scilly. If we look at the comparables, these are virtually the only islands in Europe that get no really effective transport aid.

I know that much of what I have said echoes the views of the noble Lords who spoke before me, and will no doubt be re-echoed by those who follow, but before I sit down I would like to re-echo what the noble Lord, Lord Teverson, was hinting at. Just because an Englishman is born on an island, that does not make him a recluse or a hermit. Our society and our Government owe it to him to be able to live a full life of contribution to our nation’s social and economic progress. In the same way as we have for generations tried to help the urban deprived to fulfil their potential, so we must equally help our islanders. The solutions may be different, but the focus must be the same. We must not abandon them, and something must be done.

12.57 pm

The Lord Bishop of Newcastle: My Lords, islands are special places and I am so grateful to the noble Lord, Lord Berkeley, for this debate and for learning, in his speech and those which have followed, so much more about the context of the Isles of Scilly. I discovered the Isles of Scilly only a few years ago. They are magical but after the boat trip over there, I understood why you can buy fridge magnets saying “I survived the “Scillonian””.

Today, it is the transport needs of another remote island community I wish to speak about: the Holy Island of Lindisfarne in Northumberland. It is a very special place in my diocese. The island has been designated as an area of outstanding natural beauty. There is a national nature reserve covering 3,500 hectares. It has a rich historical and spiritual heritage including Lindisfarne Castle, owned by the National Trust, and Lindisfarne Priory, managed by English Heritage. The Holy Island of Lindisfarne is of course where St Aidan founded his monastery in the 7th century and based his mission to the people of Northumbria. For many it is a place of pilgrimage and if anyone who is able has not yet had the experience of walking barefoot the Pilgrim’s Way, following the poles across the water at low tide, then I commend it to your Lordships as a simply wonderful experience.

For the majority who do not walk the Pilgrim’s Way, the Holy Island of Lindisfarne has a road link to the mainland. This is a tidal causeway and Holy Island becomes an island twice a day every day of the year, with the times of access changing with the tidal pattern. At the beginning and end of access, traffic can be very heavy on the narrow causeway. Despite numerous clear warning signs, unbelievably, quite often someone chances their arm and writes off their car in the rising waters and needs rescuing. The tide is not under human control. It can be very inconvenient, but this natural rhythm of the sea is treasured by the residents, who number just over 100, many of whose families have been on the island for generations. The time when the tide rises and the Holy Island of Lindisfarne truly becomes an island once again is treasured by those who live there and those who are lucky enough to stay overnight on the island. As the vicar of Holy Island puts it, “when the cars depart, the birds reinhabit the streets and the island becomes a very special sanctuary”.

The transport need of this remote island community is not to increase access but to manage access so as many people as possible can enjoy this special place.

[THE LORD BISHOP OF NEWCASTLE]

The manager of the national nature reserve believes it is not people but vehicles that are the problem. He urges that thought be given now to future-proofing the island so it does not become a giant car park. He believes that some sort of park-and-ride scheme may offer the solution.

Whatever the solution may be, it is important that the islanders' voices be heard. We have heard this plea made for the residents of the Scilly Isles. It is very easy for the voices of the people who live on the Holy Island of Lindisfarne to be drowned out by the many other interests. Large bodies have an interest, but the islanders' interests must be heard. Islands are special places. One thing is clear: each island is unique and there can be no one-size-fits-all solution. In every place, we need to protect each island's environment and listen to the needs of those who live and work there, and those needs must be prioritised. On the Holy Island of Lindisfarne, the Isles of Scilly and our other wonderful islands we must not inadvertently destroy that which we love the most.

1.02 pm

Lord Bradshaw (LD): My Lords, I shall follow what the right reverend Prelate said. I used to work in Northern Ireland, and the Giant's Causeway is in some ways a similar tourist attraction. The National Trust does not let you approach close to the Giant's Causeway. It has a bus service which brings you down the narrow road from the car park, which is not only a bit more remote but is out of sight. The idea of linking an island, where it can be done, with some form of park-and-ride service is a very good one. I cannot see why the people whose cars are driven over there should not pay the cost of it, but somebody needs to get on top of the problem and do something about it.

I thank the noble Lord, Lord Berkeley, for introducing this debate. My relationship with the Isles of Scilly is tenuous. For two periods of my railway career, I was responsible for the railways in Cornwall. On one occasion, I intended to visit the Isles of Scilly, but I was unable to do so because it was foggy. It was summer. Fog does not happen only in winter. It is a perpetual hazard.

The Minister has to ask himself and his Government whether they really value the islands. It has been pointed out by several noble Lords that the Scottish Government do. I have given the example of the Giant's Causeway. Although it is not an island, it nearly is. Other islands, such as Rathlin Island off Ireland, are valued by the Government. We should turn the Government's attention to that issue.

In previous debates and in Questions mostly asked by the noble Lord, Lord Berkeley, about the Scillies, the reply from the Government Benches has been that it is an open market and anybody can have a helicopter service or a shipping service if they want to enter the market. Anybody who does must like being invited to put his head into the dragon's mouth, because they will be set upon by the incumbent.

I shall talk about making things better. I shall not talk about maritime things because I do not know anything about boats and I am sure the noble Lord,

Lord Greenway, will tell us more about the ships. In a couple of years' time, the Great Western railway franchise will come up for renewal. My contacts there tell me that it regards the present sleeper service from Paddington as an act of charity, but that service is improving and it could be made better by two things. First, the Scottish sleeper services are going to be replaced, which will free for other use some of the vehicles presently employed between London and Scotland. I am not talking about a huge increase in capacity, but if the sleeper car train had six sleeping carriages, they would regularly be full, particularly if much more effort was put into promoting tourism within this country—a subject one of my noble friends refers to often. We do not promote our tourist industry.

If there were a decent, regular service, it would make a difference. I am not saying it would solve the problem because the final link has got to be made through the various ideas noble Lords have suggested, but simple things can probably be done before. The Monday morning service coming from Paddington overnight arrives at Penzance less than an hour, I think, before the Scillonian leaves.

Lord Berkeley: It is 10 minutes.

Lord Bradshaw: Thank you very much. Ten minutes—that is absolutely ridiculous. The Government can do something. I do not accept that they can brush it off and say that is a matter for Great Western. They set the terms of the franchise, and they should be active rather than passive and hands-off.

Can the Minister tell us whether the position of the Scillies will be made worse if we leave the EU—or, to use the Minister's probable words, when we leave the EU? I prefer the first version. What effect will the decision to leave the EU have on the economy of the Scillies? Are the Government prepared to make some sort of commitment to replace any funding that the Scillies receive?

1.08 pm

Lord Greenway (CB): My Lords, I, too, thank the noble Lord, Lord Berkeley, for introducing this debate. One of the advantages of being tail-end Charlie is that most of the things you were going to say have already been said, but on my calculations I have an hour available should I need it. I assure your Lordships that I will take up only a fraction of that time.

I was most interested to hear the right reverend Prelate talking about Holy Island and taking us away from the Isles of Scilly. I remember going there many years ago with a friend. We were enjoying a few drinks in the pub when all of sudden the publican cried out, "All those for England", and we all had to up sticks and leave, thereby leaving the islanders to carry on their carousing into the night.

I lived for quite a few years in the same town as the noble Lord, Lord Teverson, where the noble Lord, Lord Berkeley, currently has a house, so I am very familiar with Cornwall, although I have visited the Scillies only once. That was back in the early 1950s, when we flew from St Just in a Dragon Rapide. Some

of your Lordships may be old enough to remember that: it was a sort of canvas and struts biplane. We happened to fly through two, rather violent hail-storms on the way. As a 10 or 11 year-old, I was very apprehensive, I can tell your Lordships.

Slightly more recently, I was on a trip from here with the defence group, in a Nimrod from St Mawgan. One of the other noble Lords on board happened to have a holiday home in the Scillies. He had a word with the pilot and the pilot thought, "Come on, we'll go and have a look at it". We came in very low over the runway, at a very low speed. The noble Lord said, "Oh, there's my house", and the pilot then thought, "Let's get out of here". He pulled out all the stops and we did a power climb which must have shaken every window in Scilly. We got, quite correctly, a sound reprimand from the control tower.

The noble Lord who just spoke referred to nautical matters. I have been becalmed for many hours in previous Fastnet races off the Scilly Isles, so have had plenty of time to observe them, and I will talk about the sea connection in my few minutes of remarks. The "Scillionian III" has been mentioned, which reached her 40th anniversary in May this year. I would describe her as a prime example of a ship that was built specifically for the route she was intended to serve on. That is extremely important, especially in the case of the Scillies, because not only does the ship have to carry 500 passengers and a certain amount of freight, she also has to be capable of taking the ground at low water in St Mary's. There are remarkably few modern ships of that type around today.

I know that the Isles of Scilly company has been looking at potential second-hand ships—I have had a look myself—but there are almost no ships of that type around at all. All the ships available are what are termed ro-ro ships—roll-on roll-off ships—where you need special ramps at either end for road traffic to come on and off. I would argue that a ro-ro ship would not really be suitable for the Isles of Scilly. You only have some nine miles of road in St Mary's, and I cannot think why anybody would ever want to take a car there. In fact, I am surprised private cars have not been banned from going there. If anyone is stupid enough to pay the enormous fare to take their car, I suppose they are welcome to it. But the other factor is a ship that carries a lot of cars needs a lot of extra space: cars take up an awful lot of room, and for that reason your limited draught would create a great problem.

What really needs to happen is for the Government, Cornwall Council and maybe even the Duchy to sit down and look at plans for a proper replacement for the "Scillionian III" and to build a ship that would last, hopefully, another 40 years but which would be purpose-built and would suit all the islands' needs. They could for instance, bearing in mind all the changes going on in regulations at sea, power her with liquefied natural gas, something that Caledonian MacBrayne is doing for two of its new ferries being built up on the Clyde. We could have a new ship, built in a British yard. Sadly, we have very few British yards still capable of doing this, but there is Appledore, where the current

"Scillionian" was built, or Ferguson, on the Clyde, or possibly even Cammell Laird. A British-built ship, flying the Red Ensign, would be a wonderful achievement.

We are looking at an updated version of the present vessel, capable of carrying some 500 passengers and a certain amount of freight. I see absolutely no reason why vans should be taken to the Scilly Isles with freight—what is the point? You can bring the van to the quay in Penzance, offload the freight, put it on the ship and put it on to a van at the other end. You do not need to move vehicles backwards and forwards.

I think my noble friend on the Cross Benches mentioned this, but believe it or not, the present "Scillionian" was designed to work year-round, and for the first 13 years of her life, she did so. I have a photograph in my pocket here of her passing the Wolf Rock in 1979, when she was two years old—and that was on the last day of the year. The new ship must be capable of year-round operation. There is the rather extraordinary idea of having this freight ship. The right reverend Prelate mentioned the "I survived the 'Scillionian'" badge. I think we ought to club together and give the noble Lord, Lord Berkeley, a special badge, because he survived the "Gry Maritha", the small freight ship, in the middle of a winter on a very rough crossing. She is about to be replaced by a slightly larger vessel, also second-hand from Norway, but I would describe her as perhaps a slightly larger floating shoe-box compared with the other vessel. Having sailed many seas of the world in all sorts of weather, I would certainly not like to travel in that ship in the depths of winter.

I return briefly to the "Scillionian" and her design. The waters between Land's End and Scilly are probably, potentially, the roughest waters in this country. Only just over a year ago, a wave was recorded off Land's End of 90 feet in height, which gives you some idea of the sort of conditions that need to be met. A new ship could be slightly faster, enabling it to do two trips a day at peak times; it could operate perhaps two or three times a week in the winter. Who would pay for this ship? It is not beyond the wit of the three organisations I mentioned earlier—the Government, Cornwall Council and the Duchy—to get together and look at potential designs for the ship. It would serve the island well and in my opinion would be the best thing to do, although I welcome the idea of the helicopter coming back.

The danger is that if you build a larger ship, particularly a ro-ro ship, you will get—as I am sure the islanders would like—many more tourists visiting. But as the right reverend Prelate said, the charm of these islands is in their remoteness and quietness, and a lot of the people who go there really appreciate that, which is why they go there. It would be wrong to swamp Scilly with thousands and thousands of tourists.

1.17 pm

Baroness Randerson (LD): My Lords, in case anyone thinks I have popped up at the wrong point in the debate, the list of speakers is in the wrong order. For a moment, I thought the Liberal Democrat group had been promoted in our proceedings, but it was an error. I thank the noble Lord, Lord Berkeley, for bringing the excellent topic of this debate to our attention.

[BARONESS RANDERSON]

I am conscious we are all sitting here vaguely thinking about our summer holidays with some sense of anticipation, so I want to tell the House about my summer holiday last year—do not worry, I am not going to pass around the holiday snaps. Late last summer, I spent a wonderful, magical holiday on the Scilly Isles—on this occasion, on Tresco. I do not pretend to have the depth of knowledge of the noble Lord, Lord Berkeley, but I have visited the Scillies on several occasions. My links go back not to 1747 but to 1970. Over the years, I have travelled there on the famous “Scillonian”, which has been mentioned so much today. I attest to the fact that it requires a very strong stomach because the journey lasts for nearly three hours. When I went on the “Scillonian”, there was a joke going around the passengers that the new captain of the ship, who had sailed the world over, had been sea-sick when he first took over the “Scillonian”, which tells you about the sort of voyage you have, even on a fairly calm day.

Many noble Lords have mentioned that the “Scillonian” operates only for seven months of the year. It is the cheapest option for getting to the islands but is, nevertheless, very expensive, especially compared with, for example, the ferries to the Scottish islands. In the past I went to the Scillies by helicopter—and I regretted very much when it ceased to operate—but last year I went from Land’s End by fixed-wing plane. Rather predictably, the flight was delayed due to fog, so I had the interesting experience of observing them trying to catch up once it had cleared. It is a very difficult process because the plane is so small. There is not much capacity for cramming in additional passengers.

During my holiday, I experienced a potentially serious problem with my eyes and required to see an optometrist urgently. Some people may be surprised to hear that there is no optometrist on the islands and so I had to go to the mainland. To me, that is the definition of a lifeline service. It puts into perspective the points we have heard today about the importance of transport links. Of course, I was a tourist and for me it was a minor inconvenience, but put yourself in the position of a resident of the Scillies in the middle of winter and you immediately face immense issues of time and cost.

As has already been said, the Scillies have a lower GVA per head than even Cornwall. Cornwall is one of the poorest areas of the EU in that it has been designated as being below 75% of the EU average. The Scillies’ GVA is 80% of that of Cornwall as a whole. They also rely greatly on tourism, and tourism relies on reasonable costs. I talked to a large number of people whose reaction to my holiday on the Scillies was, “I’d love to go, but it is so expensive”. For residents, the issue is frequency and cost, especially in the winter months.

I was very pleased when the noble Lord, Lord Berkeley, possibly rather predictably, mentioned freight. It is very easy to spend our time talking about passengers, when actually freight is of equal importance because the complexities of getting it to the islands adds considerably to the living costs of local people. Drawing on the previous speaker’s theme, there is a need to improve the ports at both St Mary’s and Penzance in order to make the islands more accessible.

The way in which the Scillies are treated compared with the Scottish islands—regarding frequency of service, the cost and all-year-round availability—is very stark. The Scottish islands benefit from public service obligation-supported flights. They benefit from the special islands need allowance and additional funding based on sparsity and lower GVA per head. It is important to recognise that the Scillies are in a vicious circle. The issues tend to deter the number of tourists that the islands would wish to accommodate, and there is hence a knock-on effect on the prosperity of the islanders as a whole. It also deters people from remaining as long-term residents. Those who can move away often do and cite cost of living and difficulty of access as key issues.

The crux of the problem, as has been said across the House today, is that ferry services to the islands operate on a commercial basis, unlike in Scotland—indeed, unlike for many other remote islands in Europe. Reduced winter fares for the Skybus service are useful but totally inadequate compensation to local residents because the weather so often interrupts the service.

Why is there no air service to the island that benefits from a public service obligation? There are 22 air services in the UK that benefit from PSO designation. They have enjoyed that definition as a lifeline service. All but three of those 22 services involve Scotland at least at one end of the journey. It is important that we have a clear answer to why it is reasonable to designate as a PSO service the Cardiff to Anglesey route or the Dundee to Stansted route but not, let us say, Newquay to St Mary’s or perhaps Land’s End to St Mary’s. Why is it not possible to do that?

The attempts to delay the reintroduction of the helicopter service, highlighted by several speakers today, reveal the true situation of the ferry service—it is an attempt to maintain an effective monopoly. Ferry services to the island are not a true competitive market by any economic analysis. Obviously another operator could enter the market, but the fact that no one has tried is a sure sign of the difficulties they would face. The noble Lord outlined the highly specialised nature of the “Scillonian”, the flat-bottomed boat. The huge cost of replacing the current “Scillonian”—the “Scillonian III”—is another factor that has to be addressed, I believe, by the Government. We cannot allow the residents of the Scillies in the 21st century to be cast adrift like this. Many people describe the Scillies as like going back into the 1950s. That is part of their charm, but there is absolutely no reason why their residents should have to endure a 1950s standard of living.

The Government need to accept that the 2,000 residents of the Isles of Scilly deserve better. There is not a fully competitive market for transport to the Scilly Isles. I ask myself continually why is it that, if you live in central London, it is acceptable for a great deal of public money to be used to subsidise transport. The reason often given is, in part, that it supports a very lucrative tourism industry. Why is it possible to subsidise transport for Londoners but not for people who live on the Scilly Isles? Why is it not possible to look at this in the round from the point of view of the importance of the tourism industry to the Isles of Scilly? The

Government need to examine their current approach. It is unfair, short-sighted and, I believe, economically and socially self-defeating.

1.30 pm

Lord Rosser (Lab): My Lords, this has been an interesting debate, which, although on the subject of the transport needs of remote island communities in England as a whole, has centred mainly on the position of the Isles of Scilly, a favourite holiday location of a former Labour Prime Minister, Harold Wilson, who indeed is buried on St Mary's. I have also visited Holy Island, in the right reverend Prelate's diocese—although I am afraid I visited by car—and I regard Northumberland as among the most scenic and attractive counties in England, one that seems to remain largely undiscovered by most people south of the Wash.

My indefatigable noble friend Lord Berkeley has raised his concerns about the transport links between the Isles of Scilly and the mainland on a number of occasions in this House. One has always sensed a deep frustration on his part at some of the replies he has received, and the very helpful briefing prepared by our Library sets out some of those previous exchanges. My noble friend has set out in some detail the concerns over the present transport links in relation to the needs of the Isles of Scilly in his powerful speech that opened the debate.

As my noble friend said, the present transport links from the Isles of Scilly to the mainland are provided by a 40 year-old ship that runs from Penzance to St Mary's six days a week from mid-March to late October. There is a separate freight vessel that operates two or three times a week and can take a handful of passengers, and there are flights from St Mary's to and from Land's End and Newquay all year round—again for six days a week, I think—and to Exeter in the summer only. As I understand it, those services are all operated by the Isles of Scilly Steamship Company. A new helicopter service has been proposed to serve the Isles of Scilly from Penzance, but it is both literally and metaphorically yet to get off the ground following a judicial review challenge by the steamship group.

The existing services to the Isles of Scilly are not always as reliable as they might be, as my noble friend and other noble Lords have said. On my one visit to the Scilly Isles three or so years ago, our flight from Exeter was cancelled due to fog. We were driven by taxi from Exeter to Penzance, where we stayed in a hotel overnight before being driven out to Land's End Airport the following morning for a flight to the Isles of Scilly. It was a somewhat longer journey overall than we had expected, and this was not in the middle of winter. I have to say I spent most of my time on the flight from Land's End to Saint Mary's wondering what the consequences would be if the one person who appeared to be flying the plane had a sudden heart attack. However, the flight back to Exeter at the end of our holiday ran as scheduled and with two people at the controls.

On previous occasions when my noble friend Lord Berkeley has raised this issue, and again today, he has drawn attention, as have other noble Lords, to the difference between the support—or rather the lack of it—for transport links to the Isles of Scilly and that

given by the Scottish Government to transport links to Islay, which has a population comparable to that of the Isles of Scilly and is a not dissimilar distance from the mainland. The fares to Islay on the ferry are much lower and the ferry runs much more frequently, including throughout the year. When the Government were asked in 2012 by my noble friend why the Isles of Scilly cannot be treated in a similar way transport-wise to Islay, the reply was:

“As regards the comparison with the Scottish situation, it is difficult to make valid direct comparisons when the circumstances vary and the service is rather more complicated”.—[*Official Report*, 25/06/12; col 1.]

That seems less like an answer to the question that my noble friend asked and more like an attempt to avoid answering it. If the Minister is going to give a similar response today, perhaps he could explain what the circumstances are that make it difficult to make a valid direct comparison, and in what way the service is so much more complicated that it makes such a comparison with Islay and the Scilly Isles difficult.

The Government gave a similar answer when the matter of the contrast with Scotland was raised again in October 2012 by the noble Lord, Lord Cameron of Dillington. They said that,

“the situation in Scotland is different because it involves much more complicated and wide-ranging services that cannot be operated on a commercial basis. At the moment, the service to the Isles of Scilly is operated on a commercial basis”.

When challenged again, the Government said that,

“we could make a public service obligation if the market failed. The market has not yet failed. In addition, there would have to be a competitive bidding process. We do not want to interfere at this point because we want to see whether there will be a commercial solution to the problem”.—[*Official Report*, 24/10/12; cols. 202-03.]

That is an interesting answer. Note from it that for the Government in 2012 providing an all-year-round ferry service to the Isles of Scilly, with lower fares and charges, was regarded as “interference”. I am not sure that is how the residents of the Isles of Scilly would see it, nor those considering whether they can afford the cost of travelling to the Scilly Isles for a holiday.

With what the Government presumably see as “interference”, the service to Islay has much lower fares and greater frequency and runs throughout the year. The market has failed to deliver that to the Isles of Scilly. This issue affects not just passenger fares, whether by ship or by air, but, as has been said, freight costs for those seeking to run businesses and provide employment on the Isles of Scilly. The ferry service to the Isles of Scilly cannot be operated on a commercial basis that delivers a higher frequency all year round or at fare levels comparable to the Islay service. Indeed, even when the scheduled ferry service runs between March and November, I believe it is not possible—although the situation may now have changed—to do a day return trip from the Scilly Isles to the mainland on the regular scheduled ferry service.

In their response on 24 October 2012 that I repeated a few moments ago, the Government said that,

“we want to see whether there will be a commercial solution to the problem”.—[*Official Report*, 24/10/12; col. 203.]

What do the Government regard as the “problem” to which they referred in that response and what would a “commercial solution”, to which they also referred in that response, have to deliver to resolve that problem?

[LORD ROSSER]

There is the prospect of a helicopter service being reopened between the Isles of Scilly and Penzance. While planning permission has been granted for a new heliport at Penzance, there is, as has been said, apparently an outstanding judicial challenge to the grant of planning permission from the company that operates the existing air and ferry services to and from the mainland. The chair of that company has apparently said:

“Our primary concern relates to the serious socio-economic consequences of creating a new heliport and the effect the proposal will have on the long term sustainability of the wider transport network and future investment in it, including a replacement for the”,

present vessel operating the ferry service. Obviously I cannot comment on the validity or otherwise of that concern, but it seems to say that there is not room for both the existing operator services and a new helicopter service on the route from Penzance. If that is the case, would it not explain why the fares are so high and the level of service so inadequate? Does it not suggest that insisting that the links between the Isles of Scilly and the mainland must be run on a commercial basis means in reality a virtual monopoly for whichever operator is running the services?

As has been said, the Scottish Government have introduced a road-equivalent tariff for lifeline ferry services as the basis for single fares. There have been reports in local media that this has resulted in significant increases in tourism due to the reduction in ferry fares under the scheme. Tourism accounts for 75% to 80% of the local economy on the Isles of Scilly, so presumably better, more reliable, all-year-round transport links at fares more akin to those applicable on ferry and air services to comparable islands in Scotland could be of considerable benefit to the main revenue-earning industry for the Isles of Scilly. In that context, we are talking about one of the poorest areas in both the UK and the EU when referring to the Isles of Scilly and the wider Cornwall area.

It may be that in their response, the Government will be able to provide figures indicating a rather different picture from that painted so far in this debate. They may be able to show that tourism in the Isles of Scilly is booming. They may be able to show that the present transport links do not act as a deterrent to tourists considering whether to visit the Isles of Scilly. They may be able to show that businesses and residents on the Isles of Scilly are not hampered by high freight charges or the level of passenger fares by air or sea. They may be able to show that the benefits to the economy of the Isles of Scilly of improved transport links at lower fares and charges would be a lot less than any additional costs of securing those improved links at lower fares and charges. They may be able to show that the gross disposable income per head and gross value added figures for the Isles of Scilly paint a picture of steadily increasing prosperity with the existing level of transport links. Alternatively, they may not be able to show any of those things.

I hope that the Government will respond positively to the points and concerns expressed by my noble friend Lord Berkeley. I would not want to be left—I say this tongue in cheek—wondering whether the Government’s seeming lack of enthusiasm for addressing

the transport needs of the Isles of Scilly was being influenced by the fact that a former Labour Prime Minister loved the Isles of Scilly and has them as his final resting place.

1.42 pm

The Parliamentary Under-Secretary of State, Department for Transport (Lord Callanan) (Con): My Lords, first, I pay tribute to the noble Lord, Lord Berkeley, for securing this debate on the transport needs of remote island communities in England. I know that he has for many years taken a keen interest in the future of island connectivity—in particular, to his beloved Isles of Scilly. In the presence of so many other admirers of the Isles of Scilly, at this point I should say in confession, in front of the right reverend Prelate the Bishop of Newcastle, that I have never been to the Isles of Scilly but I have been many times to Lindisfarne, the holy island in the north-east but, given the glowing descriptions from many noble Lords, I look forward to the opportunity to visit the Scilly Islands.

Most of the speakers in the debate have concentrated on the Isles of Scilly, except for the right reverend Prelate, who waxed lyrical about the wonderful Holy Island, in Northumberland, which, as I said, I have visited many times. There is indeed a road connection for part of the year, and it is a source of amazement to me—as it will be to other Members from the north-east—that every year there are tales of people’s cars floating off the causeway. I assure your Lordships that it is not possible for the council to put any bigger signs indicating the required crossing times and the consequences if you do not adhere to them. The most amazing thing is that normally, they are not people who speak a foreign language and do not understand English, but people from the local area or other communities in the United Kingdom, who just wilfully ignore the signs and see their car floating away in the distance as the tide comes in. They normally take to the rescue shelter halfway across. There is no legislation against stupidity, I fear.

I take note of the right reverend Prelate’s suggestion of a park-and-ride scheme. I am sure that she will understand that is a matter for the local authorities to determine. I am sure that under its new leadership, Northumberland County Council will look closely at her suggestion. She is fortunate to represent what is in my biased opinion one of the nicest dioceses in the country.

As an island nation, the movement of goods and people by air and sea is vital to the economic well-being of this country—95% of our trade by volume either arrives or departs by sea—but it is equally vital on a smaller scale for internal traffic within our smaller island communities. Indeed, that is the subject at hand. With three operators and around 9 million passenger crossings each year, as the noble Lord, Lord Berkeley, observed, I am not so sure that the Isle of Wight falls into this category. I read with interest the briefing produced by the House Library, which concentrated to a remarkable extent on the Isle of Wight, which no one could argue is a remote island community. However, it shares with other islands the

basic fact that it costs more—consumes more resources—per passenger mile to move people by ferry or by air than by road.

The Isles of Scilly are of course by far the most obvious example of our subject for debate today, and most Members have concentrated on them. Perhaps it will help the House if I briefly recap the background to the Isles of Scilly's services by sea and by air, to build on the excellent introduction provided by the noble Lord, Lord Berkeley.

Passenger and freight ferry services from the mainland to the Isles of Scilly have always been provided commercially without operating subsidy—under Conservative and Labour Governments, as the noble Lord, Lord Rosser, will be aware.

The noble Lord, Lord Greenway, referred to the passenger ship RMV "Scillonian", as did several noble Lords. It is now 40 years old, although it underwent a substantial refit in 2012. I have heard the various criticisms, but it is also fair to say that it is duly certificated, registered as seaworthy and entirely fit and appropriate for the services which it provides. If it was not, it would not be allowed to provide them.

In recent years the local partners—led by Cornwall Council—known as the Route Partnership put together a funding bid for a new purpose-built passenger and freight vessel to replace the two current vessels, and for significant harbour improvements at Penzance and St Mary's. The new vessel was to be owned by Cornwall Council and chartered to an operator by competitive tender. The rationale for that proposed arrangement was that the Isles of Scilly Steamship Company could not afford to replace the current passenger vessel when it reached the end of its useful life, and neither could any other operator provide a financially viable service.

The Department for Transport then invited bids for smaller-scale harbour improvements, but declared that as long as passenger services remained in commercial operation, it did not believe that there was a case for an ongoing subsidy. I am sorry to say that that, in essence, remains the Government's position now.

In the meantime, the Isles of Scilly Steamship Company has also undertaken to replace its year-round cargo ferry, the "Gry Maritha", having acquired a significantly larger vessel, currently named "Mali Rose", which could also carry up to six passengers in the winter months, at the master's discretion. This vessel, I understand, requires substantial refurbishment before it can replace the "Gry Maritha".

The Isles of Scilly Steamship Company has said that it intends to replace the current passenger vessel, the RMV "Scillonian III", probably with a new build vessel, but that it believes that the ship can continue operating beyond 2020 if necessary. We await developments on that front, but the vessel appears capable of meeting demand during its months of operation.

Although the Government do not believe that there is a case for an ongoing subsidy, we remain committed to ensuring that services to remote island communities continue. The noble Lord, Lord Cameron, referred to subsidies for freight services. The Government have invested over £6 million towards the £11 million project to improve the quays at St Mary's, dredge Penzance Harbour and undertake land access improvements to

improve the vital sea connection between the Isles of Scilly and the mainland for passengers and freight by opening up both harbours to a wider range of vessels in future. Building on the development work initially undertaken by the Council of the Isles of Scilly and Penzance Town Council, Cornwall Council undertook to act as the lead delivery authority and the works were completed in June 2016.

Scheduled commercial flights to the Isles of Scilly commenced as long ago as 1937. Today, regular flights operate to St Mary's Airport from Land's End and Newquay airports, and, seasonally, Exeter Airport. The runway at St Mary's has recently been resurfaced and Land's End Airport now has its first tarmac runway. Flights are operated commercially—again by the Isles of Scilly Steamship Company under the Skybus brand—and, like ferry services, have continued to operate free from subsidy. The Isles of Scilly Steamship Company has also invested in additional aircraft and expanded its service following the discontinuation in October 2012 of the British International Helicopters' Penzance to St Mary's helicopter service. According to the steamship company, passenger traffic by sea has increased in recent years, from just under 105,000 in 2014 to just under 116,000 in 2016. Air passengers have also increased from just under 91,000 to 95,000 in the same period, although this remains below the 155,000 passengers that were transported in 2011, which was the last full year of the helicopter service.

Transport to remote island communities is a free market and other operators are able to enter that market if they wish. In fact, I am aware of the current proposals—as noble Lords have mentioned—to recommence helicopter services to both St Mary's and Tresco through the construction of a replacement heliport at Penzance. I understand that planning consent was approved by Cornwall Council in March 2017. However, noble Lords will understand that, because the proceedings are subject to judicial review, I am unable to comment further on that service.

The noble Lords, Lord Berkeley, Lord Cameron and Lord Rosser, and the noble Baroness, Lady Randerson, referred to the issue potentially being referred to the Competition and Markets Authority—I think the noble Lord, Lord Teverson, also mentioned this. Let me set out the position. The relevant legislation is Chapter 2 of the Competition Act 1998, on abuse of a dominant position, and Chapter 3, which covers investigation and enforcement. The CMA has wide discretion to construe a relevant market, which could include more than one transport mode and could extend to a market as modest in scale as the Scilly service—much smaller indeed than the Isle of Wight market, which was previously examined by the CMA's predecessor, the OFT, and the Competition Commission. However, the CMA also operates formal prioritisation principles, which include the size of the market and the impact of the case. Depending on other workload, it may decide that the complaint about the Scilly services does not have sufficient priority to justify the resources required to investigate a case of this sort. It is a matter for the CMA.

A number of Members raised the issue of the Scottish islands and made comparisons with the services there. The Scottish Government, through Transport

[LORD CALLANAN]

Scotland, provide financial assistance to reduce the cost of ferry travel on routes that are considered lifelines for remote island communities, and support a number of air routes to the islands through public service obligations. The Scottish Government are, of course, answerable to Scottish taxpayers for their own funding priorities, but I highlight that it is very difficult to compare the needs and services of groups of islands around the UK, and that the situation in Scotland is very different because the services mostly cannot be operated on a commercial basis. While there is no specific legal impediment in relation to public service obligations for remote island communities in England, at the moment the services to the Isles of Scilly are operated on a commercial basis. If the situation changes in this respect, then of course the matter could be reviewed.

The noble Lords, Lord Berkeley and Lord Rosser, also raised the issue of the abuse of a monopoly—the same company providing both air and sea connections. We do not believe that this, in itself, is sufficient evidence to show abuse; despite the modest capacity of the terminals, it remains open to other providers to provide ferry and/or air services to the Scillies. I would be delighted if the market came to support more than one operator; however, that is not yet happening from either Penzance or elsewhere. The fact that it is not suggests that there is not some huge super-profit being exploited, into which a competitor could easily make inroads. The growth in passenger traffic at least suggests that fares are not prohibitive.

I will answer some of the other questions that noble Lords have raised. The noble Lord, Lord Berkeley—I think—asked about the quality and reliability of the air service. I totally appreciate the annoyance and distress caused to passengers when such events occur, but this is a matter for the interested parties, including the relevant local councils and users, to take up with the operator of the commercial services. Of course, it is for the pilot in command to decide whether to operate a flight in adverse weather conditions. The noble Lord also asked why cheaper air or ferry services cannot be offered for permanent residents. I understand that discounts are already available for permanent residents; further discounts would, again, be a matter for the interested parties to consider, including the operators, users and local councils. So long as EU treaty rules apply, in the first instance it would be for them to produce a draft notification justifying the preferential terms as aid of a social character in a remote region.

The noble Lord, Lord Cameron, raised the issue of the Scottish islands—I think I have responded already to that question—and asked about an air discount scheme. The air discount scheme for flights within Scotland is of course a matter for the Scottish Government. The scheme is not applicable to air routes in Scotland supported by public service obligations. Any exemption applied for in respect of air routes to the Isles of Scilly would have to be eligible for this type of aid under European Union state aid guidelines.

The noble Lord, Lord Bradshaw, raised the issue of the current train franchise and sleeper service from London. The current Great Western franchise is due

to be replaced by April 2020 and officials have begun engaging with interested parties to identify potential priorities for the route franchise. I will ensure that the noble Lord's points about the sleeper service are considered as part of the franchise replacement process. In addition, train services to Penzance are being substantially upgraded. A new £360 million fleet of bi-mode intercity express trains will replace the older high-speed trains on the London route, bringing journey time savings. Local services to Plymouth are being upgraded to two trains an hour, enabled by Network Rail's re-signalling work. We particularly welcome the substantial contributions being made by Cornwall Council and the Cornwall and Isles of Scilly local enterprise partnership to the modernisation of the Night Riviera sleeper trains and improvements to stations in Cornwall and London for sleeper passengers.

The noble Baroness, Lady Randerson, made a very good point about the provision of emergency medical evacuations. Where commercial transport is not suitable or available, there are arrangements in place to evacuate patients who require emergency treatment using either Cornwall Air Ambulance or search and rescue services, both of which are based at Cornwall Airport Newquay.

The term “lifeline” is often used to describe vital transport connections between mainland and island communities. Although this term carries no formal or legal status, the Government recognise the importance of passenger and freight services to remote island communities in England, and that is why we remain committed to ensuring that these continue. My officials have met delegations on a number of occasions to discuss transportation to and from island communities such as the Isles of Scilly, and I assure noble Lords who have spoken in the debate that they remain available to do so in the future.

Lord Rosser: My Lords, is it the Government's view that the present air and sea services to the Isles of Scilly, including the current fares and charges, are having a dampening effect on the economy of the Isles of Scilly?

Lord Callanan: As I said earlier, passenger traffic is increasing. The services continue to be operated on a commercial basis. I accept the points noble Lords have made about the desirability of increased connections—of course, everybody would like increased connections and better services to their communities—but there is no evidence of a detrimental effect on the community.

1.59 pm

Lord Berkeley: My Lords, I am very grateful to all noble Lords who have taken part in this debate. We have learned a great deal about the problems and issues around travel and transport mainly to and from the Isles of Scilly. However, it was good to hear the right reverend Prelate talk about the challenges of getting to Holy Island, and the joys and benefits of island communities, with or without cars, once you get there.

All noble Lords who spoke about the Isles of Scilly said that there is effectively a failure of the present market, given that the service is pretty awful and is

getting worse, and expressed concerns about the future of the islands unless something is done about that. I am not going to go on for too long about individual contributions but it was interesting to hear the noble Lord, Lord Greenway, talk about the need for a replacement ship. For the last five years, we have heard that the steamship company was going to replace the “Scillonian III”. Two or three years ago, that ship managed to sail for a whole summer without a valid safety certificate because nobody had picked that up. It was not discovered until November of that year, when it was too late to do anything. There is no evidence that that company has the finance, or possibly the ability, to buy and operate a new ship. It says that it has but it has been saying that for five years. Perhaps the “Scillonian” will limp on for another five years and we shall all enjoy going on it. However, there will probably be more constraints with regard to the number of passengers and it still will not operate in the winter.

It is interesting that the Minister’s response basically was that everything was all right and a commercial service is operating. However, we have to reflect on what would happen if that one ship, which is fairly unique, as the noble Lord, Lord Greenway, said, no longer operated. I hope that there are no accidents but it could just break down. I think that it has broken down a couple of times this year and there was no service. What would happen to the islanders in that case? The flights could take a few people and the new freight ship, if and when it is operational, could take a few more, but the island economy would be absolutely devastated, especially in the summer. There may be no definition of a lifeline service but perhaps we should think about what is reasonable in that regard.

The one thing that the Minister did not address was why Scotland is different. Commercial services operate to Islay, which I think the noble Lord, Lord Cameron, mentioned, but there is also a lifeline service. If the Scottish Government look after their islands in that way, why do not the English Government—as I call them—do likewise for the islands for which they have responsibility? We in Britain think that we are an island nation and it is all wonderful. However, it appears that the smaller islands can go hang, although, if they survive, that is quite nice. I hope that we never experience what happened to a little island off the west coast of Ireland, which was permanently evacuated by the Irish Government about 100 years ago as they could not provide a ferry service across a comparatively short stretch of water to give somebody who had just died a decent burial. We have to do better than this. We must all reflect on today’s debate, and I hope that the Minister will be prepared to have a meeting or two when we come back in the autumn to see how we can take this further.

Motion agreed.

Grenfell Tower and Fire Safety: Update *Statement*

2.03 pm

The Parliamentary Under-Secretary of State, Department for Communities and Local Government and Northern Ireland Office (Lord Bourne of Aberystwyth) (Con): My Lords, with the leave of the House, I would like to

repeat a Statement made by the Secretary of State for the Department for Communities and Local Government in the other place. The Statement is as follows:

“Five weeks have now passed since the tragedy at Grenfell Tower. Nothing that has happened in those five weeks will have diminished the grief of those who lost loved ones. Nothing will have negated the trauma of those who lost their homes. But across the public sector, in local and central government, in the emergency services, in hospitals, in schools and more, dedicated public servants have been doing all they can to deal with the aftermath and help the community to recover.

Over the past five weeks, the Government have endeavoured to keep the House up to date with those developments. This is the third Oral Statement I have made on the subject. The House has also heard from the Prime Minister and the Housing Minister, who also answered questions in Westminster Hall before Parliament formally returned. There has been a full debate in the Commons, four Written Statements, and a number of letters sent to all Members. My aim today is to provide an update before the House rises and another opportunity for honourable Members to ask questions, and I would also like to let the House know exactly what action we will be taking over the summer.

The police continue to list 80 people as either dead or missing presumed dead; 39 victims have so far been formally identified, with 39 inquests opened by the coroner and adjourned pending the public inquiry and police investigation. Two adults remain in hospital. I know that some local residents remain concerned that the number of people in the tower on the night has been underestimated. I would continue to urge anyone with further information to come forward. We have been very clear that we do not mind if those affected were subletting or have immigration issues. All we care about is getting to the truth.

Turning to the rehoming programme, everyone who lost their home in Grenfell Tower and Grenfell Walk has been made at least one offer of good-quality, fully-furnished temporary accommodation in the local area. As of 10 o’clock this morning, 35 of these have been accepted and 10 families have moved in. Those numbers are slightly down on the figures that were published recently as some people have changed their minds, as they are perfectly entitled to do. Where residents have turned down an offer, we are finding suitable alternatives to offer them. Where residents are not yet ready to engage with the process, do not want to make a decision right now, or would rather wait for a permanent home to be offered, we will respect that. At DCLG questions this week, the quality of the accommodation being offered was raised. I would like to repeat the Housing Minister’s offer to the Opposition Front Bench to visit some of these homes so they can inspect them for themselves. I do not believe they have yet taken up that offer, but it still stands. In the longer term, we are continuing to seek out and secure suitable permanent accommodation. The first such homes for Grenfell families will be ready within days, and specialist teams are ready to start matching them to families and start making offers.

[LORD BOURNE OF ABERYSTWYTH]

On the Royal Borough of Kensington and Chelsea recovery task force, at the town hall, we are continuing preparations for the return of control of the recovery effort from Gold Command to Kensington and Chelsea Council. I have spoken at length with the new leader of the council and been very clear that Gold will not hand over the reins until it is clear that the council is ready and able to cope. We saw last night the very raw anger that some in the community still feel towards the council. It is entirely understandable. As the Prime Minister herself has said, the initial response from the local authority was simply not good enough. There is not a lot of trust there, not a lot of confidence, and that is why, once Kensington and Chelsea Council takes over the recovery operation, it will do so under the supervision of the independent Grenfell recovery task force. It is important to stress that the role of the task force is not to investigate the causes of the fire or to apportion blame—that is for the public inquiry and the police investigation—rather, it is there to provide advice and support and see to it that the council does the job that is required of it. We are in the process of finalising the task force membership and I hope to make an announcement soon. I can confirm that the handover from Gold to Kensington and Chelsea will not happen until the task force is up and running.

Away from Kensington, the fire safety testing programme continues. We now believe that no more than 208 local authority and housing association residential blocks over 80 metres tall have been fitted with aluminium composite material cladding; 189 of these have had cladding samples tested by the Building Research Establishment, been tested by proxy or have already taken their cladding down. None of them has passed the limited combustibility test. Samples from a further 12 towers have been submitted this week and are now being tested. The BRE has yet to see samples from seven towers, all of them managed by housing associations; a month after the tests began, that is simply unacceptable, and I expect to see them all submitting samples without any further delay.

On the advice of the independent Expert Advisory Panel on Building Safety, the BRE is now undertaking system testing that will help establish how combinations of different types of ACM panels with different types of insulation behave in a fire. An explanatory note, setting out the process and the timetable for further advice, will be published shortly. It has taken a short time to design and set up the test, but we expect the first results to be available next week. As soon as results are available, we will share them first with local authorities and housing associations that have confirmed that their properties are clad in the same combination of materials that are used in that test. We will, of course, share them with the local fire and rescue service. The results will provide further information that building owners and their professional advisers can use to take decisions about what, if any, remedial action is required.

Although legal responsibility for fire safety enforcement lies with local authorities, I have the power to direct an authority to consider these test results as part of their duty to keep housing conditions under review. If necessary, I will not hesitate to use this power, which could lead

to enforcement action being taken against a landlord if a fire risk is not dealt with. I hope that it will not come to that.

On the public inquiry, Sir Martin Moore-Bick is continuing his preparatory work. I welcome his decision to extend by two weeks the consultation period for the terms of reference. While we are all anxious for the inquiry to get under way, it is important that the remit is appropriate and that everyone affected has an opportunity to share their views.

On updates over the summer, with the House due to rise later today, this is the last Statement that I will be making before the Summer Recess, but work on the recovery effort and testing regime will obviously continue at pace while Parliament is not sitting, and my department will be writing regular letters to all Members to keep them abreast of progress.

Finally, I pay tribute to the many Members on both sides of the House who have assisted with the emergency response and recovery effort so far. Members have provided insight, support, scrutiny and a voice for their constituents, both in public and behind the scenes.

The weeks, months and even years ahead will be unimaginably difficult for those caught up in the fire and those who lost family and friends. There is nothing that any of us can do to bring back those who died or to erase the trauma of that terrible night. But I am sure that the whole House shares my determination to take care of those affected by the fire, to make sure the truth comes out and that justice is done, and to see to it that a tragedy like this never happens again”.

2.12 pm

Lord Kennedy of Southwark (Lab): My Lords, I thank the noble Lord, Lord Bourne of Aberystwyth, for repeating the Statement made by the Secretary of State in the other place earlier today. I refer Members to my declaration of interests as a councillor in the London Borough of Lewisham and a vice-president of the Local Government Association.

I too pay tribute to the dedicated public sector workers across the fire service, police, ambulance service and the NHS, local authority staff and staff from various government departments. Some were the heroes during the fire and the immediate aftermath; others are working as we speak to help this community to get back on its feet. I thank them all for everything they have done and continue to do. But, as I have said before in this House, there is not one group of heroes and dedicated professionals, and another group of people employed in the public sector who are unfairly attacked. I draw the attention of the House to the crass and wholly unfair attacks on firefighters by the Foreign Secretary, Boris Johnson, when he was Mayor of London. I hope that he never repeats them, and that we never hear again the nonsense about health and safety and red tape, or the daft requirement that before a new regulation is agreed, two—or is it three?—have to be deleted.

The number of people dead, or missing presumed dead, stands at 80. It is important that we support the police and other authorities in the work that they are doing to identify the victims. I endorse the call from

the Minister for anyone with information to come forward. As he said, no one with subletting or immigration issues should have any worries about coming forward; we just want to get to the truth.

In respect of the rehoming of people, the process seems very slow. I accept fully that people have the right to change their mind and make the decisions they want to in their own time, but can the Minister reassure the House that he is confident that everything possible is being done, because concerns have been raised about the quality of the accommodation being offered, as he said in the Statement?

I am pleased that gold command remains in control of recovery efforts and that that will not change until the Government are confident that the council can cope. The community is still very angry with the response of the council, and rightly so. I have observed that the new leader of the council is seeking to begin the process of winning the trust of the local community back, and that is very welcome. The Secretary of State has spoken at length with the new council leader, as we have heard. Can the Minister tell us what action he believes the council leader is taking to win back the trust and confidence of the community, and what discussions have taken place with the leader of the opposition on Kensington and Chelsea Council, Councillor Robert Atkinson, in this regard?

I am alarmed to learn today that samples from 27 tower blocks, all owned by housing associations, have still not been provided to the Building Research Establishment. What action are the Government taking to get those samples? After a month, this is totally unacceptable. I note that the Secretary of State has powers to direct local authorities to consider test results as part of their duty to keep housing conditions under review. What powers has the Secretary of State got to ensure that housing associations provide the samples requested? There is no excuse on their part for not providing them quickly.

I am pleased that work is continuing on establishing the public inquiry. I fully support this as the best way to get to the truth and to make provision so that nothing like this ever happens again. It is important that Sir Martin Moore-Bick is properly supported in his important work and that the widest possible agreement on the terms of reference and how Sir Martin should be supported is achieved.

The Statement also makes reference to keeping Members of the other place informed over the summer. Can I ask that Members of your Lordships' House are also kept informed? Emailed updates to Members would not in my opinion be too onerous for the department to undertake.

I join the Minister in fully supporting the operations on the ground to restore confidence, and I pay tribute to all involved. I wish the leader of Kensington and Chelsea Council, her fellow councillors and the staff of the authority, the vision and foresight to regain the trust of the community and to provide the proper civic leadership that the royal borough needs. As the noble Lord said, the truth must come out—justice must be done, and we must do everything in our power to ensure that a tragedy like this never happens again.

Lord Shipley (LD): My Lords, I remind the House that I, too, am a vice-president of the Local Government Association. I thank the Minister for repeating the Statement and for the promise of regular further updates over the summer. We join in the thanks to all the rescue services for their work. This was a devastating but avoidable catastrophe, and we need to get to the truth of what happened and guarantee the highest level of support for the community.

There is clearly a need to find workable terms of reference for the inquiry, but I have concluded that we also need a mechanism for the parallel issues of the supply of affordable housing, how tenants are treated and provision for displaced and affected residents, with the same level of public involvement and the same status and respect. I hope that the Government might agree with that and find a means of doing it.

The Statement confirms that the independent expert advisory panel on building safety, whose work is critical and urgent, is undertaking a new system of testing ACM panels, which is clearly needed. We have heard that the first results are due next week. There has been a catastrophic failure in building control, either in the regulations themselves or in their implementation—or both. We need to know urgently which it is and then implement actions across the country to meet the recommendations made.

I will raise two issues, the first around emergency planning and the second around other towers and testing, both mentioned in the Statement. Two weeks ago, I asked a Written Question of the Minister, to which I got a reply yesterday. My question was whether Her Majesty's Government,

“plan to audit the emergency plans of local authorities to ensure that they are up-to-date and robust”.

The reply I got yesterday said:

“The Government currently does not plan to audit local authorities' emergency plans. Local authorities, as category 1 responders under the Civil Contingency Act 2004, are subject to the full set of civil protection duties and are best placed to develop appropriate emergency plans based on local risks and needs”.

Clearly, it did not work in the case of Kensington and Chelsea. Might the Minister look at that again? The Government should not assume that no other local authority has similar problems. There is a responsibility on central government to make sure that local authorities' emergency plans are in place and robust.

It is clear that the Government have accepted that Kensington and Chelsea cannot yet take over the recovery operation by itself, and that when it does, it will be under the supervision of the independent Grenfell recovery task force. That is the right decision, but I hope that the Government will look carefully at this to ensure that the situation that occurred in Kensington and Chelsea cannot happen elsewhere.

On the issue of other towers and testing, the Statement says that,

“no more than 228 local authority and housing association residential blocks over 18 metres tall have been fitted with aluminium composite material cladding”.

That is a very high number indeed. The first question the Government need to answer speedily is whether or not the material was within building regulations—in

[LORD SHIPLEY]

other words, large numbers of buildings have been using this material, but should they have done so? Secondly, can the Minister explain why the height of 18 metres is so material? I am two metres tall; 18 metres is nine times my height. I am not clear where this figure has come from and why this material is deemed to be safe on high-rise buildings under 18 metres high, bearing in mind that none of the material in the blocks so far has passed the limited combustibility test that has taken place.

Finally, the Government have made it clear that when the results are available to the new system of testing they will be shared,

“first with local authorities and housing associations”,

which are immediately concerned, and,

“with the local fire and rescue service”.

Towards the end of the Statement it says that the Secretary of State has “the power to direct” a local housing authority,

“to consider these test results as part of their duty to keep housing conditions under review”.

There is then a statement that the power may well be used and enforcement action could be,

“taken against a landlord if a fire risk is not dealt with”.

Of course, that would include all fire risks within a building. I am not sure that what the Statement says is strong enough in law, because it indicates that the local housing authority has the final decision. It is not good enough simply to direct an authority to consider the test results. They should be implementing the test results, and if resource is required to do that, Her Majesty’s Government may well have to find the resource to do it.

Lord Bourne of Aberystwyth: My Lords, I thank the noble Lords, Lord Kennedy and Lord Shipley, for their contributions. I will try to deal with the various points they made. I thank them very much for echoing the thanks to our dedicated public servants across the piece for all they have done and the support that we continue to give them. The noble Lord, Lord Kennedy, mentioned the fire brigade in particular, and I am happy to say how important its work is and how much we as a Government respect and value what it does. I am grateful to both noble Lords for the continuing support, because this issue unites us and does not divide us.

I will try to deal with some of the points that were raised. First, the noble Lord, Lord Kennedy, spoke about the quality of accommodation and the issue of rehoming. We have to respect the trauma that these families have been through, which often makes it difficult for them to make a decision, even over a period of weeks, about their accommodation. In many cases they are not certain where they want to settle and we respect that. We have made offers of temporary accommodation to all families. Some have taken those offers up and some have not, but from what I can see I am certainly satisfied that the accommodation has been of an outstanding quality in all cases.

The noble Lord, Lord Kennedy, spoke about the task force and the work of gold command being vital—I absolutely agree with that—and the importance of the council winning back trust. I thank him for

what he said about how the leader of the council, Elizabeth Campbell, is trying to win back trust. She is reaching out genuinely to all people who have been victims and to the opposition parties. That is certainly the approach that the Government want and support. The noble Lord talked about outstanding samples that needed testing. The number is actually seven; perhaps the noble Lord’s figure is slightly out of date. It has come tumbling down over the last 48 hours, so seven tower blocks—

Lord Kennedy of Southwark: I had a different number.

Lord Bourne of Aberystwyth: The noble Lord is right to query that. Until shortly before I came in, the figure was still being updated, but the Secretary of State used the figure seven in the Commons, which is the one that I repeated. Of course, it is still important that we bear down with regard to those seven outstanding tower blocks that have yet to be tested; it is important that the housing associations comply with the request to bring forward their samples.

The noble Lord, Lord Kennedy, asked about the power to issue directions—I think the noble Lord, Lord Shipley, also referred to that—which is under the Housing Act 2004. We have been careful to check what legal powers we have, and those are the powers as stated. The inquiry may want to look at this—I am sure it will—but that is the power as set out. Both noble Lords made a point, understandably and rightly, about updates, and I will certainly ensure that the updates provided to MPs in the Commons are also sent to noble Lords. I will also address in correspondence any points that noble Lords want to raise over the summer, and I will copy it to Peers. If it is felt that it would be appropriate and helpful, and it may well be, I am willing to give an update briefing and answer questions when we come back in September, as happened during the earlier briefing.

On points made by the noble Lord, Lord Shipley, in addition to those I have tried to cover, the supply of affordable housing and permanent housing is important. Kensington and Chelsea will make a statement on this shortly. The council will want to share the housing commitment to residents who lived in Grenfell Tower first with those affected, but it will certainly be available shortly to noble Lords.

System testing has been recommended by the expert panel, and that is being carried forward, starting next week. Once that information has been conveyed to housing associations and local authorities, it will be conveyed more widely.

Regarding the cut-off height of 18 metres, I am not an expert on this but I believe it is used very often in relation to tower blocks. I think that fire and rescue above 18 metres is demonstrably more difficult but, again, I suspect that is something the inquiry will be looking at.

On the terms of reference, the consultation will be open until 28 July—that is, a week tomorrow—to gain as broad a consensus as possible on what should be looked at. Once that has been completed, we will hope to settle the terms of reference very quickly.

2.30 pm

Lord Hope of Craighead (CB): My Lords, I welcome the point to which the noble Lord has just referred—the decision to extend the period for agreeing the terms of reference. Anything that can be done to defuse the high state of tension that exists at present is wise. One would like this inquiry to proceed in a relatively calm atmosphere so that the evidence can be listened to without interruption and with proper attention to detail. However, perhaps the noble Lord can inform the House on one or two other matters relating to the preparation of the inquiry.

First, have steps been taken to identify somebody who might be invited to act as counsel to the inquiry? I suspect that that will be an extremely important element in the preparation of the evidence before the inquiry begins. Secondly, has thought been given to where the inquiry might be held, bearing in mind that large numbers of people will want to attend it and the premises will have to be large enough to accommodate them, as well as to provide a secure position for those who wish to attend, for those giving evidence and, indeed, for the judge himself? Thirdly, can we have any insight into the timing, bearing in mind that the point has been made from the very beginning about the need for an interim report to be made available as soon as possible so that the details of the evidence that might lead to steps to prevent a repetition can be brought into the open as soon as possible, and also bearing in mind that the inquiry cannot begin until the evidence has been sufficiently well prepared for the judge to hear it and assess it in the first place?

Lord Bourne of Aberystwyth: My Lords, I thank the noble and learned Lord very much for that contribution and for the very helpful points about defusing the high state of tension that exists and has existed from early on—for very understandable reasons. I think efforts are being made, with some success, to defuse the tension. The judge leading the inquiry is consulting local residents and residents' representatives about the terms of reference, and it is right to do so. I am sure that the judge will have views about the timing of the inquiry and where it is to be held, and those will be taken into account. If it is acceptable to the noble and learned Lord, I will write to him on the more detailed and relevant points concerning the conduct of the inquiry.

He is right about an interim report, which I think we would be hoping to see, although, again, ultimately that is for the judge leading the inquiry to determine. Because of the need for urgent action, we set up the independent expert advisory panel under Sir Ken Knight. He has already given a lead, as has the rest of the committee, in relation to, for example, the testing and other important matters. However, the Secretary of State is very well aware of the need for early action on the building regulations and fire safety measures, probably in parallel with the inquiry.

Baroness Finlay of Llandaff (CB): My Lords, perhaps I may follow up a question from my noble and learned friend Lord Hope. Will the interim panel have adequate powers within its terms of reference so that, if some of

the questions that have been emerging in the press about, for example, electrical safety, power surges and so on arise, it will be able to request all local authorities to undertake electrical safety reviews in similar blocks? It would be an unimaginable tragedy for a fire of a similar nature to occur while the inquiry was going on. Although one does not wish in any way to pre-empt the finding of the inquiry, there is a need to defuse tension, rather than risk the possibility of the people who have suffered so terribly feeling that their concerns are being put off until the outcome of the inquiry. Therefore, I wonder whether it would be wise for a series of interim reports to be released as and when the overall inquiry felt that that was appropriate and helpful in the interests of safety in the future.

Lord Bourne of Aberystwyth: My Lords, I thank the noble Baroness very much for her, as always, very helpful suggestions. When the Secretary of State presented the Statement to the Commons, electrical safety was raised and he undertook to discuss it with the Secretary of State for BEIS, and I think that that will be helpful. That is a very important point. Of course the inquiry should look at these issues. In addition, the interim panel—it is an advisory panel—will be able to make urgent recommendations. It will be a very open process and we are very keen for the panel to bring up important issues. That has been the approach throughout; certainly it has not been to push issues away. The seriousness of what has happened at Grenfell and its wider implications are recognised across government, as they are across all political parties, as demanding immediate and thoroughgoing action. Therefore, we would welcome any necessary suggestions from the advisory committee.

Baroness Healy of Primrose Hill (Lab): My Lords, can the Minister give any clarity about what will happen to residents who accept permanent accommodation? I have been told by some community volunteers that residents are concerned that, although they may get help in the first year after moving in, they may not be able to afford the rents after that because they will go up and it will be beyond their ability to pay. This is causing some of the reluctance to accept offers.

Lord Bourne of Aberystwyth: I thank the noble Baroness for her question and the opportunity to provide some clarity on that. When permanent accommodation is offered—and, as we will see, it will be—it will be offered on exactly the same terms as the earlier accommodation. We are absolutely clear that it will be on exactly the same terms. Therefore, there is no reason to be concerned on the basis that the noble Baroness has set out.

Lord Paul (Non-Aff): My Lords, a lot of money is being collected by the charities. Is there any way of knowing how it is being distributed and whether it is being distributed fairly?

Lord Bourne of Aberystwyth: I thank the noble Lord very much for his question, which provides me with the opportunity to thank the charities that have

[LORD BOURNE OF ABERYSTWYTH]

provided massive support and have been very involved in the charitable effort, foremost among which are the British Red Cross and the *Evening Standard* Dispossessed Fund, although many others have also raised an enormous amount of money. I know that the distribution is being co-ordinated by the Charity Commission to make sure that it is done in the most effective way. Financial assistance and donated goods are being distributed. For their part, the Government have been very clear—and I restate it—that whatever is received through charitable giving will have no impact at all on benefits. We want to be absolutely clear about that.

Lord Hunt of Chesterton (Lab): My Lords, I declare an interest as being involved in the Hazards Forum, which is an organisation of all the engineering institutions dealing with hazards. It has met over several years on different issues. Similarly, there is a scientific organisation which I know about called the Science Council, which could deal with some of the very complex issues involving physics and chemistry. These bodies have not been directly requested to give their input. A scientifically interesting but challenging feature of the whole problem of Grenfell is the quite wide range of scientific and technological issues that have arisen. Equally, given some of the scientific results of more recent tragedies—some people have asked how this compares with the huge King's Cross fire, which was studied very well and from which practical methods evolved—I feel that parts of the scientific and technical infrastructures could contribute more and I hope that the expert panel will make use of them.

Lord Bourne of Aberystwyth: I thank the noble Lord. He has unequalled expertise in this area. I am sure the judge and the inquiry would welcome input from the bodies mentioned by the noble Lord. Clearly the parallel he mentioned with the King's Cross fire—and possibly also the Bradford City football ground fire—would have an impact on the inquiry. The Prime Minister early on suggested—this has been echoed since—that we should have, and will take up, a civil disaster impact forum for dealing with this kind of situation. No two awful tragedies are the same but there are clearly lessons that can be learned and passed on in relation to future dreadful incidents.

Baroness Warwick of Undercliffe (Lab): My Lords, I apologise to the House for not being here for the start of the Minister's Statement, but I have read it. I noted that he mentioned the tower blocks owned by housing associations that have not submitted to testing. In the other place, the Secretary of State confirmed that these were all freehold buildings and recognised that housing associations, despite many attempts, are having difficulty in getting freeholders to comply. Is there anything the Government can do to persuade the freeholders that, in the interests of the safety of the tenants in these buildings, they should comply? I declare an interest as chair of the National Housing Federation.

Lord Bourne of Aberystwyth: I thank the noble Baroness, who I know has great expertise in this area. The position of these seven is, as indicated by the

noble Baroness, not straightforward. We remain ready to help, if we can, if there are issues that need resolution. As I say, the number has come tumbling down over the past 48 hours. There were many more housing association properties that had not fulfilled the testing requirement until the past 48 hours. It may be that these will be dealt with in short order but we certainly are in touch to make sure that the number comes down to zero.

Lord Lea of Crondall (Lab): My Lords, I hope the House will allow me some discretion because, like my noble friend, I was not able to be here for the start of the Statement. Can the Minister comment on the potential frustration that could be caused by matters that become sub judice? Will there be a way for issues that emerge to be responded to in public while the inquiry is taking place?

Lord Bourne of Aberystwyth: The noble Lord is right to raise a difficulty that often exists in this kind of complex situation. The fact that the inquiry is likely to go on for a considerable time will make it that much greater. We are aware of that difficulty and trying to work within it. Obviously there are ongoing criminal investigations, the public inquiry, which is shortly to start, and the work of the independent expert panel. As a country that believes in the rule of law, we do not want to compromise the position of people who will end up in court as defendants. We have to work within that situation and are aware of it. Certainly the judge's experience as a judge when he is chairing the inquiry will be helpful in that regard.

Euratom

Question for Short Debate

2.43 pm

Asked by Lord Teverson

To ask Her Majesty's Government, in the light of their intention to leave Euratom, how they intend to ensure the continued uninterrupted cross-border supply of nuclear materials, including for medical use, post-Brexit.

Lord Teverson (LD): My Lords, this is a short debate and I shall be direct and to the point.

Euratom is not a European Union organisation. It is effective and low key, and perhaps one of its greatest successes is that unless you deal with it you have probably never heard of it. I suspect that, until the past few weeks, that was true of a number of senior members of the Government as well.

The important area of Euratom is as the safeguarding authority under the International Atomic Energy Authority, which is the global authority that ensures that non-proliferation, and all the regimes and regulations around it, are implemented and effective. Effectively, Euratom is the one-stop shop for all its 28 members—the same 28 members as those of the European Union. Its safeguarding role includes trade in fissile and other nuclear materials, fuel, reactors, knowledge and expertise. Under the Euratom treaty there is a nuclear common

market, which deals with the transfer of nuclear materials and other areas around freedom of movement of scientists and technicians. On a practical basis, it has a Euratom supply agency that looks after and ensures the supply of nuclear fuels and radioactive isotopes for the medical area of the whole Euratom community—all 28 of its member states.

Importantly, it is the counterparty to the nuclear co-operation agreements with third-party supply countries around the world, including, importantly, the United States, Australia, Canada, Kazakhstan and South Korea. It also includes agreements with Japan in other areas of nuclear co-operation. It is also—this is particularly important for the United Kingdom—a key provider of research and development funding, not least for the UK; it provides some €56 million per annum to support the Joint European Torus—the JET—programme in Culham, Oxfordshire. So that is Euratom.

The United Kingdom has no International Atomic Energy Authority-approved safeguarding body at this time. That is done by Euratom. We have no indigenous nuclear fuel supply, no native source of radio isotopes and no bilateral nuclear co-operation agreements. However, we have an existing nuclear fleet of power stations which provides one-fifth of our energy and relies on imported nuclear fuel. We have a new generation of power stations being built—the first one is at Hinkley Point—which will rely very largely on foreign parts and technology, and some 45 nuclear agreements will need to be replaced once we exit Euratom.

The issue is this: just like the Brexit clock, the atomic clock is ticking. We have 20 months left, and if there is no agreement with Euratom and no International Atomic Energy Authority safeguarding regime in the United Kingdom, literally all that cross-border trade stops—it ceases. This is not a WTO situation where, after exiting the EU, we undertake trade under WTO terms; in many legislatures—particularly in the United States—it will become a criminal offence to trade with us on these materials. That is where we will be potentially in 20 months' time. I hope that will not be the case and I look forward to the Minister explaining why it will not be.

Radioactive isotopes identify and treat cancers. In the United Kingdom, some 500,000 procedures use these materials each year. Again, we have no domestic supply. They are very perishable. In fact, the half-life of some is as little as hours, and for the most important ones it is days—and that means that they are perishable. We import the vast majority of them from France, Belgium and the Netherlands, all of which are Euratom member states at the present time. That supply chain is fragile.

I was concerned that the Minister in the other place, when it had a debate on Euratom, said that there was no issue about medical isotopes because they were not fissile material. I do not want to think that Ministers' Statements can no longer be trusted, but this is an easy soundbite around a much more complex situation.

Radioactive medical isotopes are specifically listed in annex IV of chapter 9 of the Euratom treaty, along with other items such as nuclear reactors. Indeed, chapter 9 is all about the nuclear common market

which in turn is all about movement. It involves not only the isotopes themselves but the containers in which and methods by which they are transported. The perishability of isotopes means that their inability to travel large distances becomes particular important. In fact, there is form in this area. In 2008 the technical issues that created delays and difficulties in the Eurotunnel at the time meant that the isotopes could not be transported quickly and efficiently from other parts of western Europe. That led to a number of cancer procedures being delayed and cancelled here in UK hospitals.

That was followed in 2009 by a world shortage of these isotopes and difficulties in the supply chain. As a result, the Euratom Supply Agency set up the European Observatory on the Supply of Medical Radioisotopes to help the whole of the community solve the long-term problem of ensuring the supply of medical isotopes. That vital work is still continuing and covers all 28 member states. So I ask the Minister: from that point of view, is it really worth putting 500,000 cancer procedures each year at some risk just because Euratom itself uses the ECJ as its legal arbiter?

I have a number of questions. Have the Government initiated their discussions with the International Atomic Energy Authority on the UK having its own safeguarding regime—and one that has any chance of being approved within 20 months? What discussions have we had with our supply countries, on which we are totally dependent, including the United States, Canada and Australia? Can we get serious about the isotopes question and move beyond the soundbites? I ask that because there are some real issues which I believe are far more complex than perhaps Ministers have said and agreed so far. Are the Government open to a transition agreement between Britain and Euratom, and indeed is the Euratom community likely to agree to such an agreement? Most importantly, when it comes to security of supply, will the UK apply to remain a member of the European Observatory on the Supply of Medical Radioisotopes, which is at the core of ensuring that the supply chain survives into the future?

It is said that Ministers did not really want to come out of Euratom. They recognised that it was efficient, effective and a good one-stop shop for all 28 member states. I would ask them to have the courage of their convictions and remind them that there is still time to change.

2.53 pm

Lord Whitty (Lab): My Lords, I thank the noble Lord, Lord Teverson, for tabling this debate and I agree with what he has said. I intervene for only two reasons: first, to underline the importance of Euratom; and, secondly, to draw more general conclusions for the way in which the negotiations on leaving the EU are being carried out. I have a long-standing concern about and support for the nuclear industry, but I hesitate to say that it is now half a century since I worked for the AEA at Harwell and Culham. Even in those days you needed international agreements on the transport, storage and use of fissile and radioactive materials. During our membership of the EU, all that has been provided by Euratom. The organisation is

[LORD WHITTY]

also vital to the development of nuclear power, which in turn is vital to help us reach our targets on carbon-free energy supplies, both in this country and around the world. This is even more important because ownership of the UK nuclear industry is almost entirely in the hands of overseas firms.

Euratom is also vital to the development of nuclear science and research, and to keeping that expertise and facilities available in this country, in particular the important Joint European Torus at Culham and its fusion research. It is also vital, as the noble Lord has just said, to the provision of medical supplies and treatments. Radioisotopes are used to treat many key diseases including cancer, cardiovascular conditions and brain problems. I would venture to say, given the demography of this House, that many of us depend for our quality of life on such treatments and the continued high standards of safety and security of supply of such treatments. Euratom is also vital as a part of the non-proliferation treaty and therefore to world peace.

Legally speaking, initially the Government could not really make up their mind whether the vote to leave the EU inevitably meant that we would have to leave Euratom. As late as last December we were told that the Government were still,

“assessing the legal and policy implications of the vote to leave, including the potential implications for the UK’s membership of Euratom”.

Because Euratom was originally a separate treaty before the treaties were consolidated, it was arguable that we could differentiate even in the consolidated treaty. Legal opinions differ, but it would have been possible to argue that we could remain a full member of Euratom had it not been for the Government’s obsession about the jurisdiction of the ECJ, which in practice has not often intervened in Euratom business.

Lord Lea of Crodall (Lab): Does my noble friend recall that the Republic of Ireland joined Euratom a long time before it joined the European Economic Community? In fact, I chaired a meeting in Cambridge in 1961 at which the Taoiseach said that Ireland was going to apply to join Euratom, which of course was a staging post to joining the European Economic Community, but equally that demonstrated that they are not exactly the same thing.

Lord Whitty: My Lords, I agree with my noble friend, who goes back even further than I do. The issue of whether we could continue to be a member of Euratom ought still to be live in the initial withdrawal discussions because it will define the way in which we will withdraw from the European institutions. If the Government are not prepared to seek full membership of Euratom, they must at least publicly state their objective of having full associate membership so that we can still have some influence over how the standards are set, the areas in which research is directed, and the funds that are related to those.

If the Government do not treat Euratom as somewhat different from the rest of the treaty and show that they can have a different sort of relationship, they are in

effect defining Euratom and its agencies as EU agencies. I have with me a list of 34 EU agencies and in all cases the industries and organisations which participate in those agencies want to retain something very close to the status quo. This morning my Select Committee was discussing aviation and the issues around the European Aviation Safety Agency. The same is true in food standards, chemicals, banking and so forth. The industries want to retain a position within those agencies that is as close to the status quo as possible. The way in which we treat Euratom may well be the template for the way in which we deal with all the other agencies. I hope that the Government will take on board the very widespread view that most of those agencies work to our economic, social and environmental advantage. We should try to retain as close a relationship as possible in these negotiations.

2.58 pm

Lord Oates (LD): My Lords, I am grateful to my noble friend Lord Teverson for giving us the opportunity to debate this important issue again, although I confess that I had hoped that by now the Government would have seen the error of their obduracy and reversed their position on Euratom. The safeguarding regime provided by Euratom and the nuclear collaboration with our partners through Euratom are obviously critical to the civil nuclear power programme in this country. However, I want to touch in particular on the implications for the National Health Service and, most importantly, for all of us who in the future may become patients requiring treatment with medical radioisotopes.

I know the importance of this matter because my partner was recently treated by the fantastic staff at the Royal Marsden Hospital in Fulham. The treatment that he received involved radioisotopes created in a German reactor which supplies the NHS for this purpose. As my noble friend has explained, the inspection, transport and safeguarding of the various stages in this critical process are ultimately overseen by Euratom. I do not doubt that we can create our own nuclear safeguarding regime, although whether we can do it without disruption to the current arrangements and additional and unnecessary costs, with all the potential impacts on the health of the people of this country, is, at least, unclear.

In any event, why on earth would we want to go to the trouble of withdrawing from an organisation which has been effectively providing nuclear safeguarding for our country for the past 40 years? What is the point of it? There is none. Not only will we involve ourselves in costly and unnecessary duplication, but in the end we will have to work out the means of a collaborative relationship with our nuclear partners in Europe. This doubtless will involve some mechanism of dispute resolution. Why do we not simply stick with what we have?

There has been much discussion in this House about the motivations of those who voted to leave the European Union. The truth is that none of us can ever fully know; all we know is that they voted to leave the EU. As my noble friend has pointed out, that does not mean leaving Euratom. To my knowledge, no noble

Lord—even the most ardent Brexiteer in this House—has ever attempted to assert that anyone was driven to vote leave by their refusal to tolerate for a moment longer the continued involvement of the United Kingdom in Euratom. It is an obvious nonsense.

I do not want to leave the European Union. I think it is a disastrous move that will render this country permanently poorer. But if we are to leave, it would be good if we could do it in an intelligent manner, not in an ignorant, obdurate and absurd fusillade of bullets into feet. Nothing better encapsulates the wanton recklessness of the current approach to Brexit than this dogmatic determination to pull the UK out of Euratom. The public is looking on with increasing concern at the Government's failure to grasp the details and grip the realities of Brexit. A change of direction on Euratom would at least be some small demonstration that the Government are capable of moving beyond slogans to a serious and considered approach to the most complex and important negotiations that any government has had to undertake for more than half a century.

3.03 pm

Lord Hunt of Chesterton (Lab): My Lords, I thank the noble Lord, Lord Teverson, for introducing this important debate and for the masterly way in which he did so. I declare an interest, like some of my colleagues, having worked in various aspects of atomic energy. I am chairman of the advisory committee of Tokamak Energy, which is a private sector fusion project.

Euratom has several vital roles which affect us—from timescales of a few hours, as we have been hearing in medical examples, to a long-term programme of dealing with nuclear waste of up to 100,000 years. Some people may remember the famous interchange between the noble Lord, Lord Sainsbury, and one of our Welsh colleagues here who asked if he really believed in transmutation. The point is that we have a very wide range of interests in working with Euratom—or whatever is done to continue that work.

The other aspect, of course, is fission. The noble Lord, Lord Teverson, rightly pointed out that fission power is a significant part of our power. Importantly, it is not just 20% of our power but continues when, for example, renewable power is unable to operate. Fission power is very important throughout the world.

The important point about Euratom is, of course, that it not only provides the fissile material for reactors but deals with nuclear waste. Nuclear waste brings us to the 100,000-year question. Are we going to put our waste in geological reserves, or are we going to deal with it in a long-term scientific way, destroying it so that it will have a short half-life? That is one of Euratom's programmes. It is the only organisation in the world that is thinking in a long-term way about the different ways of dealing with nuclear waste.

Finally, Euratom has a very important role in co-ordinating the European contribution to the global project on fusion. Fusion energy, as you may know, uses water. There was the famous joke of the Giles cartoon in the 1950s, saying, "Are we going to run out of water?" because we were so effective at using this energy. We are not going to run out of water, but the fusion programme is very important and produces no

waste. The fusion processes may be one way of getting rid of waste, of which we have a great deal from the fission process.

Euratom leads the global experiment, which started with JET, which is still at Culham. That will transfer into ITER, which is the international Tokamak in France. The UK plays a major role in these programmes, and how that will happen has to be negotiated. There was an article in the newspapers about the UK fusion programme.

Interestingly, we are now developing a private sector approach. If you are going to have a private sector operation, it needs a regulatory framework, and the way we work with Euratom should include that aspect. Also, as other noble Lords have said, Euratom is vital for the UK's involvement in the International Atomic Energy Agency. We look forward to hearing from the Minister how that will continue.

3.07 pm

Baroness Bowles of Berkhamsted (LD): My Lords, I have previously argued that the separate Euratom treaty gave the Government an opportunity and useful alternatives for transition by not triggering Article 50 simultaneously with Euratom. I know that left some institutional untidiness to sort out, but it would have meant both sides looking for the solution, and it is still an option. They are, however, two treaties, so another contingency plan could be to negotiate a Euratom exit independently, especially if there is no main agreement.

Today we are debating, among other things, continuing access to medical isotopes. My noble friend Lord Teverson has explained that the observatory role of the Euratom Supply Agency has been enlarged to cover supply of medical isotopes, with a particular objective of securing supply of molybdenum-99 and technetium-99—the material used for some 700,000 diagnostic procedures per annum in the United Kingdom—across the EU. We obtain our supplies, as has been said, from several EU countries. We do not have our own reactor facilities or any plan for them, and this gives rise to various considerations.

First, will we still get equal treatment in EU supplies after Brexit, especially if there is an international shortage, which happened before, hence the observatory role? Secondly, past incidents such as the fire in the Channel Tunnel and disruption at Calais have hindered supplies. If we are not in the customs union, delays may be more common, and isotopes are the ultimate "just in time" materials because if they are not delivered promptly they cease to exist. A moly cow generator lasts only two weeks, with material halving every 66 hours, so long delivery times are wasteful. That is why we do not import from faraway places such as Australia or Korea. We are signatories to the international high-level group, but is that enough? Will we try to stay in the EU observatory to secure the EU supply?

Turning to the position paper on Euratom withdrawal, it says that we will negotiate a new voluntary offer agreement with the IAEA to replace those aspects done via Euratom. Has there already been an exchange of documents with the IAEA about the content of that agreement? Are there aspects other than replicating or taking over Euratom safeguarding procedures? Is

[BARONESS BOWLES OF BERKHAMSTED]

the transfer of accounting straightforward, and what happens if ownership agreements with Euratom are unsuccessful?

On Monday, we debated the electricity market report from the Economic Affairs Committee, which gives prominence to security of supply—that was without any Brexit consideration. Given that a nuclear fleet is part of our energy future, have discussions started on replacing the nuclear co-operation agreements that presently run via Euratom, in particular with the United States, from where we get a lot of our supplies? Is there a break clause in the EDF contract if any nuclear technology is denied to the UK by France, Euratom or the Commission during the building of Hinkley Point C?

Finally, will the UK fund JET from 2018 to 2020 if the extension to Euratom funding that was being negotiated does not now happen? What would be the effect of not funding that extension on the UK position in international fusion technology?

3.11 pm

Lord Bradshaw (LD): My Lords, I live on the nexus of three constituencies, and nearby are Culham, Rutherford and the whole business at Harwell. Lots of people from abroad work there. They have families here and they will be greatly affected by any withdrawal.

The people at the top of the tree in all these things have interchangeable skills and will go and work elsewhere if they cannot work here on a collaborative basis. I underline this: everything in the university and at the research establishments is collaborative work and is funded by the EU on that basis. The free exchange of ideas and the free movement of these people are axiomatic to this continuing.

There is also a top-down element: the people working in this are in the shape of a pyramid. At the top, a few hundred are internationally acclaimed scientists. Going home from Didcot station the other night in a taxi, I asked the taxi driver, “What will happen to you if these institutions cease to exist?” He looked at me a bit funny and said, “Well, we will get a lot less work and a lot of us will lose our jobs”. That fact goes right down the supply chain. A thousand people work at Culham, but only some 150 are these top-flight people, and the employment of the rest of the people is in jeopardy.

Last night, I read the views of one of the three MPs who represent the area. A Conservative MP said:

“Last week, I began a campaign to urge the Government to retain our membership of Euratom after we leave the European Union ... Retaining membership will best serve the national interest—as has been unequivocally stated by representatives of the UK nuclear industry—and I hope that ministers are listening to the genuine concerns being raised”.

Whether people like to admit it or not, there is increasing pressure—and it will come from Conservative Back-Benchers, who are threatened by issues such as leaving Euratom and the effect on employment in areas which depend on that, and a lot of other high-quality research.

3.14 pm

Lord Wallace of Saltaire (LD): My Lords, I note the silence on the Conservative Benches in this debate. I fear it is perhaps because no Conservative Peers are

willing to defend the Government’s current position on this matter. I want to quote the Commons report on this, which states at paragraph 85:

“We are not aware of any substantive arguments in favour of leaving Euratom made either during the referendum campaign or afterwards. This outcome seems to be an unfortunate, and perhaps unforeseen, consequence of the Prime Minister’s decision to leave the jurisdiction of the European Court of Justice”.

Liam Fox said on the “Today” programme this morning that our negotiations to join the WTO would be entirely straightforward, provided people did not put politics ahead of economics. He lacks a sense of self-irony to some extent, because it is quite clear that the politics of getting out from under the ECJ have driven the decision to leave Euratom. I was told this morning that, of all the cases on Euratom that the ECJ has considered, none has been decided against the United Kingdom. Nevertheless, the wickedness of the existence of the ECJ and the passionate feeling of Sir William Cash, Martin Howe QC and a small number of ultra-Europhobes who believe that common law is wonderful and Roman law is subversive have pushed the Prime Minister into making this a red line.

It is quite clear, however, that if we leave Euratom, the international nature of the nuclear industry means that some other form of legal arbitration in this as in so many other sectors would have to be used. Absolute sovereignty is not possible in the current global economy. That is one thing that the Prime Minister has to admit if we are to get through the current complex series of negotiations that we are about to undertake.

Timescale questions come in here. We leave in less than two years if we carry on without the process of transitional implementation. I see from the various reports that I have read that it takes five years to train a new nuclear inspector if we wish to set up our own nuclear safeguards agency. It takes a minimum of 10 years to build and get into operation a new research reactor, if we think that we are going to find radioisotopes from a British source.

I also note that the continued free movement of nuclear workers is vital. I am not sure what the noble Lord, Lord Green of Deddington, would say about that, because not only would they be foreigners but they would bring in foreign wives and might have foreign children. There are real questions here which relate to some of the absurdities of our debate.

My noble friend Lady Bowles of Berkhamsted has talked about the difficulties of finding alternative sources of supply. We cannot go to China or to Australia; geographical proximity matters.

Managing the many complex aspects of a global economy means that international regulation is necessary and that some form of legal arbitration is required. Getting out of Euratom because you are not prepared to accept that it is a regional organisation in which regional legal arbitration is needed seems an enormous mistake. The Nuclear Industry Association stated that, “Euratom has played a key role in underpinning the UK’s nuclear industry since the country joined the EEC in 1973”.

Our companies benefit from the supply chain. Our researchers and research centres benefit enormously from the networks to which they belong. The Government are jeopardising all that; they need to think again.

3.18 pm

Baroness Hayter of Kentish Town (Lab): My Lords, we owe quite a debt to the noble Lord, Lord Teverson, for his earlier work on this and for today's debate and the way in which he introduced it. However, I have to confess that I do not know how many such representations the Government have to receive before they realise that they have made a big mistake over Euratom, the unified European nuclear safety—the clue is in the word “safety”—and non-proliferation regime.

There have been protests—I have had them; I am sure that the Minister has had them, too—from the nuclear industry, the pharmaceutical industry, scientists, oncologists, the Bioindustry Association and the supply agency producing technetium-99m for cancer treatments and diagnosis. We have heard from specialists concerned about future supplies of medical isotopes, given that many of the reactors producing them are coming to the end of their lives. We have heard from a leading German politician, from the BMA, from the Institute of Physics, and umpteen warnings about a shortage of skilled staff and the loss of our world-leading fusion project and all the scientists and support staff who go with it.

I have just received a rather heartfelt plea from a certain Bob Kaufman, a retired diplomat who, in 1966 in our Paris embassy, drafted the language adopted by Washington and incorporated into the NPT which exempted the technically sophisticated Euratom safeguards from IAEA inspection procedures and therefore exerted political pressure on France under de Gaulle to accept Euratom rather than the American bilateral or IAEA safeguards. Mr Kaufman says:

“US-Euratom co-operation in the peaceful uses of nuclear energy established a model for worldwide efforts begun by President Eisenhower and pursuant to the Non-Proliferation Treaty. It would be a shame should Britain unnecessarily damage itself and one of Europe's enduring and quietly successful entities”.

It is quietly successful. That is perhaps why, as the noble Lord, Lord Teverson, said, few of us had heard of it until this happened.

There is cross-party concern on this, including from the noble Lord, Lord Hayward, who, though he cannot be here today, asked me to emphasise that concerns about the Government's handling of this issue do not come solely from Opposition Benches. He, like others who spoke in the earlier debate, responded positively to the offer made by the noble and learned Lord, Lord Keen, on that occasion to meet Peers on this. I wrote to the noble and learned Lord about that on 17 March and got a reply on 22 June from the Minister in the Commons, who was keen to go ahead with such a meeting before the Summer Recess. That gives him about three hours to get us all together.

The question is why the Government are taking us out of Euratom despite all the evidence. As the noble Lord, Lord Wallace, said, we know that it is due to their willingness to allow their inexplicable hatred of the ECJ to colour every aspect of our withdrawal from the EU. In this case, that puts our lives, energy, safety and science at risk, just so that we can escape a court—one comprised of judges whose job is to interpret the law. We had been given to understand by something in the *Guardian* that the Government might seek to

replicate the benefits of membership through some form of associate membership, but in the Commons the Minister appeared to dismiss this possibility and brushed aside the main concerns raised, especially as regards medical risks.

My noble friend Lord O'Neill had to leave for his plane, but he was going to say—I hope that I can use a minute to say it—that he is receiving treatment for prostate cancer at the moment. He reminded me that, although I will never get that, many in this House are likely to. He asked how long patients will have to wait for the security that their treatment will go ahead, given the fear of not having those nuclear materials. So my plea to the Minister is to act now, to get all those industries, the medics, scientists and everyone on board, and have a concerted effort to find a solution. It must be operative by March 2019. We cannot risk delays of vital nuclear material at ports because checks are being made. They are perishable as well as vital goods. We cannot risk being outside this world-leading nuclear co-operation system. I hope that the Minister will not allow some hang-up over the ECJ to blind the Government to a sensible way ahead. Together, I am sure we can work it out—but the Government must take a lead.

3.24 pm

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Prior of Brampton) (Con): My Lords, I also thank the noble Lord, Lord Teverson, for bringing this debate to the House today. We discussed the implications for Euratom at the time of the Article 50 notice being given. At that time, it was explained that the machinery of the two treaties was inextricably intertwined and that it was not possible to give notice under Article 50 without also giving notice under Euratom. I am sure we may wish to debate that issue further on another day but that is the position as I understand it.

The noble Lord was quite right when he started the debate by saying that Euratom is hugely important yet it is a treaty that few people had ever heard of. However, the Government are certainly under no illusions about how important Euratom is. I hope that I shall pick up most of the questions raised by noble Lords in this debate while I wind up. In so far as I do not, I will write.

Lord Kerr of Kinlochard (CB): If they are “inextricably intertwined”, why did the letter have a specific, separate paragraph saying that, in addition to leaving the European Union, we wish to leave Euratom?

Lord Prior of Brampton: My Lords, I cannot answer that question standing here because I do not know. I am not briefed for a long and intricate legal discussion about how notice given under Article 50 related to Euratom. If it is all right with the noble Lord, I will write to him after the debate.

I should make clear to noble Lords that the Government regard the Euratom situation as hugely important and serious. At the beginning of my remarks, I should also be absolutely clear on three broad points.

[LORD PRIOR OF BRAMPTON]

First, our aim is to maintain our mutually successful civil nuclear co-operation with Euratom. Secondly, we are committed to the highest standards of nuclear safety and support for the industry. Thirdly, we will continue to apply international standards on nuclear safeguards.

A number of noble Lords raised the issue of medical isotopes. There is a genuine difference of understanding here. We do not believe that leaving Euratom will have any adverse effect on the supply of medical radio-isotopes. Here, I was very sorry to hear about the noble Lord, Lord O'Neill. We will all think of him and hope he makes a good recovery over the summer. However, contrary to what has been in some newspapers that noble Lords may have read, medical radio-isotopes are not classed as special fissile material and are not subject to nuclear safeguards. Put frankly, you cannot build a nuclear weapon out of medical radioactive material. They are not part of the nuclear non-proliferation treaty, which is the driver of our nuclear safeguards regime.

In addition, Euratom places no restrictions on the export of medical isotopes to countries outside the EU. It is in everyone's interests to ensure that there are no restrictions on the export of medical isotopes to countries outside the EU. These isotopes are not subject to Euratom supply agency contracts or to Euratom safeguards. This means that no special arrangements need to be put in place ahead of withdrawal. The UK's ability to import medical isotopes from Europe and the rest of the world will not be affected.

Let me say a little more about safeguards as this is also, quite rightly, a subject with which noble Lords are concerned. It is clear that we need continuity and must avoid any break in our safeguards regime. The UK meets our safeguards standards through our membership of Euratom. The Government's aim is clear: we want to maintain our mutually successful civil nuclear co-operation with Euratom. We can do so while establishing our own nuclear safeguards regime, using the body that already regulates nuclear security and safety: the Office for Nuclear Regulation. To do that, we need primary legislation.

That is why the Queen's Speech on 21 June included our intention to take powers to set up a domestic nuclear safeguards regime, in partnership with the Office for Nuclear Regulation, to enable us to continue to meet international safeguards and nuclear non-proliferation obligations. Regardless of where Members of both Houses may stand on the UK's future relationship with Euratom, I hope we can all agree that it is sensible and prudent to take such powers.

I know that your Lordships are keen to understand the Government's approach to securing a successful negotiation outcome and continuity for our nuclear industry. I should like to set out here what the Government have been doing to further the UK's interests. First, your Lordships will be aware that on 22 May, the Government formally entered EU exit negotiations with the European Commission. The EU negotiating directives, agreed by the European Council on 22 May, set out priority issues that have been identified by the EU as necessary for the orderly withdrawal of the

UK. As part of these priority issues, the directives noted that a suitable agreement will need to be reached in relation to the ownership of "special fissile materials" and safeguards equipment in the UK which are currently the property of Euratom. The outcome of such an agreement, as with the rest of the UK's future relationship with Euratom, will be subject to negotiations with the EU and Euratom.

The Government's primary aim throughout these negotiations will be to maintain our mutually successful civil nuclear co-operation with Euratom and the rest of the world. We are strong supporters of Euratom and that is not going to change. Last Friday, the UK published a position paper setting out its objectives for a future relationship with Euratom. We are ready and confident that we can find common ground as officials enter this first phase of negotiations but, regardless of where we stand on the question of membership, associate membership, transition or departure from Euratom, we can agree that it is sensible and prudent to ensure that the Office for Nuclear Regulation has the power it needs for a domestic safeguards regime.

Secondly, we are keen to ensure that there is minimal disruption to civil nuclear trade and co-operation with non-European partners. To this end, the Government are negotiating with the United States, Canada, Australia and Japan so that the UK has appropriate nuclear co-operation agreements in place. Government officials have met with the Canadian Government and the Canadian regulators; we have also written to them at ministerial level. Canada is as keen as we are to reach a new agreement on bilateral terms. That is equally true of the USA, Japan and Australia, with all of whom we have started constructive discussions.

Let me reinforce this point because it may be that the House has heard or read that everything has to be done in a sequence that will take many years. I can tell the House that not only is it possible to do these things in parallel but we have already started to do so. We are preparing a domestic nuclear safeguards Bill; we are opening negotiations with the EU; we are talking to third countries about bilateral agreements; finally, of course, we are talking to the International Atomic Energy Agency. My officials have met with IAEA officials in Vienna and had constructive conversations about a new voluntary offer agreement, to replace the current one that we have by virtue of our Euratom membership.

There should be no question of any lack of support for Euratom. The decision to leave was taken at the time of triggering Article 50. Noble Lords will be aware that the triggering of Article 50 notified the Commission of the UK's intention to leave the European Union and to leave Euratom, as the EU and Euratom are uniquely and legally joined. Leaving one means leaving the other. That is an issue we addressed earlier but I will write to the noble Lord, Lord Kerr, about it. The UK has been at the forefront on nuclear non-proliferation for 60 years and we have been members of Euratom since 1973. I have no doubt that we can bring all these discussions to a satisfactory conclusion.

A number of noble Lords raised issues of research, in particular that done at Culham. In last week's Westminster Hall debate my fellow Minister, the

honourable Member for Watford, Richard Harrington, set out that the Government are pursuing research and development opportunities with our European counterparts. My right honourable friend the Secretary of State announced on 27 June the underwriting of the UK's share of the EU JET fusion project. This demonstrates our commitment to continued nuclear research and development collaboration, and in particular to the world-leading Culham Centre for Fusion Energy located near Oxford. The UK's participation in JET and the ITER project in France supports around 1,300 jobs, which includes 600 highly skilled positions. UK engineering and technology firms have indirectly benefited, as we heard from a noble Lord earlier, from around €500 million-worth of ITER construction contracts.

In conclusion, I make it clear that the Government are determined to continue a constructive, collaborative relationship with Euratom. The UK is a great supporter of Euratom and will continue to be so. This Government remain absolutely committed to the highest standards of nuclear safety and to supporting the nuclear industry. We will achieve this through continued application of international standards on nuclear safeguards, new legislation and new agreements with our international partners.

NHS: Contaminated Blood

Statement

3.35 pm

Baroness Chisholm of Owlpen (Con): My Lords, I shall now repeat the Answer given by my honourable friend the Parliamentary Under-Secretary of State for Health to an Urgent Question in another place. The Statement is as follows:

“I would like to begin by adding my personal apology to those who have spoken in this House on previous occasions about the tragedy of contaminated blood, and reiterating that the Government recognise the terrible impact this has had on many thousands of lives. The Government recognise that the previous inquiries into the events that led to thousands of people being infected with HIV and/or hepatitis C through NHS-supplied blood or blood products did not go far enough. That is why, on Tuesday 11 July 2017, the Prime Minister committed to establishing a further inquiry so that the causes of this tragedy can be fully understood.

Once established, we want that inquiry to be fully independent. However, before it is established, there is a need to define the scope and format so that terms of reference may be set by the relevant Secretary of State. Given the impact this tragedy has had on so many lives it is vital that we get this right, and from the start. I am aware of the concerns that have been raised this week by those affected, by campaign groups and by Members of this House. Indeed, I spoke to the honourable Member for Kingston upon Hull North on Tuesday about this very issue.

I reassure the House that the Government have as yet made no final decisions on the scope and format of an inquiry, or on its leadership. I have newly taken on

this policy area and I am keen to make sure that all those affected are given an opportunity to give us their thoughts and opinions. I understand that it is normal practice for public inquiries to be sponsored by the relevant department. However, in light of concerns raised, we are keen to listen to those concerns and ensure they are addressed, which is why we are in discussions with the Cabinet Office and colleagues across government to ensure that this inquiry does its job and does it well, under appropriate leadership.

That is why an early consultative meeting was scheduled today, hosted at the Cabinet Office, where the Secretary of State and Ministers hoped to understand further the important views of those affected about the shape and establishment of the inquiry. This is the first of several meetings that the Government would like to offer over the coming weeks. I strongly encourage anyone affected to give us their views. Our door is open to anyone who wants to discuss the inquiry or raise any concerns they may have.

It is important to note that whatever arrangements are agreed for this independent inquiry there will be safeguards put in place to ensure independence, for instance by ensuring that the secretary to the inquiry never worked at the Department of Health or any of its agencies. We are absolutely committed to a thorough and transparent inquiry and we want to establish the best format and remit. That is why we want to hear as many opinions as possible. We will work with those affected and Members of this House to do so”.

3.38 pm

Baroness Wheeler (Lab): I thank the noble Baroness for repeating the Minister's response in the Commons. While we of course very much welcomed last week's announcement of the public inquiry, we are dismayed at the lack of sensitivity and understanding shown by the Government in the way they have gone about consulting the victims and survivors on the inquiry's terms of reference.

The Minister underlined that no final decisions have been made on the scope, format or leadership of the inquiry and that the Government are in discussions with the Cabinet Office to ensure cross-departmental involvement. We on these Benches say categorically that the Department of Health should have no role in how this inquiry is established or conducted. Can the Minister please give the House that assurance today? Can the Minister also place on record her acceptance that true and meaningful consultation should now take place and tell us how the Government intend to make up for their deeply regrettable start on such a vital issue?

Baroness Chisholm of Owlpen: My Lords, I thank the noble Baroness for those questions. It is normal for the relevant department to sponsor an inquiry, and the Department of Health is the sponsoring department. We are listening on this, which is why the Cabinet Office has joined the discussions, and other departments may well be involved. We are absolutely committed to an independent inquiry and the Cabinet Office propriety and ethics team has been liaising with the Department of Health about this inquiry.

[BARONESS CHISHOLM OF OWLPEN]

As regards how people can make sure that they are able to consult, we are sending letters this week, or at the beginning of next week, to all 3,500 beneficiaries of the schemes. MPs will also receive the letter. The letter will state clearly how to make contact so that people can put forward their concerns, ideas and representations.

Baroness Walmsley (LD): My Lords, I welcome the fact that we are to have a proper inquiry at last and that it will be fully independent. I also welcome that the secretariat to the inquiry will be someone who has never worked at the Department of Health. However, the remit of these inquiries always has an enormous effect on the deliberations and the outcomes. Victims are concerned that the Department of Health could sign off the remit. To be seen to be completely independent, will the Minister consider which department would be more appropriate than her own for signing off the remit? Perhaps it could be the Cabinet Office.

The inquiry must have statutory powers not just to summon witnesses but to compel them to appear and to receive documents. In the debate in another place last week the Minister seemed to see two alternatives: either giving the inquiry these important statutory powers or providing a,

“Hillsborough-style panel—which would allow for a sensitive investigation of the issues, allowing those affected and their families close personal engagement”.—[*Official Report, Commons, 11/7/17; col. 187.*]

I do not see these as two alternatives. If the inquiry is properly constituted and the remit laid down by an independent body with the approval of the victims, it could command their trust and close personal engagement could then be achieved. However, these inquiries usually take a long time, and the victims of this scandal need help now. How will the Minister ensure that victims have access to the compensation they deserve in the short term? Will she reverse the decision made in April not to increase the compensation payments in line with inflation? Will the Minister set a date for responding to the consultation on the support scheme, which closed in April?

Baroness Chisholm of Owlpen: As regards the set-up of the inquiry, no final decisions on how it will be have been made. That will be taken into account following the consultations. As the noble Baroness said, there are two possible ways of doing it, either by a statutory inquiry, which involves a judge and means witnesses can be ordered to appear, or rather like the Hillsborough panel, which is more “families first” but cannot force witnesses to appear. No decision has been made. It will all be part of the consultation over the summer before a decision in September.

As for the other queries mentioned by the noble Baroness, I do not now want to go into what happened before. This Urgent Question is about how the inquiry will be set up. However, I understand the noble Baroness’s concerns about the consultation. I do not know the date yet. When I go out, if I find the date has been agreed, I will make sure I write to the noble Baroness.

Baroness Meacher (CB): My Lords, I declare my interest as president of the Haemophilia Society. The Minister will be aware that the Haemophilia Society

and others boycotted the meeting this morning to discuss the remit of the inquiry because of the involvement of the Department of Health. The Department of Health will be the main subject of this inquiry. For example, why did the Department of Health continue to allow contaminated blood to be given to patients when it was known to be unsafe? Which documents were shredded by Department of Health officials and why? It is surely preposterous for the Department of Health to be able to restrict the inquiry by being involved in setting the terms of reference or the remit. It gives it enormous power over something where it should have no power at all. Will the Minister ensure that the decision on the remit of this inquiry will not involve the Department of Health at all and that the inquiry will be a statutory inquiry to ensure that witnesses can be required to give evidence so that justice can finally be given to these innocent and badly affected victims?

Baroness Chisholm of Owlpen: I thank the noble Baroness for the question. We are very aware of the worries that various Members involved in this have. That is why an early consultative meeting was scheduled for today at the Cabinet Office. As I said in the Statement, the Secretary of State and Ministers hope to understand further the important views of those affected about the shape and establishment of the inquiry. It was the first of several meetings. Over the summer, following the responses as a result of the letters, we will be going forward, listening to what everyone is saying and making a decision. I can guarantee that.

Lord Cormack (Con): My Lords, as a Member of Parliament around 30 years ago, I was approached on this very tragic issue and became involved. Will my noble friend listen very carefully and talk to the Secretary of State about the point just made by the noble Baroness, Lady Meacher? We cannot have a department that is judge and jury. The Department of Health is being investigated. We need an inquiry presided over by a judge, answerable perhaps to the Cabinet Office, as has been mentioned, or perhaps to the Ministry of Justice, but it cannot be to the Department of Health. I urge my noble friend to take that message, which I rather infer is supported throughout your Lordships’ House, to the Secretary of State.

Baroness Chisholm of Owlpen: I thank my noble friend for his question and indeed for all he did all those years ago. The feelings when the Urgent Question was answered in the other place were obvious, as they are in this House, and I am sure the Department of Health is listening. I cannot stand here and categorically say what will happen, but I can say that the department is listening and is very aware of the deep feelings that everybody has on this subject.

Lord Elton (Con): On the narrow point that has just been raised, it is not the department that needs to listen; it is Her Majesty’s Government who need to listen as to who is to draw up the brief for this inquiry.

Baroness Chisholm of Owlpen: I hear what my noble friend is saying.

Baroness Masham of Ilton (CB): My Lords, will America be involved in this inquiry? It provided the contaminated factor 8.

Baroness Chisholm of Owlpen: I cannot categorically say whether it will be involved, but the point about the inquiry is that it will be far reaching and go into every avenue to be able to get the proper result that we want, so I am sure that will be considered.

Health: Congenital Heart Disease

Question for Short Debate

3.48 pm

Asked by Baroness Boothroyd

To ask Her Majesty's Government what clinical evidence they have that the proposed closure of congenital heart disease services at the Royal Brompton Hospital will lead to improved patient outcomes.

Baroness Boothroyd (CB): My Lords, I hope this debate will persuade the Government to end the current crisis that threatens the future of the Royal Brompton Hospital. I hope also that it will convince NHS England, which funds Britain's largest centre for the treatment of congenital heart and lung diseases, that its plans to decommission the hospital's key services are mistaken and should be withdrawn. There is no justification for them. The NHS trust which runs the Royal Brompton is wholly opposed to them; on any rational basis, it is the last hospital one would expect to be treated in the way it has been by the national board of NHS England.

I deplore this crisis. It was entirely avoidable. Unless it is resolved in a way that benefits patients, it will have appalling consequences. It has already eroded the good faith that ought to exist between the hospital's trust and NHS England, which appears to be determined to get its own way.

To make matters worse, the dispute between them is over a problem that actually does not exist. Perhaps the Minister will explain why it has been allowed to escalate in the way it has. I know that the Minister has strong feelings and will disagree with me, but I am delighted to be able to put my views in print, and I hope she will relay our dismay and alarm to her colleagues in senior government positions. If it ends in legal action, which has been talked about, the High Court will want to know a lot more about the way NHS England has behaved.

I declare an interest as a grateful long-term cardiac and respiratory patient at Brompton. From the information I have received, the national board has been high-handed, devious and secretive. It has constantly misunderstood and misrepresented the hospital's position and dismissed its representations without proper consultation. In my opinion, which is shared by others, it has not behaved fairly, in the way its executive functions require and British justice expects.

Why, for example, did it demand the trust's response within three days to its warning last year that it was minded to decommission Brompton's procedures for treating congenital heart disease?

Why did it reject the hospital's submission out of hand without explanation and announce the very next day that it was minded to cut Brompton's funding? That was a breach of natural justice if ever I saw one.

Why was a small group of its advisers allowed at the last minute to overturn an independent review that had approved the way the Brompton worked in harmonious partnership with its near neighbour, Chelsea and Westminster Hospital? Other questions arise from its arbitrary decision to accept that U-turn.

How and where will Brompton's 12,000 displaced patients be relocated? We all know that hospitals in London and the south-east are absolutely chock-a-block. What evidence do NHS England and the Minister have that the relocating of patients—whose interests must come first, or at least ought to—will lead to improved patient outcomes? Where is the evidence? That is the question that has to be answered today. A spokesman for NHS England told a public consultation recently that removing patients to other hospitals in London would be a formidable challenge. A patients' representative asked, "Have you nothing better you could be doing?". Evidently not. I say this to NHS England and to the Government too: I am minded to conclude that you are out of touch with public opinion and you have lost your way on this issue.

Is the Royal Brompton a failing hospital? No, its excellent performance ratings show otherwise. Is there some scandal we do not know about, like the 29 infant deaths from congenital heart disease in Bristol Royal Infirmary 20 years ago? No, there is not. So what is the problem? NHS England has changed tack on this. In June last year, it claimed that Brompton had failed to comply with seven of the board's 14 requirements. NHS England dropped that charge when Brompton disproved it, but still rejected its submission out of hand. Its attitude throughout has been imperious.

No less a figure than Sir Magdi Yacoub, one of our surgeons of international repute, who performed Britain's first heart and lung transplant and still oversees research work at the Heart Science Centre, which the Royal Brompton Trust runs, calls the effect of the plans to disrupt Brompton's services "a crime"—a crime. Sir Magdi said:

"What are you doing? Why are you killing a centre of excellence? To me, it's a crime".

I want to know that too, as do many Members in both Houses of Parliament and several thousand families outside this House. We want Jeremy Hunt, the Secretary of State for Health, to stop this madness. He did so four years ago when the Brompton's services were under threat; he should do so again and lose no more time and precious resources. Professional staff will move abroad.

Brompton's fame and uniqueness stems from the results it achieves and the progressive treatments it generates. Its dedicated staff care for 8,000 adult patients and 4,500 children per year. Its out-patients receive lifelong care in a seamless stream from infant to senior citizen. It is the nation's centre for treating babies and children from all around the UK with severe forms of cystic fibrosis, asthma, muscular dystrophies and other respiratory illnesses. Its research papers are widely

[BARONESS BOOTHROYD]

published and students and academics study there, but that appears not to be good enough. It has to be decommissioned.

The controversy that threatens Brompton's patients stems from NHS England's regulation that from 2019 every hospital's doctors should work under the same roof. This runs counter to Brompton's agreement with its near neighbour Chelsea and Westminster, which is a different form of co-proximity but works just as well. If the Brompton needs a specialist with a differing discipline, Chelsea and Westminster provides one within half an hour, which used to be the national rule. I have personal experience of that procedure. Moreover, no patient has ever been put at risk. It has been 100% successful.

What does it take to convince the powers that be that the Brompton is an exceptional hospital and should be treated in a way that suits its patients best and not bureaucracy? NHS England talks about "future-proofing" congenital heart disease treatment, which the Brompton does every day. It alleges that the hospital has rejected an alternative proposal, which the hospital says has never been made.

The Brompton meets 469 out of NHS England's 470 requirements. Even so, that is deemed not to be enough. Imagine any organisation being failed on a score of 469 out of 470. Parliament would have to shut up shop. What does it take to persuade the NHS moneybags that wrecking the Brompton risks more than they realise? This approach is not only unfair, it is quite unreasonable. NHS England demands optimal performance but only on its own terms. The Brompton's performance is already optimal and risk-free.

The dire consequences of a forced relocation are already apparent. Brompton would lose 28% of its NHS income. The redundancies would cost more in professional and financial terms. The hospital's respiratory services for asthma sufferers could not be sustained. I ask the Minister whether NHS England has forgotten the first principle of the Hippocratic oath that doctors must do nothing to harm their patients? It has certainly ignored the guidelines in its own *Five Year Forward View* published in 2014. It said then that,

"England is too diverse for a 'one size fits all' ... model".

Henceforth, it said, regulations were to be applied with "meaningful local flexibility" and it would back "diverse ... and local leadership". That seminal document went on to say:

"One of the great strengths of this country is that we have an NHS that—at its best—is 'of the people, by the people and for the people'".

There would be no more "factory models" of care and repair, with little engagement with the wider community and short-sighted attitudes to partnerships.

Is that not what is happening at the Brompton right now? If NHS England presses ahead and the Government do nothing to stop it, the health service will be the poorer, so will our country and others further afield. It would be a disaster if it succumbs to the diktat of bureaucracy.

The Royal Brompton must be allowed to get on with the job at which it excels.

3.59 pm

Baroness Gardner of Parkes (Con): My Lords, I am glad to be here today and to be able to contribute to the debate secured by the noble Baroness, Lady Boothroyd, on this important subject. I certainly support her aim of ensuring the continuation of children's services for the treatment of congenital heart conditions at the Brompton.

My connection with the Brompton dates back to my 16 years' board membership of the National Heart and Royal Brompton hospitals, from 1979 to 1990. The Brompton Hospital was established in 1878 and the "Royal" came later. It is world-renowned. The year 1947 saw a major development, with the first cardiac operations. The Brompton was the first to use closure devices as an alternative to surgery for children born with a hole in their heart.

Those who say that the Brompton does not have the necessary availability of children's services fail to understand the very special relationship, which the noble Baroness, Lady Boothroyd, brought out, between the Brompton and the Chelsea and Westminster hospitals. Under this unique system, the paediatric consultants at the Chelsea and Westminster have hours built into their contracts to be worked at the Brompton. The two hospitals are close together geographically and, when needed, a paediatric consultant can be at the Brompton within 20 to 30 minutes. These are reliable, audited facts, not just aims or wishes, and the system works well. Why spend millions recreating the capacity at other centres when it already exists and is doing very well?

Any woman who has been diagnosed at the Chelsea and Westminster as carrying a baby with a congenital heart disease can be treated at the Brompton. Many Members of your Lordships' House will know one of our number who has had two sons treated at the hospital for congenital heart conditions. He is away and unable to participate in the debate today, but I know how appreciative he is of the first-class treatment that they had and I would like to place that fact on record.

The number of international researchers and academics who come to the Brompton from all around the world to work in the congenital heart disease unit will fall, and we will lose research and expertise from the UK. That will be a very serious loss. It is important that the decision is made to retain congenital heart treatment at the Brompton, and I ask the Government to do so.

4.02 pm

Lord Darzi of Denham (Lab): My Lords, I thank the noble Baroness, Lady Boothroyd, for calling this debate. I declare an interest: I am a surgeon working in the NHS, the chair of surgery at Imperial College London and a consultant surgeon at Imperial College and the Royal Marsden NHS trusts. I am also a non-executive director of NHS Improvement.

I have always been a passionate champion of change in the NHS, so long as that change is for the right reasons. Healthcare exists at the limits of science, which is why high-quality care is a constantly moving target—by definition, to stand still is to fall back.

Sometimes that means taking very difficult decisions to make far-reaching changes to services that are cherished by NHS staff and patients alike.

As some in this House may recall, in 2007 I led a review of London's health services. One of the most significant findings was that care for people who had experienced a stroke was very poor. Across the capital, just four hospitals were providing the high-quality care that all patients should expect. This meant that many Londoners were dying needlessly and many others were left with life-altering disabilities that could have been avoided. The changes that I proposed, consolidating stroke services into a smaller number of sites, were implemented by the NHS in London in the years that followed. More than 200 lives a year have been saved and many thousands more have been improved. Those changes were incredibly difficult to implement but were done in the right way and for the right reasons.

The first and most important principle of changes in the NHS is that they should be to the benefit of patients. Quality of care should be the organising principle of the health service, as I set out in my 2008 NHS review, *High Quality Care for All*, published for the 60th anniversary of the National Health Service. This means that changes must be supported by clinical evidence and after broad and meaningful engagements with both patients and members of the wider public, which brings me to the specifics of today's debate.

Let us be clear about the starting point. The Royal Brompton Hospital is a specialist NHS trust. It is the largest provider of care for adults with congenital heart disease and the second-largest provider of care for children with congenital heart disease in this country. In partnership with Imperial College London, the trust is a leading centre for research, education and training. It produces highly cited publications in heart and lung disease—more than any other trust in this country. Last year alone, the Royal Brompton, together with Imperial College, published 742 papers. I remind your Lordships that more than 50% of London's coronary heart disease specialists are trained at the Royal Brompton.

More than any of that, its services achieve the highest-quality outcomes in every dimension that we could choose to measure. The proposals we are debating today are to dismantle the highest-quality service in England. I must be honest and say that I find it utterly astonishing that it should even be a question for discussion.

The justification for the changes revolves primarily around two sets of standards. The first is about the number of cases undertaken by individual surgeons and by the unit as a whole in any year. Like anything in life, practice makes perfect; the same is as true for playing the piano as it is for complex surgery. But the minimum number of cases for congenital heart surgery has simply been plucked from the sky, with a completely random figure of 125 cases per surgeon. I have seen zero clinical evidence to support this number anywhere.

Indeed, in my specialty, cancer surgery, the minimum volume for me is 25 cases a year; in the United States, the minimum volume for congenital heart defect surgery in children is 75 cases. I have no idea where we got the

figure of 125 in this country. My diagnosis is of an acute case of policy-based evidence-making rather than evidence-based policy-making. We have seen more of that in recent years. The Brompton actually exceeds that target, with the second-largest number of cases in the country—522 in the last year of published data—but the point remains that the so-called standards create little confidence when they are decoupled from meaningful clinical evidence or outcomes.

The second set of standards are about co-location of services. These are what are driving the changes at the Brompton at the moment. The consultation demands that paediatric congenital heart surgery is provided only in settings where a wide range of other specialist services are located on the same site, as we have heard. The co-location standard requires certain paediatric services, such as gastroenterology and general surgery, to be co-located in the same building as the congenital heart disease service, as these services are needed by around 1% of patients each year.

As a specialist heart and lung hospital, the Royal Brompton delivers a co-located paediatric service in partnership with neighbouring Chelsea and Westminster Hospital and the Royal Marsden Hospital, both just a few minutes' walk away—I do it, as I work at the Royal Marsden. This partnership has existed for many years, and a wealth of support is available between these sites. Specialists can go from Chelsea or the Marsden to the Brompton within a five-minute walk. It takes the same amount of time to get from my operating theatre to the pharmacy department at St Mary's Hospital. There are no recorded cases of problems accessing emergency care under this arrangement.

It is, therefore, painfully obvious that the standards on co-location have been defined in such a way as to deliberately result in the dismantling of the services at the Brompton. Indeed, NHS Improvement estimates the cost of shifting services to Guy's and St Thomas' Hospital to be in the region of £800 million—an enormous sum at a time of financial difficulty, and with no meaningful clinical evidence. More than that, it has absolutely no regard for the patients or the public of north-west London.

Baroness Goldie (Con): My Lords, I know that this is a very important contribution but this is a time-limited debate with Bank-Bench speaking slots of six minutes. Might I respectfully remind the noble Lord of that?

Lord Darzi of Denham: My apologies, my Lords. Just to finish, I strongly believe that this debate is based on complete fallacy in terms of the evidence supporting it and I urge the Government not to dismantle the most important hospital contributing to the treatment of congenital and non-congenital heart disease in this country.

4.10 pm

Lord Patel (CB): My Lords, I start by congratulating the noble Baroness, Lady Boothroyd, on securing this debate, even at the last minute before the summer starts. She ended her brilliant speech by presenting the evidence why the Brompton is so important and should not be closed. The Brompton's international reputation

[LORD PATEL]

derives from its eminence as an innovator in care and its reputation in international research, which is what I will refer to.

To give an example of the hospital as an innovator in care, I mention the case of Chloe Narbonne, a 13 year-old girl from Worcester who had been diagnosed with cardiomyopathy at the age of four weeks, and required a heart transplant. Her second heart transplant failed, meaning that she faced death because she would have to wait some time for another heart to be available. At that time, the doctors at the Brompton decided to implant an artificial heart. It was the first artificial heart implanted in a child in the whole of Europe. Since then, the surgeon involved, André Simon, has conducted 13 implantations of an artificial heart. That kind of cutting-edge innovation occurs only in an institution of very high standing, where highly skilled doctors and nurses practise. This is an example of a hospital that innovates care.

I have two examples of how important this institution is to research. The first is a report by the National Institute for Health Research about the hospital's performance as an academic institution in 2016-17, which says that the trust achieved 104% of its overall recruitment target; 17 non-commercial studies that closed last year recruited in time and on target; and the trust increased its participation in the commercial portfolio, recruiting to 38 commercial studies—an increase from the previous year. Despite respiratory recruitment falling since 2015-16 in the Brompton, it remained the highest recruiting trust in the country in the NIHR respiratory portfolio, and contributed 8% of the national portfolio—a huge number. Some 75% of non-commercial cardiovascular studies and 80% of commercial cardiovascular studies closed on time and on target—a remarkable achievement for an academic institution.

An analysis from the RAND Corporation shows that the Royal Brompton publishes more highly cited papers on both respiratory and cardiovascular medicine than any other NHS trust in the United Kingdom—in scientific work, how many times your papers are cited is a mark of your original contribution to science. The trust is the UK's flagship centre for research on adult CHD and is widely recognised as the world's leading institution in CHD research. The hospital is funded by bodies including the National Institute for Health Research and the British Heart Foundation. In fact, the British Heart Foundation funds one of the only full-time academics working in CHD research in the country.

The combination of factors that makes the trust so prolific and influential—the lifelong rather than separate paediatric and adult patient care; the large patient populations; the multidisciplinary expert teams; and the culture of vision and drive that has been cultivated over many years—cannot be replaced if people move elsewhere, as NHS England suggests. Teams get broken up. It takes years to build research teams, particularly in academic medicine, so for the NHS to suggest that this proposal will not have any effect is fundamentally and absolutely wrong.

Last August, the Secretary of State for BEIS vowed that:

“The government's commitment to our world-leading science and research base remains steadfast”.

The Minister of State for science and research commented in the same month that,

“it's more important than ever that we support the brightest and best researchers and innovators”.

I hope that the new Government will take the opportunity to prove that their enthusiasm for and commitment to British research remain steadfast and undiminished. I suggest that that could be achieved by the Government forcing the NHS to change its mind about closing the Brompton.

4.16 pm

Baroness Pidding (Con): My Lords, I join others in thanking the noble Baroness, Lady Boothroyd, for securing this debate. My contribution will be fairly brief. I start by congratulating everyone involved on understanding the need for a set of standards for congenital heart disease, and NHS England on organising two separate groups—one for children, the other for adults—to agree those standards. We should not forget that our NHS congenital heart disease service is a remarkable success, given that being born with this condition in the 1960s suggested a survival rate to the age of 16 of only 15%, whereas those born with the condition today have a survival rate of nearer 90%.

The Somerville Foundation, of which I have recently become a patron, is the UK patient support group for adults with congenital heart disease. It had been calling for a set of standards for adults for more than 10 years and is convinced that these standards will further raise the quality of the service for these patients across the country. It also points out that, for the first time ever, the number of adults with congenital heart disease is higher than the number of children with it, and this number continues to rise.

The Royal Brompton Hospital achieves all the standards for adult congenital heart disease and the Somerville Foundation is extremely concerned about the impact that this proposal will have on adult patients. There is no suggestion that the Brompton does not provide a world-class service for congenital heart disease. It is recognised around the world for its care, technology, clinicians and research.

We are now at the stage where the public consultation on congenital heart disease surgical services has ended. Therefore, only now can the difference between the cold interpretation of the standards and the outcomes of implementing them be fully considered. NHS England was right to consult, as it had to measure services against the standards it was given. The Brompton, it is suggested, fails one of the children's standards. Of course, it would be best if this was not the case, and it was able to comply in some way. However, the proposals would have such an impact on the adult service that the cost would be greater than the gain. Already around the country, including in London, the demand for adult congenital heart services outstrips the supply and, as I have already said, the demand is getting larger due to better survival rates.

The other two London specialist centres, Bart's and St Thomas', are already fully stretched in providing the specialist care for these patients. While the long-term aim of having fewer, larger centres is understandable, it would be better achieved by combining centres. It is difficult to understand how the transfer of thousands of patients within an already stretched service in London can provide improved patient experience. Once the responses of the public consultation have been considered, as well as the impact of the proposed change at the Brompton, I am sure that the only conclusion can be that the Brompton must retain its adult congenital heart service.

4.20 pm

Baroness Masham of Ilton (CB): My Lords, I thank my noble friend Lady Boothroyd for successfully securing this vital debate. My noble friend has first-hand experience of the Royal Brompton, having been a patient, and I consider the patient's voice essential in assessing the standards of any hospital in which they have been treated. Some years ago, I was a member of the Yorkshire regional health authority, and I realised that there was great competition within health service specialties and that one had to fight hardest for children's services. That challenge does not seem to have changed, even now when there is an increased demand on the NHS and also a baby boom. Children's safety is paramount.

While traveling to your Lordships' House in a taxi, I was asked by the driver what we were discussing, and I told him that it was the proposed closure of the congenital heart disease unit at the Royal Brompton Hospital. He was totally shocked—in fact, he was gobsmacked. He said, "They can't shut a world-famous hospital like that! I take many patients and families to the Brompton from all over the world". He said it was the first time he had heard of this worrying proposal.

The Royal Brompton team is not only the largest and best resourced adult congenital heart disease team in the country; it is also the leading centre of research into adult congenital heart disease in the world. Royal Brompton's teams have developed an international reputation for tailoring a seamless transition from paediatric to adult care. That approach will be lost if the Royal Brompton's unit is closed. Does the Minister not think that continuity of care is important?

With the insecurity of everything at present—and Brexit, which does not help—there is already evidence that many of the clinicians and academics who come to the Royal Brompton from around the world to work in the CHD unit will return to their country of origin if their unit closes, fragmenting research teams and losing expertise from the UK. Does the Minister realise that if the unit closes, those expert staff will be lapped up by other countries only too eager to employ staff from a hospital with the success rate of the Royal Brompton?

There is a serious staff shortage in the NHS, and specialist units across the country do not have enough slack in the system. Where will the patients go if the unit closes? The Royal Brompton is the national centre for treating babies and children from around the UK with some of the most severe forms of cystic fibrosis, asthma, muscular dystrophies and other respiratory

illnesses. Without the back-up of intensive care, which would be lost with the closure of CHD services, the hospital says that it will be unsafe to undertake the more complex specialist respiratory treatments and they will have to stop. These sick children need the very best expert treatment, which the Royal Brompton has provided. Surely, this is a case of, "if it ain't broke, don't fix it".

4.24 pm

Baroness Morgan of Huyton (Lab): My Lords, I am proud to declare my interest in this debate as chairman of the Royal Brompton and Harefield NHS Trust. I am also immensely grateful to the noble Baroness, Lady Boothroyd, for obtaining this debate and introducing it so brilliantly. I hope that the Minister realises what a formidable force she is and, importantly, that she understands that she stands at the head of a large, articulate, informed and angry group of patients, parents of patients, charities, local politicians and MPs of all parties—and that is before we talk about clinicians, academics and educators connected to our trust but also around the UK and globally. As you would expect, there is a lot of emotion, but crucially there is also a great deal of expert opinion and experience. I hope that the Minister has not just been supplied with a file that says, "The standards have been carefully drawn up and the consultation results will be reviewed diligently". We need more than that.

The trust board would not stand in the way of change backed by strong clinical evidence, nor do we resist all change. We focus hard on patient outcomes and experience. Our opposition is neither nimbyism nor the result of closed minds. We are aware of the need to reconfigure and strengthen a range of services nationally in the medium and longer term. However, any such decisions at any point must be transparently discussed, clinically led and must put patient outcomes and care at the centre. So let us use these benchmarks in relation to CHD.

The services at the Brompton are world-renowned. Babies born with CHD live with often very complicated medical conditions all their lives. The Brompton manages the transition from child to adult care flexibly and brilliantly. The transition age can meet the needs of the individual patient rather than the patient being fitted into the structure. Remember that these patients often have complex special needs. The Brompton treats 12,500 patients, including 4,500 children. We performed almost 1,300 clinical procedures in 2015-6. Crucially, our 30-day patient outcomes are among the very best in the country and our "family and friends" recommendation rate is over 98%. I fully understand the history of the Bristol scandal but completely fail to understand the relevance of that history for services today at the Brompton.

The hospital is situated in Chelsea but truly is a national specialist hospital. For example, the main foetal referrals are from Queen Charlotte's, St George's and Chelsea and Westminster Hospitals, but there are formal outreach relationships with 23 trusts where over 8,000 babies are reviewed, with many babies coming to the Brompton for further investigation and/or treatment. Over a quarter of hospital admissions are

[BARONESS MORGAN OF HUYTON]

from north-west London, a quarter are from other parts of London, a quarter are from the wider south-east, and the rest are from anywhere else in the country. There are dynamic relationships with a wide range of clinicians at a significant number of hospital trusts, which is as it should be for a specialist tertiary provider.

The Royal Brompton and Harefield Trust is internationally known for its education and training as well as its research, as we have already heard today. This is evidenced by the letter sent to the Secretary of State recently by 198 leading professionals from around the world, including Gary Webb from Cincinnati Children's Hospital; Professor Khairy from Montreal Heart Institute; Professor Ju Le Tan from the National Heart Centre Singapore; Professor Diller from Münster, Germany; Professor Shah, cardiac director at the Geneva University Hospitals; Professor Geva from Boston Children's Hospital and Harvard; and many other eminent professors from Brazil, Israel, France, Italy, Greece, India, Spain, Belgium, the Netherlands, Egypt, China, Sweden, Japan, Australia and Denmark. I could go on. In their letter they say that,

“by any measure the Royal Brompton's CHD service is the largest in the UK with excellent outcomes. The Trust's research team is the most influential in the world”.

They say that the plan will have “devastating consequences”. Similarly, the Joint Royal Colleges of Physicians Training Board has written to NHS England to express its deep concern about the future training of paediatric cardiologists.

Of course, bizarrely, none of this is disputed by the NHS England board. The trust meets 469 of its 470 care standards. Until a recent addition to the standards—a very specific designation of collocation—safe and sustainable specialised paediatric services were governed by the Baker review. This was detailed and thorough work led by a clinical advisory group. It was produced in collaboration with, among others, the Royal College of Paediatricians and Child Health and the Royal College of Surgeons.

Prof Mike Richards commented on Baker:

“This framework is a unique piece of work with clinical credibility and I commend it to commissioners”.

It gave clear advice on collocation of services as being either on the same hospital site or in neighbouring hospitals if specialist opinion and intervention were available in the same parameters, as though the services were on the same site. I shall tell the House what that means for the Brompton, which, as we have heard, delivers in partnership with Chelsea and Westminster Hospital, which is round the corner. It means service level agreements 24/7, 365 days a year; joint ward rounds; multidisciplinary meetings; integrated patient pathways; senior and junior staff rotation; shared imaging and digital systems; joint teaching programmes; and a gastro and general surgery portal.

However, suddenly there was a new heart disease review and a new definition of collocation, which meant more instability. No scientific or clinical evidence is given for this change. There is no suggestion that the current model provided by the Brompton does not and will not provide excellent care. Only 1% of children

with CHD have needed non-cardiac emergency care, which has been delivered 100% of the time within 30 minutes.

Frankly, the consultative meetings have been insulting. I attended the one with staff at the Brompton where highly trained practitioners were treated to a parroting of the consultation documents. There was no serious engagement. No medical professional was sent to face the detailed, knowledgeable, evidenced questions of our staff. I was livid on their behalf, and frankly I was embarrassed on behalf of those sent to do the parroting.

What would the knock-on effects be? It would be a devastating blow, first, to the viability of the trust—that is, to two leading hospitals, the Brompton and Harefield—and, secondly, to paediatric intensive care; our intensive care unit would be non-viable. Thirdly, closure of the ICU would have a damaging effect on the intense treatment of cystic fibrosis and asthma, and a number of charities have talked about the many other services that would go. The body of highly skilled UK and international staff would be split, and people here know far better than I do the importance of that. Our staff have stayed but they are clearly anxious. The assumption in the consultation document is that people are like widgets that can be moved around.

Finally, I ask the Minister, first, whether she can produce the clinical and scientific evidence on which the proposals are based, not the minutes of the committee meeting that produced them. Secondly, will she commit to publish the submissions that have been received and the independent review of those submissions? Thirdly, will she explain to us what consideration has been given to the knock-on effects of this proposal?

4.32 pm

Baroness Watkins of Tavistock (CB): My Lords, I thank my noble friend Lady Boothroyd for calling this debate and I want to add some of my own thoughts to those that have largely been expressed by other noble Lords.

Currently in London, paediatric heart disease services are provided at Great Ormond Street, Guy's and the Royal Brompton. The proposal is to reduce this provision to two centres. What evidence is there that this approach will improve services for patients? There are, I understand, 15 specialist paediatric intensive care beds at the Brompton. The ITU service is staffed by highly skilled and trained doctors, nurses and other clinical team members. Such staff are expensive to train and often very difficult to retain. What reassurance can the Minister give that all these staff will be given opportunities to continue working in their chosen field at their current grade in London or elsewhere in the NHS? Will TUPE apply? There must surely be a risk that these staff, unless given suitable employment choices within the NHS, will leave and possibly, as my noble friend Lady Masham stated, go to work overseas—where, make no mistake, they will be welcomed not only with open arms but with generous employment packages.

I understand that the 15 ITU children's beds are key to providing training opportunities for student nurses from three different universities. Can the Minister assure the House that, if these beds are not fully

re-provided, similar clinical placements will be found to prepare the next generation of nurses with paediatric intensive care skills?

In London recently there has been a range of large-scale emergency challenges due both to the two recent terrorist attacks and the tragic fire at Grenfell Tower. The health service and hospitals generally quickly responded, with both adult and paediatric ITU beds being utilised to their maximum capacity. While I appreciate that the ITU beds at the Brompton are predominantly used for children's cardiac work, is it possible that the reduction of 15 paediatric ITU beds in what is, effectively, west London may affect the ability to provide sufficient services in any future large-scale emergency?

I understand that the decision to keep four trauma centres around London was partly provided on accessibility. Will the Minister seriously consider the possible consequences of reducing the paediatric coronary service ITU beds from three to two; and is it simply a considered response to the chronic financial challenges in the NHS rather than an attempt to enhance potential clinical outcomes? I more than many in this House want to see new investment in child and adolescent mental health services—a manifesto commitment—but is the NHS envelope simply too small a proportion of GDP, pushing NHS policymakers to close some services in order to develop others?

Finally, it has been argued by other noble Lords that research will suffer at the Brompton and its academic partners as a result of this proposal. I ask the Minister, is this the time, with Brexit on the horizon, to adversely affect research in a centre of international excellence and to risk losing not only expert clinical doctors and nurses but also research teams?

I sincerely trust that the issues raised in this House will be carefully considered, not only by the Minister this afternoon but also by those policymakers who are considering how best to provide the excellent-quality services for patients with congenital heart disease currently provided at the Royal Brompton Hospital.

4.37 pm

Baroness Finlay of Llandaff (CB): My Lords, this important debate, secured by my noble friend Lady Boothroyd, has raised an issue much wider than simply the hospital, and that is the role of standards. They are a means to an end, and that is what patients want—good outcomes.

The services at the Royal Brompton care for 12,500 patients and undertook 1,288 congenital heart disease procedures in 2015-16, of which 814 were paediatric surgical and interventional catheter procedures. For such interventions, the well-established and skilled multidisciplinary teams have a 30-day survival rate of 98.3%, against a predicted survival rate of 97.7%. The data from 2012 to 2015 suggest that Brompton ranked third in the UK in its outcomes. That is what patients want—good outcomes.

What is the evidence for closure? We have heard about the Chelsea and Westminster hospital being located five minutes away on foot. In 2016, an audit of the arrangement showed that 100% of emergency attendances occurred within the agreed response times

and no patient has ever been known to suffer because of the current locations of the general paediatric services, and there seems no evidence from anywhere around the world that this standard of same-site co-location will provide better outcomes for patients.

Apart from this single standard, all other standards are more than met by the Royal Brompton. NHS England does not dispute this. So where is NHS England's transition plan for this proposal? If the services were closed, the patients would be scattered, as we have heard, between Great Ormond Street, Bart's, Guy's and St Thomas' for surgery and other procedures. Up to 100 healthcare professionals currently can be involved in any one patient at the Royal Brompton. These teams will be broken up, compromising continuity of patient care and, more importantly, compromising future patient care because it takes years to build them up again.

The NHS's own assessment shows that, if the proposals are implemented, there will be a significantly detrimental impact on the paediatric intensive care unit, known as PICU. That is because congenital heart disease accounts for 86% of admissions to PICU at the Royal Brompton so it is dependent on providing these services. Without them, the unit would be forced to close, resulting in a reduction of PICU in London of one-sixth or possibly more. Children requiring PICU services are already being sent out of London because there are not enough PICU beds. On 1 December last year, a lack of such beds meant that three children had to be sent far away for care. That is not good for clinical outcomes, and it is certainly disastrous for them and their families psychologically, even if they survive the experience.

Closure of the Brompton PICU would result in a cascade of loss of skills. The absence of PICU and on-site anaesthetists will further jeopardise complex specialist treatments such as cardiac extracorporeal membrane oxygenation, known as assisted ventilation, for children, as well as cardiac and respiratory ECMO for adults.

An independent review published in 2013 in the *International Journal of Cardiology* rated the Royal Brompton as the most influential research unit in the world, with a cumulative research impact factor that was 50% higher than any other centre in London. The research facilities provide advanced cardiac magnetic imaging, echocardiographic work and a catheter laboratory. Its genetics laboratory is looking at new genes linked to congenital heart disease, with diagnostic and prognostic markers for disease and surgery outcomes. Novel right ventricular assist devices and valve replacement procedures are currently being trialled, along with new treatment modalities for pulmonary arterial hypertension. Closure of the clinical congenital heart disease services will have a destructive effect on this world-leading research facility. Again, these services have taken decades to build up. This is not something that can be replicated overnight.

The holistic approach taken in the care of sick children and their families means that every child with complex needs, particularly in palliative care when it is clear that they are not going to survive, is dealt with by a team with its own lead nurse and consultant helping

[BARONESS FINLAY OF LLANDAFF]

parents to participate fully in care and with a staff focus on quality of life for the child and their family. The hospital has a unique feature of integrating paediatric and adult services so that teenagers can transition seamlessly and learn how to look after themselves. They are given help in planning their future careers and guidance on healthy living, including knowing who to contact if there is a problem.

Closure of services at the Brompton goes against the interests of patients and their families. It will disrupt vital research, and I would suggest that it also seems to have no evidence base behind it.

4.42 pm

Lord McColl of Dulwich (Con): My Lords, I too would like to congratulate the noble Baroness, Lady Boothroyd, on initiating this debate and for her marvellous, fiery speech. I need to declare an interest in that I have been associated with the Royal Brompton Hospital for many years. In addition, one of my daughters has been under its expert care for all of her 50 years and I am grateful for the superb service that she has had and is still receiving. For her and many others, closure of the adult congenital heart disease unit would be a disaster.

Of course I realise that it is often attractive for administrators to tidy up what they regard as “loose ends” by closing smaller units and incorporating them into much larger hospitals. But of course as has been said already, it takes years to develop the expertise, customs and procedures that provide a really good clinical service for patients, but which can be destroyed overnight when moved elsewhere. The adult congenital heart disease unit is a case in point. It has been going for years and provides a unique service for so many people.

How exactly would this service be lost? Let me give noble Lords some details. My daughter was born with a heart defect. She has had scores of emergency admissions to the unit and several major and dangerous heart operations because the defect she was born with meant that there was no direct flow of blood from the heart to the lungs. The operations that she has had create new channels through the chest wall. On one occasion when she was acutely ill, there was no bed available at the hospital, and she was sent to a general hospital. There they started to do potentially lethal manoeuvres, such as draining fluid off the lungs, which are routine in normal patients but not in these cardiac patients. They did not seem to know that, although it is all right for a normal patient to have a few bubbles in a vein, for these people that can be lethal.

These are complicated problems which require real expertise and experience, which are often not available elsewhere. My daughter and many other patients whom she has met there, if they have an acute problem with their heart, can text the consultant and get immediate advice and, if necessary, treatment. It would be a tragedy if this unit were closed. I hope very much that ways will be found to keep this unit going for many years to come.

4.46 pm

Lord Elton (Con): My Lords, there is no time for congratulations. I declare an interest. I am having a procedure in the Royal Brompton on Monday, and I thought I had better find out what state this organisation was in. I am not reassured. I have to tell my noble friend that I have heard what seems to me an irrefragable and irrefutable case against what is being proposed by the National Health Service England.

I hope to be reassured by what she tells me, but I have to warn her also, having sat in that seat for a short time for the Department of Health, that there are three sorts of political emergency you can face in her position. One is a coalition of experts who disagree with you; one is a body of public opinion which disagrees with you. Each of these is manageable. But when they agree with each other and disagree with you, you are in real trouble.

The barometer in this case is the taxi driver quoted by the noble Baroness, Lady Masham, who makes it clear that, even under the umbrella of August, this is going to go sour unless it is put right.

4.47 pm

Baroness Walmsley (LD): My Lords, I congratulate the noble Baroness, Lady Boothroyd, on her tour de force and many other noble Lords on their very authoritative speeches. I feel a bit sorry for the Minister, who might be feeling a bit lonely.

In decisions such as the closure of a highly successful and reputable unit such as the CHD unit at the Royal Brompton, the key driver must be to maintain and improve the quality of patient care. Any merger or closure decision must be made on the clinical evidence and not on cost saving, although, in this case, the costs of the change could well be greater than the existing provision.

The Brompton is a highly experienced unit, as the noble Baroness, Lady Finlay, told us. It performed 512 congenital heart disease operations and 554 catheter procedures on children and adults in 2014-15, more than any of the 12 other NHS trusts performing such work. As the noble Lord, Lord Patel, mentioned, its adult CHD research team is responsible for publishing more cited research papers than any other CHD centre in the world. It is at the cutting edge of innovation. Despite the severity of the health problems experienced by its patients, as we have heard, survival rates and the quality of care are very high.

However, NHS England's concerns about the Brompton focus on two issues. First, Standard B10 requires there to be four CHD surgeons, each of whom has presided over at least 125 operations per year. At the Brompton, I am told, three out of the five surgeons fall short of 125 cases—an arbitrary figure, according to the noble Lord, Lord Darzi. I listened to him very carefully.

Secondly, NHS England is concerned that a number of linked paediatric services are not collocated in the same hospital but are provided by the Chelsea and Westminster and St Mary's hospitals, both easily within 30 minutes of a child's bedside. It is worth nothing that 30 minutes is the time limit proposed by the

standards even when the services are collocated. This partnership is very close, with joint rotas, ward rounds and meetings and shared IT systems. This high level of communication is essential to the working of such a partnership.

To comply with the rapid availability of paediatric cardiology, ICU, anaesthesia, gastroenterology and other services, the Brompton has formed joint teams with the Chelsea and Westminster, which is five to 15 minutes' walk away, depending on how fast you walk. You can be more than 10 minutes' walk away from another department in the same hospital on a large site such as my own local hospital—I have done such a walk many times. The main thing is that you can get there in time. The Brompton has proved that it can do this by its claim that, for the 1% of paediatric CHD patients who have needed these services, it has a 100% record of providing them in time, in an emergency, day or night.

Given that there are many downsides to closing the unit, NHS England should apply the standards a little more flexibly when it comes to how they are complied with, as long as the standard of patient care is not compromised. The issue of collocation seems to have been appropriately dealt with by the partnership arrangements. The issue of the number of cases presided over by each surgeon could surely be addressed in the interest of saving the large amount of money that would need to be spent on closing the unit. I understand that the cost of redundancy payments alone amounts to £13.5 million, let alone the cost of increasing the number of beds elsewhere. Last December, my noble friend Lord Sharkey told the House that closure of the unit would remove a quarter of paediatric CHD beds in London. Can the Minister say what the plans are and what the cost would be of recreating beds for these 12,000 patients elsewhere? Where is the cost-benefit analysis? At a time when the NHS is struggling so hard financially, it seems highly risky to take the proposed line.

There are other, considerable risks to closing the unit. Take staffing: how do we know that existing staff are prepared to relocate? Experienced UK staff and those coming from abroad are attracted by the Royal Brompton's reputation and, especially in the uncertain climate of Brexit, we cannot be certain that they will still come. Already, almost 90% of children's units express concerns over how they will cope with staff shortages over the coming months. Already, one in five vacancies for junior children's doctors is unfilled, on a rising trend. Now is not the time to upset an already wobbly apple cart.

As we have heard from the noble Baroness, Lady Morgan, then there is the effect on other departments that would be threatened with closure because of volume reductions. The hospital claims that, without child CHD services, its children's intensive care unit would become unsustainable because of the reduction in volume. Consequently, its paediatric respiratory unit and paediatric cystic fibrosis and asthma services would also have to close, and other services would be under threat. NHS England admits that it has not done a detailed assessment of the knock-on impact of

closing CHD surgery on other departments at the Royal Brompton. Can the Minister say when this will be done?

Talking of unintended consequences, will the Minister look carefully at the funding models for surgery to ensure that there is no barrier to the hospital taking a holistic approach to the patient's disease? For example, I understand that the range of a consultant heart surgeon's practice has been limited by the funding model, since, although heart patients may well also have other diseases, the heart consultant will never deal with them, yet it is all part of the same syndrome.

As the noble Lord, Lord Darzi, mentioned, there are examples of where centralisation of services can improve patient outcomes, which is what we all want, and I congratulate and support them. High among those is stroke and trauma services in London. However, we must not assume that one size fits all. It really depends on where you are starting from and in the case of the Brompton we are starting from a very high base. We have to look at the scope for doing even better and consider all the options for improvement. While this debate has been very supportive of the Royal Brompton, it also raises challenges for the trust, and I am sure it will rise to them. Surely there is a way of addressing some of the issues that NHS England has mentioned without closing the unit, with all the attendant downsides.

I agree with the noble Baroness, Lady Masham, that "if it ain't broke, don't fix it" is a very good motto. In reflecting that this debate has had contributions from nine women and five men, I wish all hard-working noble Lords a very happy summer holiday.

4.54 pm

Lord Hunt of Kings Heath (Lab): My Lords, I, too, congratulate the noble Baroness, Lady Boothroyd, on instituting what has been an excellent debate. Of course, these proposals have had a long gestation. They really go back to Ian Kennedy's review of the tragic events at Bristol in relation to cardiac surgery for children. I well remember as a Minister receiving his report and discussing with him and Alan Milburn what action needed to be taken, not just in Bristol but more generally in the NHS as a whole. That really started the review of the number of hospitals considered safe and appropriate to provide for children receiving complex cardiac surgery.

As the Minister will know, no one should underestimate the difficulties of such a debate or the tensions between the expert view, coming generally from the centre, and the view locally of clinicians, parents and the NHS of the impact of closing those services, not just on children because of the distances that then must be travelled, but also on the institutions where those services are provided. We heard eloquent contributions about the consequences of closing one service at Brompton and the domino impact it would have on many other of its services.

I read very carefully the review document prepared by NHS England. It makes the point, with which I agree, that we have had far too many reviews and there has been too much uncertainty, now going back 17 years, about the future of many of these centres. Fortunately, outcomes generally in relation to CHD surgery and

[LORD HUNT OF KINGS HEATH]

interventionist procedures have improved across the NHS and compare well with other countries. However, the NHSE paper argues that our outcomes could be better if the standards it sets out were implemented more generally. It is also worthy of note that the review, which looks at the importance of hospitals having the right staffing and skill mix, improved resilience and the elimination of isolated and occasional practice, is accompanied by a warning that it will be difficult for all hospitals approved to go forward to meet these standards immediately.

We then have the specific question of the Brompton and the argument in the paper that it should cease to provide surgery and interventional cardiology for children and adults, principally because it does not have enough of the required paediatric services on site and is stated not to support an adult level 1 service on its own. On the other hand, we heard from every noble Lord here, led by the noble Baroness, Lady Boothroyd, and had a briefing paper from the Brompton itself, arguing that there is no evidence from NHS England to support its contention that the collocation of children's services improved patient outcomes. It also argues that NHS England is inconsistent on the issue of collocation and that no cost-benefit analysis of its proposals has been produced. It is also clear from what we heard from the Brompton that there is real concern that the closure of its level 1 service would have a wider and destructive impact on its research and respiratory medicine treatments. My noble friend Lord Darzi and the noble Lord, Lord Patel, spoke about the impact on the Brompton's teaching, service excellence and research.

I do not envy the Minister in coming to her conclusions. I just suggest two things to her. First, it would be fair to say that the noble Baroness, Lady Boothroyd, was not entirely complimentary about NHS England, which is not exactly a visible presence in Parliament. It is sometimes difficult to understand how its accountability is discharged. NHS England owes it to the noble Baroness, Lady Boothroyd, and parliamentarians to arrange a meeting and briefing between them, and those who have taken part in this debate, to discuss these issues further before they come to a conclusion. I hope the Minister might be able to facilitate that.

The principal point I want to put to the noble Baroness, Lady Chisholm, is that these issues have been debated and there have now been endless reviews going back 17 years. It is of course possible that NHS England will come to a conclusion shortly and propose the closure of certain units in the report it produced, which concerns other units including those in Manchester, Leicester and other parts of the country. My supposition is that when it does that, whichever centre is fingered for closure, there will be an outcry. My second guess—if it is a guess—is that Ministers will then try to find another reason for a further review, to delay making the decision.

It is becoming pretty clear that Ministers find this situation very difficult and are simply not prepared to accept a decision for closure. But they want to put it in the long grass because they cannot face up to the fact that someone at some point has to say, “These are the units we're going with and we're going to do everything we can to make sure they're up to standard. But we're

not going to have further reviews”. The one thing I would say about the NHS England paper is that it points out the problem of managing a unit where uncertainty continues over many years.

In the end, the public are owed a decision, which would either be to go ahead with the recommendations of NHS England or to say, “We're not going down that route at all but we will keep the units and do what we can to improve them”. I am afraid that I expect there to be another review and that the noble Baroness, Lady Boothroyd, will be instituting a debate in three years' time. However, I hope that will not be the case.

5.01 pm

Baroness Chisholm of Owlpen (Con): I thank the noble Baroness, Lady Boothroyd, for tabling this debate, and I pay tribute to her for her tireless work in this matter. I do feel quite lonely in here today—but, luckily, I have my noble friend Lady Sugg beside me, so I have one mate.

The future of congenital heart disease services is of utmost importance and I understand why, for many people, it is a concern. I am of course happy to facilitate a meeting with the noble Baroness, Lady Boothroyd, and anybody else who would like to join us, alongside NHS England. That could be an important thing to do.

With this review, NHS England is asking how we can take the good service we have across the country and turn it into a truly great service for the long term—a service fit for the 21st century. This is not about closing the Royal Brompton Hospital or stopping it providing CHD services. NHS England is proposing instead to continue to commission specialist medical services, which make up much of the care required by people with congenital heart disease. The proposal is that NHS England ceases level 1 children's surgical services from the Royal Brompton Hospital. NHS England has also asked the Royal Brompton to consider providing an adult level 1-only surgical service.

Heart surgery is becoming ever more complex and technically demanding. Surgeons now operate on babies who may be only hours old. They will in future be able to operate on babies before they are born. This demands a highly skilled and experienced team of doctors and nurses able to operate on sufficient numbers of patients to maintain and improve their skills, as well as access to the very latest technology. The noble Lord, Lord Darzi, mentioned that the number of procedures is arbitrary—but 125 is not an arbitrary number. That number of operations was agreed by CHD surgeons as the minimum required to maintain a certain level of competence in the operating theatre.

NHS England's approach to commissioning these very specialised services is proactive and future-focused. If the proposed changes are implemented, patients and their families can be confident that they will be able to access the very best CHD services in the world, regardless of where they live. It is worth emphasising that the consultation which closed on Monday considers the implementation of an agreed set of common standards, developed more than two years ago by clinicians, other experts and patients, which were subject to full public consultation and which the Royal Brompton, along with other centres, helped to develop.

The standards include the requirement that specialist children's cardiac services are delivered only in settings where other children's services are collocated on the same site. There are several reasons why collocation is essential for a world-class service. Managing the complex needs of very sick children demands close co-operation between many specialist doctors, nurses and other experts. Collocation allows much closer working relationships to develop between paediatric cardiology specialists and other paediatric teams. The interaction between these teams on a daily basis, when collocated, is considered by NHS England's clinical advisers to be of significant benefit to patients. Follow-up and rehabilitation for recovering children often require intermittent access to a wide range of specialists, which is far easier to provide at a centre supporting a full range of services.

The noble Baroness, Lady Boothroyd, and the noble Lord, Lord Darzi, talked about collocation, and I would like to read a couple of quotes. Professor Michael Birch, head of clinical service, cardiology, at GOSH, said:

"Paediatric collocalisation is crucial to provide optimal clinical care at the specialist children's surgical centre. In the UK early post-operative mortality has reduced, but morbidity remains a concern. The co-dependencies are essential, not only to maintain results with regard to mortality, but also with regard to morbidity".

Lord Darzi of Denham: I suggest that the last person I will ask about their experience is the person who is conflicted.

Baroness Chisholm of Owlpen: I understand, but this is a time-limited debate. I have only 12 minutes to speak and if interrupted, I cannot. I am very sorry. I shall continue the quote:

"In ... one year, a formal transfer of care was required to 18 different specialties ... These specialties included urology, renal medicine, metabolic medicine, general surgery, respiratory medicine, plastics, neurosurgery, neurology and haematology"

Having those all in one location obviously makes a huge difference. This way of working brings paediatric cardiac care into line with expectations in other specialist children's services. Collocation of specialist children's services is the accepted international norm, and this is why the standard requires collocation on the same hospital site.

Baroness Morgan of Huyton: The way the Minister is replying suggests that the decision has already been taken. I thought we were having a consultation and there is then going to be a decision.

Baroness Chisholm of Owlpen: The decision has not been taken. I am explaining why collocation is the accepted international norm. I am not saying the decision has been made. I am just putting forward the reasons why we hope we will be able to do this, but the consultation will come out later in the year, we hope.

The noble Baroness, Lady Masham, asked about continuity of care. Collocation would encourage that. It not just about the ability to get to the bedside within 30 minutes of the call. The aim is to have immediate

access to a full range of specialists, operating theatres and intensive care for the sickest children. Experience shows that once families have used a collocated service, they do not go back.

No final decisions have been made yet, and we need to wait to see what comes out of the next stage of the process. Responses to the consultation will now be carefully considered, and NHS England expects its board to reach a decision by the end of this calendar year. Any change to CHD services would be implemented at the correct pace. I want to be quite clear: this is not a cost-cutting exercise and funding is not the issue. The recent protest march, which featured the noble Baroness, shows how passionately people feel about these issues and their strong desire to defend their local services. I would gently suggest that in celebrating and cherishing the incredible achievements of our current services, we do not lose sight of the obligation we owe to future patients and their families.

This is about ensuring that all patients receive the best care from providers that meet agreed national standards, now in and the future, regardless of where those patients live. I hope that providers and other stakeholders will support these aims and work with NHS England going forward to ensure that sound decisions for the future are taken and, once taken, are implemented effectively and efficiently.

I will just respond to a few issues that were raised during the various speeches. My noble friend Lady Pidding talked about the effect on respiratory services. NHS England's impact assessments acknowledged that there would be an impact on paediatric respiratory services at the Royal Brompton. A panel that includes respiratory clinicians from outside of London and representatives from other patient and public groups has been set up to assess the potential impact on these services. The panel's findings will be taken into account by the NHS England board before it takes any decisions concerning these proposals.

The noble Baronesses, Lady Watkins and Lady Finlay, both mentioned the impact on patients and beds. We acknowledge this concern. One of the main reasons for carrying out the consultation is to better understand the impact the proposals might have on the paediatric patients from the Royal Brompton who will go the Great Ormond Street Hospital or the Evelina. The hospitals that will be taking on additional patients have confirmed that they will be able to manage the increase in activity.

The noble Baronesses, Lady Masham and Lady Watkins, mentioned Brexit and immigration. The Government continue to want the brightest and best from the EU and around the world to work on research in the NHS. Government and charities invest £4 billion a year to support world-class research in the UK and will invest more in the coming years.

The noble Baroness, Lady Morgan, talked about the publication of consultation responses. NHS England will publish the independent report on the consultation responses and the relevant NHS England board papers.

Finally, let us remember that the strength of the NHS does not reside within any individual institution. NHS England has a responsibility to ensure that these services deliver the very highest standard of care,

[BARONESS CHISHOLM OF OWLPEN]
regardless of where patients live or which hospital provides that care. We must strive for an objective focus on the actual needs of sick children and their families in this debate. I thank all your Lordships for

attending this debate. I realise that people have very strong feelings about what is going to happen to their hospital.

House adjourned at 5.12 pm.