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# HOUSE OF LORDS

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<b>Abbreviation</b>	<b>Party/Group</b>
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 19 October 2017

11 am

Prayers—read by the Lord Bishop of Derby.

### South Africa: Money Laundering Question

11.06 am

Asked by **Lord Hain**

To ask Her Majesty's Government what action they are taking to prevent money laundering through British banks by families and businesspeople linked to the government of South Africa.

**The Minister of State, Department for International Development (Lord Bates) (Con):** My Lords, the Government are committed to tackling corruption in the UK and overseas and preventing the proceeds of corruption from entering the UK's economy. The recently introduced money laundering regulations set out strict rules that British banks must follow when doing business with those with links to prominent public functions that may expose them to risks of corruption. We are concerned about the allegations in South Africa, and the British high commission is monitoring the issue closely.

**Lord Hain (Lab):** May I thank the Chancellor for ensuring that the Financial Conduct Authority, the Serious Fraud Office and the National Crime Agency investigate HSBC, Standard Chartered Bank and Baroda Bank, each of which expert South African whistleblowers have told me must have been conduits for the corrupt proceeds of money stolen from their taxpayers and laundered through Dubai and Hong Kong? In my letter of 25 September to the Chancellor, I supplied for investigation 27 names and personal identification numbers, including President Jacob Zuma, 11 members of his family, 11 members of his close friends, the Gupta family, and their five associates, together with 14 entities linked to the Guptas and suspected to have been set up for the purposes of transnationally laundering an estimated £400 million, or 7 billion rand, of their illicit proceeds. Will he ensure that those banks, together with the European banks—about which I have similarly written to Commission President Juncker—track down that laundered money, return it to the South African Treasury and supply evidence to its officials to enable the prosecution of all those connected with such corruption?

**Lord Bates:** My Lords, we are grateful to the noble Lord for the persistence that he has shown on this issue and in drawing it to the Chancellor's attention and to international attention. The UK has some of the toughest anti-money laundering laws in the world. We have been at the forefront of introducing them—whether it is the Criminal Finances Act this year or the fourth anti-money laundering directive. We realise that London, as the largest financial centre, is a target which can be used for this purpose, but we are determined

to root it out. That is why, when we are provided with information—as when the noble Lord, correctly, wrote to the Chancellor setting out that detail—immediate action is taken to refer it to the relevant authorities to ensure that they can pursue the matter and that justice is done, and is seen to be done.

**Baroness Pidding (Con):** My Lords, as someone who is incredibly fortunate in having a family home in South Africa, in White River, in the province of Mpumalanga, I have seen at first hand the sheer beauty of this amazing country, its diversity and vibrancy and the determination of its people to overcome the many challenges that it faces. Does my noble friend agree with me that, with South Africa as a key trading partner in the region and a member of the Commonwealth, it is in our national interest to make sure that we strengthen our relationship with it?

**Lord Bates:** Well it is certainly right—and I pay tribute to my noble friend for raising this issue—that South Africa is a country with incredible resources, not only naturally but in its people. It is the largest economy in the African continent and is the largest investor in the UK and largest trading partner in Africa for the UK. Whenever countries go through political difficulties, as they are in South Africa at the present time, we recognise that there is a long-term important relationship for the UK to maintain.

**Baroness Kramer (LD):** My Lords, this is another instance where the US regulators have been ahead of the curve of the UK regulators, even though it appears that London is part of the core allegations. It has happened before in money laundering—it was so evident in the LIBOR scandal. Will the Minister once again look at the resources available and the enforcement strength of our regulators? Will he also look again at the whistleblowing laws which, although improved, are still so weak and career ruinous that the regulator does not have access to information that it should be getting at a much earlier stage?

**Lord Bates:** I do not accept that we are behind the curve on this. In many ways, the UK is leading the world: at the G20, in the Financial Action Task Force, and with the regulations that we have put in place and the reform of the Financial Conduct Authority. That is why this year the Financial Conduct Authority handed out one of the toughest fines ever levied—£163 million—to Deutsche Bank for failing to comply with up-to-date money laundering regulations. We are very tough on this, but we realise that you have to be vigilant all the time. Therefore, when issues are drawn to our attention, we respond to them quickly and appropriately.

**Lord Davies of Oldham (Lab):** My Lords, this is a very big issue in South Africa, and it will not do for the Government to suggest that they have their eye firmly on the ball. At last we are getting some response, but it is quite clear that a number of British banks have got very significant interests in South Africa. It is important that action is taken now to make sure that these banks are clear of this corruption and, if they are not, that action is taken against them. I urge the

[LORD DAVIES OF OLDHAM]

Minister to reinforce what he has said today elsewhere. It will not do Britain's reputation any good at all for us to be tardy on this very significant issue.

**Lord Bates:** I totally agree with the latter part of the noble Lord's point. That is exactly why we have taken action in referring this matter to the Financial Conduct Authority. That is why we passed the Criminal Finances Act in April this year and introduced the tough new anti-money laundering regulations in July this year. That is why we introduced, just yesterday in your Lordships' House, the Sanctions and Anti-Money Laundering Bill, which my noble friend Lord Ahmad will take through the House. We are taking this very seriously because we realise the consequences of not doing so for the reputation of the City of London and the UK.

**Lord St John of Bletso (CB):** My Lords, in light of the endemic corruption of the state in South Africa, what are Her Majesty's Government doing to deal with the broader issue of state capture, a term used to describe the misappropriation of state funds by a power clique?

**Lord Bates:** I think the other point to recognise is that in South Africa there are democratic processes and systems of law. The parliamentary inquiry is now under way into state capture by the specific companies that were referenced. A judicial commission of inquiry into state capture has been proposed but has yet to start to take evidence. We recognise that South Africa needs to go through its processes to find out what happened and who is responsible so that action can be taken, both domestically and internationally.

## Fuel Poverty Question

11.14 am

Asked by *Baroness Donaghy*

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

**The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Prior of Brampton) (Con):** My Lords, the latest official statistics show that in 2015 there were 2.5 million households in England living in fuel poverty. Some 70% of the £640 million energy company obligation is focused on improving the energy efficiency of these households. We also propose to bring an end to high energy prices by putting in place a price cap on standard variable and default tariffs and retaining the warm home discount.

**Baroness Donaghy (Lab):** I thank the Minister for his Answer. It appears ironical to me that a Question on fuel poverty is answered by saying that all consumers are being ripped off. The figures that we have been given may be the tip of the iceberg, as many older or infirm people need extra heating and do not appear in these statistics. The Minister will be aware, because of his previous responsibilities, of the premature deaths

due to cold houses and the increase in childhood illnesses. The Government are missing their own targets and not fulfilling their legal obligations on this issue. Can the Government give us some information about what practical steps are being taken to eliminate the scourge of fuel poverty in the approaching winter?

**Lord Prior of Brampton:** I assure the noble Baroness that we take fuel poverty extremely seriously. Interestingly, there are 835,000 fewer fuel-poor homes within bands E, F and G than there were in 2010, so there are signs that targeting the energy company obligation more specifically at lower-income families is having an effect. With the Digital Economy Bill having gone through the House of Commons, I hope that we can target our resources more accurately to ensure that we meet the obligations set out in the sustainable growth paper that came out last week.

**Lord Hylton (CB):** My Lords, will the Minister confirm that the delay in paying universal credit when it has been approved will be cut from six weeks to four weeks? What are the prospects of further reductions in that time delay?

**Lord Prior of Brampton:** My Lords, I am not able to answer that question. It is not specifically related to the Question in front of us, but it is none the less extremely important and I will write to the noble Lord later.

**Baroness Maddock (LD):** My Lords, can the Minister tell us why the Government have extended from 12 months to 18 months the period in which the energy company obligation will operate, and why they have put a cap on boilers in that transition period? Could the Government use the upcoming Budget to make sure that emergency funding is available to the most vulnerable for boiler repairs and replacement?

**Lord Prior of Brampton:** My Lords, I believe that the ECO is there until 2028. I do not recognise the 18-month figure that the noble Baroness mentions, but I will check that afterwards. As for how we spend the money under the energy company obligation, there is clear evidence that it is better put towards longer-term improvements such as insulation than the short-term repair of boilers. However, part of the ECO is spent on boiler repair.

**Baroness Greengross (CB):** My Lords, more than 6 million older people are very worried about this winter, and 14% go back to bed during the day because they are so worried about their fuel bills and doing so will keep the cost down. Will the Government commit to reforming the energy efficiency programme so that it is a national infrastructure priority? Will they also commit to bringing 2 million low-income homes up to the performance certificate standard band C by 2020 and all 6 million by 2025, as Age UK has requested?

**Lord Prior of Brampton:** The noble Baroness is right that fuel poverty is a desperate problem for many people. We have a target to bring everyone up to band C by 2030, to band D by 2025 and to band E by 2020. That was reiterated in the Conservative Party manifesto and we intend to keep to it.

**Baroness McIntosh of Pickering (Con):** My Lords, I commend the Government on the work they are doing to make homes warmer; I speak as vice-president of the NEA. Will the Minister take the simple measure of encouraging private landlords to improve their property by replacing single-glazed windows with double glazing wherever they can?

**Lord Prior of Brampton:** My noble friend makes a good point. As she will know, we are putting an obligation on all private landlords so that if they rent out their properties in 2018, they must have at least a band E category certificate on them. That will begin to make the kind of difference to which my noble friend refers.

**Lord O'Neill of Clackmannan (Lab):** My Lords, I draw attention to my interests as set out in the register. The Minister will be aware that some 850,000 households, or 35%, of the people in fuel poverty are in the privately rented sector. In 2011, the coalition Government introduced regulations which are to take effect next year, but as far as can be discerned, very little in the way of instructions have been given to private landlords to carry out the necessary improvements to change the dreadful conditions that prevail for so many people. They now have less than a year to do something about it. Will the Government give us a clear indication of what will be required of landlords and when that will be published, so that landlords can get on with the job, if they have the stomach and resources to do it?

**Lord Prior of Brampton:** The noble Lord raises a very important point. As he will know, from 2018 private landlords will not be able to let their property to new tenants unless the property is at least band E. The cost of getting to band E is an issue that is under negotiation at the moment with Claire Perry, the Minister responsible for green energy. I hope that we will make some serious progress in that area over the next few months.

**Lord Palmer (CB):** My Lords, is it not a scandal that in 2017 any household should be living in fuel poverty?

**Lord Prior of Brampton:** My Lords, that is a question that should be directed at poverty as a whole. The fact of the matter is that successive Governments, on both sides of this House and the other House, have done what they can to reduce poverty and to create a just and fairer society. So long as there are people living in poverty, whether fuel poverty or any other form of poverty, we have clearly failed.

## Syria Question

11.22 am

*Asked by Lord Green of Deddington*

To ask Her Majesty's Government, further to the Written Answer by Lord Ahmad of Wimbledon on 20 September (HL1251), how much of the nearly £200 million provided to moderate opposition groups in Syria was for political support; and what was the nature of that assistance.

**The Minister of State, Foreign and Commonwealth Office (Lord Ahmad of Wimbledon) (Con):** My Lords, of the £200 million spent in Syria since 2011, £14 million has been used to fund political support to the Syrian opposition. This funding has developed the operational capacity of the Syrian national coalition and the higher negotiations committee through diplomatic technical assistance, communications and advisory support, as well as media training.

**Lord Green of Deddington (CB):** My Lords, I thank the Minister for his Answer. This week has seen the fall of Raqqa, a major development in Syria, so will the Government now stop their ineffectual meddling in the affairs of Syria, wasting £1 million a week of taxpayers' money, and focus on the defeat of ISIL, which is our real enemy? When will they realise that although the present regime is terrible, any likely alternative will be even for worse for minorities, for Christians and for women? In these new circumstances, will they now have a proper, fundamental review of their policy towards Syria?

**Lord Ahmad of Wimbledon:** My Lords, first, we all welcome the inroads that have been made towards the defeat of Daesh. While there are reports that that has happened completely in Raqqa, that is not quite the case, but when it does happen, I assure the House that we will make a statement to that effect. I think I speak for everyone in this Chamber when I say that we welcome the fact that Daesh has been heavily defeated not just in Syria but in Iraq. On the noble Lord's second point on minorities—I believe he was referring to the Assad regime and the Government's stance—let us not forget that it was the Assad regime that first attacked minorities, particularly minorities in Aleppo. That fact should not be lost on anyone.

**Baroness Northover (LD):** My Lords, what conditions are we and the wider EU putting on reconstruction aid to Syria so that we can strongly encourage political reform and help ensure safety if refugees wish to return home?

**Lord Ahmad of Wimbledon:** The noble Baroness raises an important point. Half the population of Syria has been displaced and 400,000 people have lost their lives. We are committed to ensuring that there is a political settlement to provide the framework and the stability for long-term development in terms of restructuring and aiding the country to stand on its feet once again. Through CSSF funding within the Foreign Office, we have been providing basic support in sanitation, water supplies and the building of roads so that those first steps can be taken in the areas of Syria that are no longer under Daesh administration.

**Lord Gordon of Strathblane (Lab):** My Lords, if the Government gave £200 million to opposition groups and only £14 million or £40 million—I did not quite catch which it was—was for political support, what on earth was the rest for?

**Lord Ahmad of Wimbledon:** I partly answered that question in my response to the noble Baroness, Lady Northover. The £14 million was specifically in terms of political support. I referred to the negotiations committee, where the opposition are at the UN and at

[LORD AHMAD OF WIMBLEDON]

the Geneva talks, and money has been spent on ensuring that they have the skill sets to take part in those negotiations. Other examples include £39 million having been spent on roads, water supplies and sanitation. That is where the overall £200 million pot is being spent. I will write to the noble Lord with a specific breakdown, but it is very much about assisting the coalition of the Syrian opposition both to stand on its feet internationally and to start rebuilding the country locally.

**Lord Collins of Highbury (Lab):** My Lords, we should not forget that the situation in Syria has seen terrible crimes against humanity on all sides, including the government side. Will the Minister repeat Her Majesty's Government's commitment to hold these people to account and ensure that money is spent to ensure that there is proper evidence so that these people can be brought to justice?

**Lord Ahmad of Wimbledon:** I totally concur with the noble Lord's sentiments. I assure him that he is right: this is not just about Daesh, although I am pleased that at the UN recently we passed a resolution in the Security Council that was all about holding to account those who committed these heinous crimes against humanity and wore the name of Daesh in committing their actions, which bear no resemblance to any humanitarian act. Regarding the Syrian regime, as the noble Lord knows, we are supportive of all resolutions. That is why we also take the strong stance that while the Assad regime is in place there can be no long-term political settlement of the situation. Let us not forget who created the crisis in the first place.

**Lord Naseby (Con):** My Lords, why do Her Majesty's Government not recognise that Assad is not going anywhere and that the Syria that he holds is growing back almost to the boundaries it had before? Against that background, does my noble friend really think that British taxpayers want £14 million to be spent on supporting the so-called opposition? Surely it would have been better spent on fuel poverty.

**Lord Ahmad of Wimbledon:** My noble friend perhaps mixes two issues. I think that all these issues are of equal importance. We have just heard from him about the importance of addressing fuel poverty. Equally, I think I speak for many in this House when I say it is right that we stand up for the oppressed of Syria and support the opposition forces because it is they, not Bashar al-Assad, who hold the key to the future development of all communities in Syria, including all minority communities.

**Baroness Cox (CB):** My Lords, is the Minister aware that when I was in Syria I met representatives of civil society, including the Syrian doctors' society in Aleppo, and there was great concern over the disastrous impact of sanctions which prevent the provision of essential medical supplies as well as food? Will Her Majesty's Government change their priorities from providing massive financial support to opposition groups, which are not moderate, to making every effort to achieve the lifting of sanctions?

**Lord Ahmad of Wimbledon:** The sanctions that the noble Baroness mentions apply specifically to the regime. Equally, she will be aware, as I am sure is the whole House, that we stand second in terms of the humanitarian assistance that we are providing to all groups: more than £700 million has been given to people in Syria on the humanitarian front and £800 million has been allocated elsewhere in neighbouring countries, while a further £1 billion remains to be allocated. Our commitment to assisting the humanitarian recovery in Syria is second only to one.

## Mohammed Mirzo Question

11.29 am

Asked by **Lord Roberts of Llandudno**

To ask Her Majesty's Government, ahead of the planned deportation to Bulgaria of the Syrian refugee Mohammed Mirzo, what assessment they have made of the impact on his human rights.

**The Minister of State, Home Office (Baroness Williams of Trafford) (Con):** My Lords, as a matter of policy, the Government do not comment on individual immigration cases but, as I discussed with the noble Lord just before Question Time to ask where this Question was leading, the Government respect the principle of family unity and our moral obligation to bring together families separated by conflict and persecution. That is why we provide legal pathways for people to come here through family reunion and resettlement. We must discourage people from risking their lives to come here illegally instead of claiming in the first country of safety that they reach.

**Lord Roberts of Llandudno (LD):** I am grateful to the Minister for that reply, and I am happy to welcome the release of Mohammed from Campsfield immigration centre and, before that, the Parc Prison in Bridgend, but why was he there in the first place? What offence had he caused? We know that family reunion takes precedence over anything else. The Red Cross briefing on this states that if somebody applies to go under Dublin III, say to another country on their way in, that is fine, but if they have family in the UK, that takes precedence. What we see here is a breach by the Government of this regulation. I remind the Minister that the Dublin III regulation is of European origin; it is European legislation. What will happen to that if we come out of the European Union?

**Baroness Williams of Trafford:** I again point out to the noble Lord that I will not discuss individual cases. I point out that Dublin III and family reunion are for different groups of people. Dublin III determines the member state responsible for processing or deciding on an asylum claim; our family reunion rules are for those granted refugee status in the UK, and allows those with refugee status to be joined with their pre-flight family. As for Dublin III when we leave the EU, it will of course be a matter for negotiation, but we have made it absolutely clear that we want to continue to co-operate with our EU partners on asylum and illegal migration.

**Lord Marlesford (Con):** My Lords, my right honourable friend the Defence Secretary recently warned British jihadists who go out to fight for ISIS that they may find themselves at the wrong end of an American or British missile. Would it be sensible to extend that warning to those British jihadists who go out to fight for ISIL that they will not be allowed to return to the UK?

**Baroness Williams of Trafford:** My noble friend quite skilfully completely departs from the Question, but the word “Syrian” is in the Question, so I admire him for his efforts. What would happen would depend on the case. People who have been to Syria to fight are dealt with using the full force of the law if and when they return, and many do not return.

**Lord Alton of Liverpool (CB):** My Lords, returning to the point that the noble Lord, Lord Roberts, raised about family reunion and human rights, has the noble Baroness had a chance to read the letter I sent three days ago to her and the right honourable Brandon Lewis MP, the Immigration Minister? It concerns evidence given in your Lordships’ House only last week by a woman from Aleppo, who described how her 10 year-old niece had been forced to watch an execution, how three of her brothers had been taken by ISIS and subjected to torture, and one they tried forcibly to convert. This Armenian Syrian family had been seeking family reunion with others already successfully relocated to the United Kingdom. In cases such as this, what premium do we place on the position of minorities who come from particularly endangered backgrounds, who are rarely able to enter United Nations refugee camps because the very people who oppressed them are now running some of those same camps? What emphasis are we placing on helping families in that situation?

**Baroness Williams of Trafford:** I think I have received the noble Lord’s letter, and he raises very complex and distressing circumstances. People in their country of origin would obviously be able to claim asylum here or resettlement. I will not go into the details of that case, as I would not with the noble Lord, Lord Roberts, but certainly we are very mindful of those special cases.

**Lord Hamilton of Epsom (Con):** Can my noble friend confirm that hundreds of thousands of Syrian refugees are now returning to Syria, and can she tell us what effect that is having on our policy of deporting Syrian refugees?

**Baroness Williams of Trafford:** My noble friend makes a really important point, which is that if you are a Syrian you want to return to Syria in improved circumstances. I can give him exact figures by letter. Indeed, it is in all our interests to get a more peaceful situation in Syria so that people can return to their country of origin.

**Lord West of Spithead (Lab):** My Lords, people of many nations fought in the British fleet at Trafalgar, but I am pretty certain that there was not a single Bulgarian. The 212th anniversary of that great battle is on Saturday, and as this is the year of the Navy,

according to the Secretary of State for Defence, I wonder whether the noble Baroness will pass the best wishes of this House to the Royal Navy on this very auspicious occasion.

**Baroness Williams of Trafford:** I can always rely on the noble Lord to say something vaguely related to the Question. I most certainly will pass on those best wishes. Thank you.

## Business of the House

### *Motion on Standing Orders*

11.36 am

Moved by **Baroness Evans of Bowes Park**

That Standing Order 72 (*Affirmative Instruments*) be dispensed with on Tuesday 24 October to enable a motion to approve the draft Misuse of Drugs Act 1971 (Amendment) (No. 2) Order 2017 to be moved, notwithstanding that no report from the Joint Committee on Statutory Instruments on the instrument has been laid before the House.

**The Lord Privy Seal (Baroness Evans of Bowes Park) (Con):** My Lords, the Motion standing in my name will allow us to dispense with Standing Order 72 next Tuesday so that we can take an SI relating to the control of a synthetic drug under the Misuse of Drugs Act 1971. We need to suspend it because the Joint Committee on Statutory Instruments, which would normally report on affirmative instruments before they are taken, is yet to be reappointed. The Senior Deputy Speaker confirmed the Members of this House who will serve on that committee on 19 July. The appointment of Commons Members is of course a matter for that House, but the Joint Committee does vital work in the scrutiny of secondary legislation and, in my view, the sooner it is up and running, the better. I beg to move.

**Lord Newby (LD):** My Lords, I am sorry to detain the House on this matter. The Motion before us looks pretty innocuous and we on this side have no objection to the Government’s proposals.

However, as the noble Baroness has explained, the need for this Motion arises from the fact that the Joint Committee on Statutory Instruments has not considered the SI. The reason for that, as we have heard, is that it has not been reconstituted since the general election. Indeed, I believe it has not met since March. The reason for that is because the Commons has not nominated its Members. I fully understand the convention that this House does not criticise the workings of the Commons, and I have no intention of doing so. The delay in this case is caused entirely by the Government’s contentious approach to party balance on all Commons committees, which rightly caused significant political controversy, debate and delay in the other place.

I have three questions for the noble Baroness, as I understand the process in the Commons is slowly cranking into gear. First, will the Government now do all they can to expedite the formation of this very important Joint Committee? Secondly, do the Government have any date in mind when they believe that this will be achieved? Thirdly, how many affirmative resolution statutory instruments are there in the pipeline that we

[LORD NEWBY]

would normally have considered and which have not been able to be brought before this House since the last meeting of the Joint Committee on Statutory Instruments in March?

**Baroness Smith of Basildon (Lab):** My Lords, I concur with the comments made by the noble Lord the Leader of the Liberal Democrats. This is a really sad state of affairs. I congratulate the noble Baroness on bringing this Motion before the House today as it is the right course of action. It is exceptional and urgent, and not to do so would have grave consequences.

Having said that, this is unprecedented. I do not know whether any other noble Lords can recall this happening before; certainly I cannot. On a straw poll of other colleagues, I am not aware that it has ever happened before that the JCSI has not been set up in time for the House to consider business of this kind.

The noble Lord, Lord Newby, makes an important point. The Labour names are ready and waiting to set up this committee. The only thing holding it up is that the Government have failed to do so. So it is right that we consider this today, but it is an emergency situation; it is unprecedented and can only be exceptional. In this case, I think the noble Baroness has to speak for the Government and not just for the House of Lords. She has to tell us when the committee will be set up and assure us that it will not happen again and another such Motion will not come before this House.

**Baroness Evans of Bowes Park:** I thank the noble Baroness and the noble Lord for their interventions. The noble Baroness is absolutely right: standing orders are very rarely suspended, and only when there is agreement to do so does it happen. She is absolutely right that this is a case when it needs to happen, and I thank the House for its appreciation of that. As I said, the nomination of Commons Members to serve on Joint Committees is a matter for the usual channels in the House of Commons and I cannot say anything further on that, but this House has made its views very clear and I hope the Commons will hear them.

*Motion agreed.*

## District Councils

### *Motion to Take Note*

11.40 am

*Moved by Lord Greaves*

That this House takes note of the future availability of resources for the provision of District Council services in two-tier areas.

**Lord Greaves (LD):** My Lords, in moving this Motion, I should first remind the House of my registered interest as deputy leader of Pendle Borough Council. This Motion is about district councils—the 201 non-metropolitan or shire districts that exist in areas where there are also county councils, in two-tier areas. Shire districts have become the Cinderellas of local government, in many ways the forgotten ranks, or the poor bloody infantry, yet they are vitally important as the foundation of local democracy in their areas. According to the District Councils' Network, they deliver 86 out of

137 essential local government services to more than 22 million people, 40% of the population of England. They cover 68% of the country by area and represent the diversity of England, ranging from former county boroughs and urban areas of acute deprivation to attractive and prosperous county towns, university towns and cities, coastal towns, small towns and villages and much of the richness and diversity of the English countryside. They are a kaleidoscope of old and new communities, rich and poor, growing and stagnant, towns and countryside and suburbs and hamlets, and include much of the English coast.

Districts collect council tax on behalf of themselves, the counties and the other precepting authorities yet, for every pound they keep for themselves, more than £5.50 goes to the county councils. So in that sense they are the poor relations. Yet when people refer to “the council” it is usually the district, borough or city council that they are thinking of—whatever they call themselves. It is much more local at that level; it is the town hall where people are more likely to know, see and hear from their councillors. The district provides many of the most local services, which are now becoming known as “neighbourhood services”. In my view, they could do more; it is time for a devolution of powers and services from counties to districts, where the districts can do it more locally and better.

District council services include refuse collection and recycling; local leisure facilities; parks and open spaces; street cleansing; town centres; planning, development and regeneration; environmental health; licensing; support for local advice services; community safety; anti-social behaviour, and much more. It is at the local level where issues are dealt with that really matter to people in their street, town and community, yet when it comes to finance, district councils have been in the front line of cuts in government funding and in their ability to raise money locally. The District Councils' Network reports that, based on the 2017-18 settlement data from the Department for Communities and Local Government, 146 out of 201 district councils—that is 72%—will face a negative revenue support grant position by 2019; that is, the districts will be sending support grant to central government.

This year, the core spending power of shire districts is being cut by over 5%. The settlement data on core spending power shows that districts are hit far harder than other categories of council. Other councils show increases in the core spending up to 2019-20, but for districts this year, the figure is minus 5%, then minus 4% and then minus 1%. That is unsustainable and cannot go on.

The Government will say that the new homes bonus has come along to rescue the situation. This was introduced in 2011 and provided councils with a payment for each new house occupied, equal to its council tax, in each year for six years. In two-tier areas, 80% went to the districts. The bonus was funded by top-slicing the total local government grant settlement—it was not new money—and helped to offset the cuts in districts' grants. However, there were unintended consequences—notably a large shift of funding from northern regions to London, the south-east, the south-west and the east of England. That is a different issue from



this debate as it affects all councils, but it is an important one. This year the funding has been top-sliced again to provide extra money for social care, and in two-tier areas that has meant moving money from districts to the social care authorities—that is, the counties. It is being paid only for five years instead of six, and from 2018-19 it will be paid only for four years.

There is a new threshold of 0.4% of the housing stock. If your area has not built more than 0.4% of its housing stock as new housing in a year, no new homes bonus at all will be paid for that year. That is already affecting a lot of districts and is likely to affect more. This threshold removed over £70 million of spending from district councils this year, and the threat is that this will get worse in the future. As an example, in my own authority of Pendle, the year-on budget for paying for services is being cut by around half in real terms between 2010 and 2020. Government support is already down by about 60%. The budget plans for the next three years involve a cut of £4 million on a net budget of £13 million—a gross budget of £23 million. We have already cut £7 million since 2010 and the position is devastating. This is all being forced on these councils by government policies, changes to government support, financing systems and the council tax cap. This is not a time to discuss national government policy but simply to report the effect of it on a council such as this.

So far, like most districts in the country, we have coped in a fairly miraculous way. However, staffing has been stripped to a skeleton service and there is a high level of stress among staff working three or four days a week but doing the same amount of work they did when they were working five. The number of people in offices has been reduced from, say, five to three—again, trying to do the same amount of work. In our case, we have offloaded services to town and parish councils and voluntary groups as best we could. But now, like many districts, we are down to the bone. Basic neighbourhood services are at risk: services such as refuse and recycling, the maintenance of parks and open spaces, street-sweeping, the ability to go and remove litter—all that kind of thing. There is the threat of closing a swimming pool and a sports centre and removing the grant to the CAB.

Burnley, next door to us in East Lancashire, forecasts that £3.8 million has to be cut from the budget in the next three years. Harrogate, which is just over the border, over the hills in Yorkshire, is now in a position where there will be no direct grant at all from the Government from next year. It says that there is acute pressure on non-statutory services, pressure to close a swimming pool and reduce the quality of parks and gardens. When the quality of gardens in Harrogate is reduced, something is seriously wrong.

Guildford's current shortfall is manageable but it is having to pick up the tab as Surrey County Council withdraws from funding local services and Guildford has to take them on. I have a quote from a colleague in New Forest District Council—so in the south of England:

“I would say that the New Forest District Council has been forced into nearly a decade of ‘managed decline’ in which services have been reduced or stopped completely. We are nearing the point when all the authority does is collect household waste and determine planning applications. It is a distressing state of affairs for all of us who value public services”.

On Colchester:

“With Colchester's rate support grant due to go negative next year to the tune of £400,000 having come down from over £12 million we have had to make a lot of savings”.

The council wants to build council houses but due to the cap on HRA—housing revenue account—borrowing, “we had to scrap plans to build 50 Council Houses”.

There is a huge tale of woe from South Cambridgeshire District Council, which reports that it cannot get suitable and experienced planning officers—there is a chronic shortage—and it is failing to carry out its proper duties there. It says:

“We no longer have a designated conservation officer, tree officers, environmental officer, economic development officer ... or community support officer. Consequently we lack strategies which we once had, e.g. climate change mitigation, economic development”.

It points out that the sheltered housing wardens who visit people in their homes have been removed and,

“replaced by estate managers who just look after the fabric of the schemes”.

Inevitably, that results in more bed-blocking.

The Association for Public Service Excellence—APSE—reports that spending on neighbourhood services across local government has fallen by more than £3 billion over the last five years. Cuts in funding and wide variations between authorities in funding services are, “changing the very nature of local government”.

Its excellent report in April, *Redefining Neighbourhoods: A Future Beyond Austerity?*, which bangs the drum for neighbourhood services, says that the total expenditure in the period it covers fell by 13%; and in the most deprived fifth, environmental and regulatory services are at minus 13%, while the least deprived fifth of local government increased by 4%. Expenditure on planning and development services in the most deprived fifth is down by 42%, and in the least deprived areas it is up by 2%. It says:

“Innovation will not solve the funding crisis”,

and that the answer to the social care funding crisis is not to transfer money from other vital services, especially those at local level that have a huge prevention effect. It says:

“This analysis provides compelling evidence the time has come for a robust defence of neighbourhood services”.

Of course, district councils are the places where neighbourhood services are most important. Do the Government agree with that?

The Institute for Government, in a report which is due to be published in about 35 minutes, makes similar points, and points out that spending on local neighbourhood services has fallen by around a quarter since 2009-10. Spending on waste collection is down 18%; on food safety it is down 20%; on open spaces it is down 23%; on culture and heritage it is down 26%; and on sports and recreation it is down 34%. The very fabric of local services is being eroded and people at national level seem to be blind to what is going on.

The King's Fund report, *The District Council Contribution to Public Health*, points out that every £1 invested by district councils in preventive services can save the wider public sector up to £70. There is a suggestion that there should be a 2% prevention precept for district councils to match the social care precept

[LORD GREAVES]

for county councils, which of course in county areas does not raise as much as it does in unitary areas because the district part of the precept is not included in that.

Then there is economic growth, which the Government will tell us is the answer to all the problems. It is what we all want to see. District councils are the key to local growth, yet economic development powers are discretionary and little support is provided by the Government at this level. Districts are often effectively excluded from the system for distributing government funding via local economic partnerships. In Lancashire, the local economic partnership has two representatives out of 10 from the 12 districts on the county-wide LEP. The districts are marginalised, yet in areas with strong districts, such as Lancashire, it is they that provide local knowledge, initiatives and drive.

Therefore, I call on the Government to recognise that, at the very local level in which the districts are involved, if they want to build new council houses, unblock the beds, keep the streets clean, help people to live fitter and healthier lives, keep our food safe and have decently maintained local communities, the time has come to look at districts and to treat them better. The pressure is building. It is almost at breaking point and I do not think that people will accept the situation for much longer. Will the Government please respond?

11.57 am

**Baroness Maddock (LD):** My Lords, I am very grateful to my noble friend for introducing this timely debate on district councils. I begin by declaring my interests. I am a vice-president of the Local Government Association, the vice-president of a fuel poverty charity, National Energy Action, and I am president of the National Home Improvement Council.

I shall confine my remarks to just a few of the areas that district councils are responsible for and shall also reflect on where district councils have been completely abolished in the north-east of England.

As my noble friend said, there are now just over 200 district councils—considerably fewer than when I joined this House over 20 years ago. Where they remain, they are responsible for all matters pertaining to housing in their areas. It is generally agreed that we have a housing crisis, so restricting finance and financial freedoms to district councils at this time seems particularly perverse.

Along with their responsibility to ensure sufficient housing in their areas, district councils are responsible for planning and building control. Again, it seems perverse not to recognise that this is an essential part of providing homes, but at the moment district councils are not able to cover the cost of these services—indeed, they are prevented from doing so.

As we have already heard from my noble friend, planning departments are severely underresourced. In fact, local taxpayers are subsidising planning services by about 30% because the planning fees set nationally do not cover the full costs. When will the Government progress their commitment to allow councils to increase planning fees by 20%? Indeed, there are calls for them to rise by more than that and to increase by 40%.

In recent days—my noble friend referred to this—the problems of bed-blocking have once again been in the news. District councils do not run social services but they are responsible for social housing. Indeed, at one time, there were numerous sheltered and extra-sheltered housing schemes run by local authorities, with on-site wardens and other help. However, cuts in local authorities' budgets and their ability to raise funds have severely reduced the number of such good schemes. Some of the housing associations have taken this up. My own aunt lived in one such extra-care scheme in West Sussex.

One of the reasons many elderly people cannot get back to their homes after recovering from illness is that they need home adaptations: things like flat-floored showers, wider doors and other access facilities. These, of course, are the responsibility of the district councils. I am grateful to the District Councils' Network for some figures about the value for money it can provide in this area and how it can help the National Health Service:

“By adapting 100,000 homes to meet the needs of older people, districts could save the NHS £69 for every pound spent ... By improving 100,000 homes to protect older people from the cold weather districts could save the NHS £34.19 for every pound spent”.

The average cost to the state of a fractured hip is a bit over £28,500. This is nearly five times the average cost of a major housing adaptation—which runs at about £6,000—and 100 times the cost of fitting hand and grab rails to prevent falls.

Another important area—it is dear to my heart—where district councils have duties pertains to energy efficiency in the homes in their areas. They still have a duty under the Home Energy Conservation Act 1995—which I am proud to have seen through in another place rather a long time ago now—to collect information about the energy efficiency of homes in their areas and to suggest solutions for improvement. However, I regret to say that successive Governments have failed to enforce these requirements or to use this Act to its full potential in any way.

Councils do have powers, however, to enforce minimum housing standards relating to excess cold. There are several pieces of legislation on this matter, but it is often the case that local authorities are not really aware of some of the things that they can do. Once again, enforcing regulations in these areas falls to overstretched environmental health and trading standards departments. Will the Government commit to looking at how they can allow councils to get more funding—particularly by returning the fines that councils levy when they find problems—to support more proactive work? On several fronts, failure to fund district councils properly goes against the other aims that we have heard from the Government, many of which we agree with: more homes, quicker discharge from hospital and fewer cold homes.

I would now like to spend a few minutes reflecting on the reduction in the number of district councils. Central government has consistently driven an agenda of cutting the cost of local government through “efficiency savings”. Across the board—and my noble friend referred to this—local government has risen very well to this challenge; indeed, there is evidence that it has risen more successfully to the challenge than central government

departments. This has happened despite often being given new responsibilities with poor funding that dries up after a few years.

Different Governments have attempted local government reorganisations as part of efficiency savings, but at what cost to local democracy and to services? Nowhere has this been more obvious to me than in my home area of Northumberland. In 1997, there were six district councils and one county council, with 239 district councillors and 67 county councillors. In 2009, we had a change imposed on us by the then Labour Government, which reduced us to 67 councillors to cover the whole of Northumberland. This is an area 50 miles north to south and, in the south, at least another 50 miles east to west. To travel from Berwick to Hexham is 100 miles. This year, we had the council count in Hexham and people were running about Northumberland in the middle of the night to get there.

There was a consultation and a vote on how local people wanted the reorganisation to happen. The people voted in favour of two districts, one in the north and one in the south—they recognised that we needed fewer small councils. However, this was ignored, and the Labour Government gave us one, with just 67 councillors. The effect on local democracy and the control of local services has been devastating. It might have been mitigated to some extent if town and parish councils had been given more powers.

As the whole area was not parished, new councils had to be set up, in particular in the south-east but also in the town of Berwick-upon-Tweed, where I live. However, the development of the town council does not make happy reading. There were town clerk resignations, councillor resignations, inquiries about bullying and the most appalling behaviour by some councillors on social media. Many people have been completely put off wanting to be councillors, given all these things working against them. It is very difficult to find people who are able to take on the role of county councillor, in particular in Berwick, where you have to travel 50 or 70 miles to meetings. That is pretty difficult to take on if you work full-time or run a business.

Engagement by the community, particularly with council services, is also extremely difficult. The development of electronic communication has helped but in my part of the world we have a predominantly older population who tend not to engage with modern technology. Earlier this week, when the House was talking about Islamophobia, there was much discussion about community cohesion. Changes such as I have outlined do not help communities to engage with those who provide the local services and with each other.

As we heard from my noble friend, the ongoing financial constraints for district councils clearly work against many of the stated aims of the Government: building more homes, ensuring new and existing homes are more energy efficient, providing housing with care for our ageing population, and adapting homes for our ageing population. These last two would definitely help alleviate bed-blocking. Will the Minister explain why the Government seem unable to have policies and

actions that work together, rather than against each other, in achieving their aims? Why have the Government failed to understand the role of district councils in aiding their agenda by providing good local community services? Why do they continue to reduce the finance to district councils, which provide very good services in line with government objectives? I look forward to hearing from the Minister on these very important matters.

12.08 pm

**Lord Beecham (Lab):** My Lords, I refer to my local government interests as a Newcastle councillor and vice-president of the Local Government Association. The fact that I live in Newcastle tempts me to suggest to the noble Baroness that she should look again at the map and the distance between Hexham and Berwick. She may be right that they are 100 miles apart if you go via Newcastle, but she will find that it is possible to take a slightly more direct route. However, we are not discussing the geography of the north-east.

I commend the noble Lord, Lord Greaves, for securing the debate but am disappointed, if not entirely surprised, that there has been no recognition of or apology for the Lib Dem role for five years during its partnership with the Conservatives as an accessory to the battering that local government sustained.

Councils across the country and of different political complexions have sustained unprecedented losses of support, with district councils suffering a 40% cut in their three prime services: planning, housing and culture. The total runs into billions. As I have had occasion to mention many times, in Newcastle alone the shortfall will be £280 million a year by 2020. How does this fit alongside the Government's proclaimed housing policy? For that matter, how many properties do the Government think will be built as a result of the recently announced £2 billion for new council housing? Where will the 20,000 to 25,000 new homes be built and how will the money be allocated? Specifically, what proportion is envisaged for district councils, only 20% of whose income comes from government grants? Given the pressures on them, that figure is simply inadequate.

Do the Government recognise that councils are subsidising planning services by 30% because the nationally set fees do not cover the costs? That is a particular problem for district councils. Will the Government take the Local Government Association's advice to increase fees for planning applications by 20%, and allow an experiment with a higher increase to test whether that would help improve the process? Above all, will the Government enable councils, including district councils, to borrow to build, and remove the borrowing cap, recognising that such borrowing, creating assets, should not be included in the public debt?

The 44% rise in homelessness in the last few years, accompanied by a 102% rise in the number of rough sleepers, also needs tackling. Such difficulties are not confined to major cities or unitary authorities. District councils face many of the same problems—not always to the same degree, of course; nevertheless, that is a real problem for them, as it is for the rest of local government. Many district councils struggle to support local transport schemes. Will the Government fully fund such schemes?

[LORD BEECHAM]

Everyone now recognises that social care funding is inadequate. District councils have a significant role, albeit an indirect one, in supporting healthy communities. As the noble Lord, Lord Greaves, pointed out, the King's Fund estimates that every £1 spent by district councils in preventative services, such as home adaptations, leisure and environmental policies, can result in a public expenditure saving of £70. That is a huge return on that investment—an investment that district councils are finding increasingly difficult to make.

There is also concern about changes to the new homes bonus, which will make it more difficult for district councils, in particular, and others, to deliver much needed new housing. The King's Fund report on the district council contribution to public health, both direct and indirect, has made 10 recommendations, including involving district councils in improving the relationship between clinical commissioning groups, counties and districts, and a wider collaboration over health economics, with greater district council investment in environmental health services and health impact services. For that to happen, appropriate funding will have to be provided. Will the Government implement those recommendations and ensure sufficient funding is available? Ultimately, they will save the health service a great deal of money.

In an Answer to a recent Question of mine, the noble Lord, Lord Prior, revealed that there are 278,000 domestic, and 200,000 non-domestic, privately rented properties with an energy performance rating below E. Some landlords may be exempted from the requirement to upgrade their property's performance rating on the grounds of cost, but as yet, the Government have no estimate of the numbers. Inevitably, some of those properties will be in district councils. When the Government consult on making energy regulations more effective, will they look specifically at the situation in those councils?

There is as yet no clarity on how the changes in business rates will be implemented. Can the Minister enlighten us as to the approach, especially to ensuring an equitable distribution of business rates across the local government world? That is a hugely important concern of local authorities, many of which are likely to be able to raise exiguous amounts from local business rates. Has the recent revaluation affected the current distributional picture in relation to districts in particular, and all local authorities in general? What is the Government's approach to ensuring there is some measure to redress imbalances between different authorities? Perhaps I can take this opportunity to ask the Minister about the sixth report from the Secondary Legislation Scrutiny Committee on the Draft Regulation of Social Housing (Influence of Local Authorities) (England) Regulations—a somewhat prolonged title, not untypically. In particular, will the Minister look at the involvement of local government in that respect?

We have before us an issue that runs right across local government: its capacity to meet and fulfil needs, many of them important both to individuals and communities. All types of local authorities have an interest in there being a proper reflection of their needs in the local government finance system.

Reverting for a moment to my previous point, on changes in board membership of social housing bodies, I do not expect the Minister to have an answer at his fingertips today, but will those proposed changes adversely affect local authorities, including districts, bearing in mind that the committee expressed doubts about the failure to have a formal consultation, including with tenants, on that set of regulations? In a way, it illustrates a somewhat cavalier attitude towards local government as a whole; but district councils in particular, with their interest in housing, will certainly need some assurances in that respect.

I believe Members will make a powerful case on behalf of district councils. I am sure they would agree that a similar approach needs to be adopted across the local government scene. We await the forthcoming local government finance announcement, which presumably will come just before Christmas. It will be interesting to see the extent to which the Government are prepared to change those policies—at least as much as they are apparently now prepared to change some of their other policies in the light of the recent general election results.

12.16 pm

**Lord Shipley (LD):** My Lords, I remind the House that I am a vice-president of the Local Government Association. I am grateful to the noble Lord, Lord Beecham, for reminding us that some of the things the Liberal Democrats did in the period of the 2010-15 coalition Government were very much in the interests of local communities. Indeed, he accuses us of being an accessory to the cuts of 2010-15, but it all depends on what is being counted. The noble Lord can sometimes be selective in his facts, missing out certain things that are relevant. What is relevant is that the National Health Service was protected locally by that Government, as were our schools' budgets. In addition, the pupil premium was introduced by that Government, which enabled a lot more money to go into schools in disadvantaged parts of the country. That Government also introduced several years of council tax support to keep council tax bills down for individual council tax payers.

It is the case, not just in local government, that cuts were made that were higher than we would have liked. There are other parts of public spending where cuts were made because of the crisis produced by the banking collapse and the failure of the Labour Government in those years to address some of its consequences adequately. As the noble Lord will also be aware, the Government have been running an annual deficit ever since 2008, causing the country's debt as a whole to continue to rise. However, let us not engage any further in tit-for-tat.

I was reminded by my noble friend Lady Maddock of the situation in the north-east of England, where we have only unitary councils. I have personally been very supportive, where there is local demand, of introducing unitary councils, as long as two factors are in play: that communities are generally supportive of the geographical size of their unitary council; and that town and parish councils are properly empowered to provide a focus for the explanation of local need to the unitary council, but also for the provision of some

services. I find myself agreeing in very large measure with what my noble friend said; she covered a number of the practical problems that can be caused in a large unitary, such as Northumberland, extremely well.

My noble friend Lord Greaves said that district councils were the Cinderellas of local government, that they were in the front line of cuts and that the fabric of local services was being eroded. The Minister should look carefully at the evidence base for this, because I have come to the conclusion that it is true. That is because district councils do not spend a lot of money—I am grateful to the Library brief for providing the information. Local government spends in total some £94.5 billion and district councils spend just £3.1 billion of that—approaching 3.5% of the total.

For a sector of local government to have to cover so many of the services that my noble friend Lord Greaves described seems a tall order on total spending of that kind, yet district councils provide some 60% of local government services in their areas—that is going by the defined number of services that local government provides overall. There is a mismatch between the amount of money they spend and the number of services they are required to provide, which explains why, in some district council areas, the cuts imposed have a greater impact on some services, particularly on housing support.

District councils tend to provide universal neighbourhood services rather than individual services. Individual services in adult social care, for example, are provided by another tier of government. As my noble friend Lord Greaves said, the provision of such local services is gradually reduced to the point where only the basics are done.

However, another factor about district councils should be borne in mind. I concede that there are district councils in urban councils, but district councils tend to cover the more rural parts of the country, where populations are lower and services may lie a considerable distance from where people live, increasing household costs. It is not just a function of council tax levels; it is also a function of how far away a service is that somebody wants.

It is incumbent on all district councils to make themselves as efficient as possible. Sharing services, particularly back-office services, matters. There are some examples of where that is done very effectively. There are areas where becoming a unitary council may be an obvious step to take, underpinned by strong parish and town councils. However, that may not be the right approach for all areas, as I would be the first to concede. There is a big problem about money, in both relative and absolute terms. I read in the District Councils' Network brief that two-thirds of district councils will face negative revenue support grant by 2019-20, but they share with other councils uncertainties around business rates, about their powers to raise council tax and about reduced spending power generally—as the National Audit Office has made clear in recent studies. District councils claim that they have been affected by worse settlements than other councils in terms of their core spending power. All I ask the Minister to do is look carefully at that and at whether further clarification can be secured.

We have heard today about the 2% prevention precept proposed by the District Councils' Network. It is a very interesting suggestion.

Years ago, I helped to introduce a business improvement district in Newcastle-upon-Tyne, which had to be voted on by all the businesses within the area of that district. It works only if people understand what they are paying additional tax for but, when they do, it can be a huge success—as it has been, I believe, in our case. There is a 2% precept for adult social care, as we have been reminded, but another idea that the Minister should look at very carefully is how a 2% prevention precept might work. It would need a clearly defined set of outcomes against which success can be assessed. One example might be in housing support services and, in particular, in tackling homelessness, because the spending reductions that have occurred in housing support services in district councils are at almost 50% in the last few years.

As we have heard, district councils can do more on housing, affordable homes and social homes for rent. I am aware that quite a number of district councils have not been replacing homes that they sell. One reason is that they need adequate fiscal freedoms to allow them to do so, by using right-to-buy receipts, lifting the borrowing cap for the housing revenue account and through generally greater certainties on government policy. Some of this will, I presume, be clearer when the Government's Green Paper is published. Overall, I hope the Minister will reflect carefully on what is being said. There may be an opportunity in the Budget, or in the settlement itself, to ease things in respect of those services that the general public see as universal, which are used by very large numbers of people but which are, at the moment, suffering unfairly and taking away public services that people value.

12.26 pm

**Baroness Pinnock (LD):** I thank my noble friend Lord Greaves for enabling this debate and I remind the House of my interests as set out in the register as a councillor in a metropolitan council and as a vice-president of the Local Government Association. Three themes seem to have emerged in this debate so far about district councils and their resources. They are fairly obvious and straightforward: financial resources, the impact the cuts have had on services, and the impact on local democracy.

In 2014, the National Audit Office produced an important analysis of the impact of the severe cuts in government funding to local government. I hope that the National Audit Office will be able to update this analysis because it has provided the clearest independent picture yet, using evidence from district auditors and others, of the financial state of local councils. In the report, the NAO states that by 2015 district councils had lost 37% of their government grant. This has had a serious impact on local services, as has been illustrated in other Members' contributions. The NAO said that spending on housing—largely on adaptations and support services—had reduced by 17%, along with a 24% cut in planning services and a cut of 16% in transport and highways. Fundamental and vital local services have

[BARONESS PINNOCK]

seen very serious reductions in expenditure. Efficiencies are one thing but cuts of this order are another thing entirely.

I have a couple of examples of what the future holds for district councils, from looking at the government figures on the DCLG website where there is a very helpful spreadsheet of core spending per household for every council in the country. I have picked out two from the Somerset area. Mendip District Council faces a further 12% cut in available funding over the next three years. South Somerset District Council, which has £263 per household this year, will have £231 per household by 2019. We are talking about a constant drip-drip of cuts. Any business will tell you that constantly making cuts on that scale ends up in only one way, which has been described by other speakers. There are real impacts on very important services that affect people's lives. For example, there are huge changes to waste collection—people might have to pay for bulky waste collection, leading to more fly-tipping—and to disabled adaptations, as we have heard, which enable people to live independently for longer. These are small investments with very big returns, not just financial but on people's lives with, obviously, local health services having to help more people as a consequence.

Those are the financial cuts and some of their impacts, which have been clearly articulated by others. I want to point to the impact on communities. These constant cuts belie the value and importance of communities to our national well-being. Funding cuts have a more insidious effect because people in areas of the country that are remote from London equate the Government with London and feel that if they live in the north of England, the Lake District, Somerset or north Nottinghamshire, it is London which neither understands nor cares about them. They know that the support and services they value the most are not there any longer because of London. That feeling is not good for the well-being of our country and certainly does nothing to help promote vital, robust communities.

District councils in particular feel that their voice has been lost. They are no longer able to have a say about what happens to their local services because the cuts are being imposed by government on the local authority without it being able to influence that one jot. That has undermined local democracy itself. We have heard about the pressure to centralise local councils in Northumberland. The pressure to collaborate, to make efficiency savings and to centralise services does not always end up with reduced costs but it definitely results in a great feeling of remoteness and a strong feeling that London does not understand. That may not be the case but it is what people up and down the country feel, and we ignore that at our peril.

At its very best, local democracy provides leadership and vision. Undermining that leadership and vision because of the constant pressure of having to cut important services results in communities having a sense of inadequacy, frustration and anxiety. None of that is good for the health and well-being of local people. Unwittingly—some would say that it was with purpose—successive Governments have cut funding so heavily that the very existence of some councils is

being put into question. It is not me saying that but the National Audit Office and we ought to take it seriously.

I am sure that the noble Lord, Lord Bourne, has enormous influence on his colleagues elsewhere in the Government. We are at a crisis point. Further cuts to local government will result in the crisis that we have already seen in social care extending to children's social services. It is beginning to happen in that area and it will extend to other important services delivered by district councils. I hope that the Minister will be able to put his considerable pressure and influence on government to reverse the cuts predicted in the three-year spending plan that was agreed last year and say, "Enough is enough; local people need and deserve these services". Cutting them further will only harm individuals and communities.

12.36 pm

**Lord Kennedy of Southwark (Lab):** My Lords, I refer the House to my interests in the register, as a councillor in the London Borough of Lewisham and a vice-president of the Local Government Association. I congratulate the noble Lord, Lord Greaves, on securing this debate. He has raised the important issue of the future availability of resources for district councils in two-tier areas. We have received some excellent briefing notes, which have been helpful for me in the preparation for this debate, from the Library of the House, the Local Government Association and the District Councils' Network. I thank them all very much for what they have provided.

We quite rightly debate local government matters a great deal in this House. Local government delivers a huge range of services and, as the noble Lord, Lord Greaves, told us, district councils deliver 86 of the 137 essential services to more than 22 million people, or 40% of the population in England, covering 68% of the country by area. They also approve 90% of the planning applications and enabled most of the housing completions in their areas last year. They collect the council tax and, as the noble Lord also said, are the councils with which local residents often identify most. That gives the House some idea of the scale of what district councils do and cover.

There are particular issues that affect local government funding, which I want to go through. First is the impact of changes to the new homes bonus on district councils. The introduction of the 0.4% baseline threshold for that bonus removed funding of over £70 million from district councils in 2017-18, which was passed to adult social care authorities. We have a social care crisis and the Government need to address it with new, additional funding, recognising that we are all living longer—which is good news. Medical advances mean that conditions can be treated more successfully but that could mean a greater draw on resources over a longer period. We need ideally to get to a place where there is an agreed settlement on adult social care funding.

The Government learned an important lesson at the recent general election: that the proposals they put forward then were not fit for purpose and contributed to the loss of their majority in the House of Commons. The "robbing Peter to pay Paul" strategy,

which is in effect what the Government have done recently in respect of the new homes bonus, is not a sustainable solution and anyway, it provides nowhere near the level of resources required to solve the problem. Can the Minister confirm what plans the Government have in respect of the new homes bonus in future years?

As other noble Lords have said, district councils provide a number of services that, if delivered adequately, can have a very positive effect on the public purse generally. The old adage that prevention is better than cure works here as well. Keeping people active for longer through keep-fit classes, swimming and plans to encourage more walking has positive effects on people's health and fitness and helps to combat other problems, such as loneliness. Not only are we living longer but the number of people who live alone is increasing. Aids and adaptations to homes can keep people in their own homes longer with consequential savings to the public purse, as I mentioned earlier. Can the Minister tell the House what weight is given to the spending of money that assists with prevention rather than cure when the Government are deciding on levels of grant and the funding of programmes? How is that done or is it not done at all?

Housing is an area of concern to the whole House. The Minister referred to it as "our broken housing market". Some of the actions the Government have taken, no matter how well intentioned, have not helped the situation. The 1%-a-year compulsory rent cut is just taking money out of the system. The housing revenue account borrowing cap and the time limitation on spending right-to-buy receipts suppress district council delivery of much-needed new homes. We also need finally to scrap any notion that any councils will be forced to sell high-value assets to fund the right to buy for housing association tenants. That should be funded direct from government. Perhaps the Minister can update us on what is happening here.

My noble friend Lord Beecham raised housing and the provision of new homes following the recent announcement of additional funding. It would be helpful if the Minister would tell the House the number of social homes on social rents as opposed to any other form of tenure that will be provided as a result of this funding.

Local government can do more. District councils can do more to deliver the Government's aim of providing new homes, but they have to be enabled to do so. I lived in the east Midlands for many years, and I have a reasonable knowledge of the district councils there, of all different political persuasions, which often moved from Labour to no overall control to Conservative and vice versa. They would rise to the challenge if they were allowed to. They are places such as Corby Borough Council, Broxtowe Borough Council, High Peak Borough Council and City of Lincoln Council.

We have to move on from re-announcing previous announcements from the housing White Paper and elsewhere, as we saw yesterday in the Statement that the Minister presented to the House, which was previously announced in the housing White Paper in February this year.

There are new requirements to deliver welcome reforms in dealing with homelessness. When it came before the House earlier this year, we all supported the then Homelessness Reduction Bill. Our only issue is the adequacy of the funds available. This will be a much bigger pressure for London boroughs, but district councils in two-tier areas near unitary cities such as Derby, Leicester and Nottingham may have additional unfunded financial pressures in future years as a result of the new obligations. That needs to be addressed.

Planning fees are another area that needs action from the Government. This has already been referred to. Council tax payers are subsidising developers as the low level of nationally set planning fees does not cover the costs. I am well aware that the Government announced in the housing White Paper that local authorities can increase their fees by 20%, but I think they should go further by committing to allow every council the flexibility to increase their fees by up to 40%, to be invested back in the planning service, and also by quickly allowing some pilot schemes for local fees setting which are fair and transparent. I do not want councils to be making a profit but I want them to be able to recover their full costs. That would allow district councils to use other precious resources, which are presently subsidising the planning process, to be put to better use locally, helping with economic regeneration, improving the high street, supporting other measures to support healthy living and supporting housing growth. Again, if the Minister would address that in his remarks it would be most welcome.

The noble Baroness, Lady Maddock, made reference to the situation in Northumberland. I am not sure about the particular issue that she spoke about but I would say that consultation, and listening to its results, is important and should influence the decisions made.

There is no doubt that the noble Lord, Lord Shipley, is right that the coalition Government, which he supported, did some good things, but it also did some not so good things as well as some things that I opposed and which caused great damage—the LASPO Act and legal aid funding, for example. I do not blame the Liberal Democrats at all for joining the coalition; in fact, they had a duty to do so. It was the only serious coalition on offer, looking at the maths in the House of Commons. Equally, though, the Liberal Democrats have paid a heavy price for being in the coalition and making pledges that they broke, none more so than the broken promise on student fees, which I am sure has had a salutary effect on the noble Lord and his colleagues in his party.

In conclusion, I thank the noble Lord, Lord Greaves, for initiating this debate. I think I am right that all the speakers are or have been local councillors, and that is reflected in the quality of the contributions that have been made. The Minister has a number of important points to respond to and update the House on.

12.46 pm

**The Parliamentary Under-Secretary of State, Department for Communities and Local Government and Northern Ireland Office (Lord Bourne of Aberystwyth) (Con):** My Lords, I thank the noble Lord, Lord Greaves, for moving this debate and outlining the importance of district councils, the range of services that they cover,

[LORD BOURNE OF ABERYSTWYTH]

the area coverage and the trusted, familial and responsive nature of district councils, as well as for the energetic way in which he always represents the best interests of Pendle, which came across again today.

In trying to set the scene for this debate, I have to say that even I noted perhaps a slight tension, a frisson, between the opposition parties—a hint of disagreement from the noble Lord, Lord Beecham, for example, which was uncharacteristic. Let us reflect on where we are with this. I do not think there is any question that we would all wish to spend more in local government but we all have a responsibility, which came across earlier this week, on intergenerational fairness. At the moment, we are still running a considerable deficit. There has been a lot of talk of cuts and so on, but noble Lords should cast their minds back. As the noble Lord, Lord Shipley, referred to, when the coalition Government came in in 2010 there was a dreadful financial position. That has been ameliorated, but we are not out of the woods yet. Those parties and individuals who understandably want to spend more money have a duty to tell us where that money would come from. Would it come from increased borrowing, taxation or a combination of the two?

**Baroness Pinnock:** Stop Brexit.

**Lord Bourne of Aberystwyth:** I think I heard a murmur that it could come from cancelling Brexit. If people are suggesting that, they had better tell us how they are going to go about doing it. There are some serious fundamental issues lying behind any increase in spending.

That said, we have councils up and down England providing essential services to millions of people. I know district councils in particular are at the front line of our democracy; they play a vital role in our society. As I say, they are familial, trusted and, obviously by their very nature, local. They are responsible for providing housing, collecting local taxes, protecting our environment and shaping our community. District councils provide these services, and they are services that people value and depend on on a daily basis.

I am grateful to some noble Lords for indicating that there are ways in which local government can save money, and indeed has done, by the merger, sometimes voluntary, into unitary councils. The noble Lord, Lord Shipley, referred to this. Sharing back-office functions sometimes makes sense. The noble Baroness, Lady Pinnock, mentioned, perhaps critically, rationalisation of waste collection. This is often a sensible way to save money, not something that is necessarily bad news. We have to look at what is proposed.

We also need to put it in context. In the 2015 spending review, the Government delivered £200 billion for local government—a significant amount—and in 2016 we provided an unprecedented four-year financial settlement offer, which 97% of all local authorities accepted. We did this because local government was asking for certainty, and we recognise the need for that; that is absolutely right and fair. The settlement will see a modest increase in funding in cash terms—in cash terms, I acknowledge—over the period covered and, as I said, we still face a challenging national debt which is at nearly 90% of our GDP. Nevertheless, the

settlement is designed to ensure that councils have the right level of funding for the most important services that they offer. The noble Lord, Lord Shipley, referred to the challenge of rurality. The settlement includes a dedicated grant worth more than £260 million for rurality.

We are in the second year of that multi-year offer, and we recently published a consultation on our approach to the third year. This includes—something that was touched on—a commitment to continuing the reforms to the new homes bonus, as laid out last year, and the social care challenge. The noble Lord, Lord Kennedy, rightly recognised the size of that challenge. He said that it might lead to increasing costs; I do not think there is any doubt about that, as it certainly will. He is absolutely right that we should welcome the fact that people are living longer, but it means additional costs to the health service and social budgets. That represents a challenge, which the Government are looking at, and we will bring forward proposals on how to face it. I think that there is recognition around the House that this problem is faced by the country, and we need to square up to that challenge as a country. I am sure that we will be able to work together on it.

The new homes bonus—to return to it—has been successful so far. It has allocated more than £6 billion, reflecting more than 1.2 million new homes. People have referred to the importance of new housing, and I will deal with some of the specific issues raised later. The council of the noble Lord, Lord Greaves, Pendle, is set to receive more than £4.5 million over the course of the Parliament, around 13% of its total core spending, but we need to explore every possible option to support the creation of even more homes for our communities. The Government continue to be committed to incentivising local authorities to support housing growth in their areas; it is something we value. This is why we are currently consulting on a methodology for reducing payments for new homes where planning permission is later granted on appeal. That seems to us to be the right thing to do. Decisions on any changes will be made in light of this consultation, and, as I said, we will be bringing forward our proposals.

When it comes to increasing our country's housing supply, we stand behind local government. The new homes bonus is one way in which we do this, but there are others, and we know that we need councils to continue to deliver. We have introduced our new £2.3 billion housing infrastructure fund for all councils to bid into, and we have already committed more than £1.7 billion of the home building fund, which will deliver more than 100,000 homes and create thousands of new jobs.

We are also engaging in bespoke deals, which are progressing in, for example, Leeds, Manchester and the West Midlands. I think a specific question was asked about the £2 billion additional money that has been announced. I said earlier this week, I think, but I am happy to restate it, that we will be bringing forward our specific proposals as to how that money is to be spent and, of course, a great deal of it will be on social housing. We will publish those proposals.

District councils play a particularly vital role as local planning authorities, and reference was made to planning departments. The noble Baroness, Lady



Maddock, the noble Lords, Lord Beecham and Lord Kennedy, and others spoke of the importance of ensuring that we deliver on the 20% increase, which was referenced in the housing White Paper. I apologise for again restating a policy that has already been announced, which is something I was criticised for, but I have been asked what we are doing on it and I can say that we will be delivering on that 20% additional fee by the end of the year. That has been broadly welcomed, and I am glad that we are able to deliver on it. All planning authorities have accepted and confirmed that they will ring-fence the additional income for investment and planning. We are also, as noble Lords will be aware, consulting on options to go further and to allow an increase of another 20% for those authorities delivering on their housing need, thus coupling additional money for planning departments with increased housing supply, which I know is something noble Lords understandably are keen on.

Reference was made to energy efficiency by the noble Baroness, Lady Maddock, and I know she does great work on this—we engaged together on this area when I was in a previous role on climate change—and the noble Lord, Lord Shipley, also talked about energy efficiency standards. I will ensure that a copy of this debate is passed to BEIS, which leads on energy efficiency, but much is happening through product regulations and through the action of the market on things, such as cars and so on, in reductions of carbon. We published last week *The Clean Growth Strategy*, setting out proposals for decarbonising all sectors of the economy, so that is happening, too.

Looking to the future, we have ambitious plans for the local government funding system. Questions were asked about this. We are committed to our manifesto pledge to give councils even greater control of the money they raise locally. We will press on with these reforms to increase business rates retention. I think it was the noble Lord, Lord Beecham, who asked about smoothing mechanisms to make sure there was a fairness element. Of course, that will be inherent in it.

I know from the current retention scheme that Pendle benefits, as does Lancashire generally, from the Lancashire business rate pool. Pendle is forecast to increase its business rate income above its baseline level by more than 10%. This year, Lancashire's business rate pool members will have an estimated extra income of £9.8 million. We want to increase further that reward for growth.

In September, we published a prospectus for a new tranche of pilots for 100% business rates retention. I urge members to participate in that—applications for the pilots close on Friday 27 October, which is a week tomorrow, and there are five spaces. We launched the prospectus, as I said, in September, and that would be for 100% business rates retention, so it may well be of interest to district councils. From next year, successful applicants will run alongside the current five pilots. These authorities will be able to keep even more of the growth in their business rates income, with no impact on the rest of their funding. They can use that growth to invest or spend on services. Our pilots will be invaluable in testing our reforms to ensure an outcome which delivers for the whole of England. So those pilots are extremely important.

We have recently relaunched our steering group, looking at how we progress business rates retention beyond the current level independently of those pilots. My department co-chairs the steering group with the LGA to look at ways to move forward without primary legislation. We can certainly achieve much by secondary legislation, and we will come forward with suggestions and publish them. We are analysing more than 200 responses to a further consultation on business rates retention, and I want to thank those who participated.

I shall touch on two related matters, if I may, which are not directed specifically laser-like at local government finance but which certainly have an impact on it. One of those is coming up next week—the Committee stage of the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill, which is related to relief for fibre. It has broad support throughout the House. There are some issues that we will need to work through, but it is something that will help. Just to take Pendle as an example, it currently has only 0.05% full-fibre coverage, so that is something that Pendle and many other areas would expect to benefit from.

Many of the contributions were in the context of the north, so I should also mention the opportunities that are provided by the northern powerhouse, which is particularly the case in Lancashire. We have created a network of growth hubs—for example, Lancashire's hub has over 3,000 local SMEs and has created more than 1,300 new jobs in its first three years. It has run in tandem with growth investment into the Lancashire local enterprise partnership. So to get the full picture, it is right that we look at those things as well, and at specific local projects. The Burnley-Pendle growth corridor, for example, has funding of £8 million for a transport and highways improvement scheme. We want to unlock growth in all sorts of ways—some through local government and some elsewhere.

I shall turn briefly to the fair funding review, which I think was not touched on. I should like to set out where we are on that review and in that cycle. It is going to redesign the way in which we determine local government's relative needs, and set new baseline allocations. It is over a decade since the current formula was looked at thoroughly; indeed, some parts of it date back to 1991. Since then, the demographic make-up of many areas, such as those we have talked about, including Northumberland and Pendle, has altered radically. An ageing population, as the noble Lord, Lord Kennedy, said, means demand for different services has shifted within areas. We are entering a world in which local government spending is funded by local resources, as I have indicated, with business rates retention, not through central government necessarily.

The fair funding review will consider how to introduce a more up-to-date and more transparent needs assessment formula. We need to make sure that it works for all local authorities, wherever they are. Rural councils, for example, or areas which struggle with higher levels of deprivation, will have unique needs that have to be met. That has to be recognised. To get this right, we are working collaboratively with local government at every step of the way. We have a strong relationship

[LORD BOURNE OF ABERYSTWYTH] with the LGA, with which we chair a working group, which is progressing matters. Last year we conducted a call for evidence, which drew over 200 responses. We plan to consult again soon, and we will make sure that it is a thorough, evidence-based review. It should be fully effective by 2021.

There were some specific questions from the noble Lord, Lord Beecham, to which I shall respond in writing—and I shall copy other noble Lords in. As is my customary practice, I shall ensure that a circular letter is sent around to noble Lords to pick up any points that I miss, with copies also placed in the Library.

We recognise the vital and ongoing importance of district councils. We wish to work with district councils; they are our partners, and we have shared ambitions with them. We recognise the challenges, and I fully recognise and wish to place on record the debt that the Government have to our partners in working with us to ensure that we continue to bear down on some of the costs involved while providing excellent services. There are challenges but, as I have indicated, there are mechanisms that we are looking at in terms of business rate retention and some of the specific funds and matters to which I have referred. As I say, the fair funding review will help to equalise within different councils some of the distortions that currently apply.

With that, and with the assurance that, if there are any other points that I have missed I shall certainly pick them up on the write-around, I again thank the noble Lord, Lord Greaves, for bringing this important topic to the House and airing it as effectively as he has done.

1.04 pm

**Lord Greaves:** My Lords, I am grateful to the Minister for his reply, and to everybody who took part in the debate. I was a bit disappointed that more people did not take part, as I thought that lots of Peers would come from district areas and would be lobbied by their local councils. Perhaps we need to organise that a bit better.

The noble Lord, Lord Beecham, suggested that I should apologise for things that happened during the coalition. Whether or not any apologies are due, I am not sure that I am the right person to ask.

I am grateful to my noble friends Lady Maddock and Lord Shipley for talking about housing, which I had deliberately left to them.

I was disappointed that the Minister did not respond on the proposal for a 2% prevention precept for districts. I just want to say briefly why it is a fair thing to do. In unitary areas—London boroughs, mets and unitaries—the 2% applies to the whole of the council tax levied by the council. In shire areas, it applies only to that proportion of the council tax that comes from the county precept; it does not apply to the proportion of the council tax—10% or 15%, whatever it is—levied by the district. That means that people in shire areas are paying less 2% precept, in a sense, than people in unitaries, because they are paying it only on the proportion that goes to the county and not on the proportion that goes to the district. Therefore, it is perfectly reasonable—even though I would be one person who would have to pay

a bit more—that in shire areas, two-tier areas, the district ought to be able to pick up their share of the 2% and apply it to preventive measures. Having said that, in my own authority, the total would be less than £50,000 on 2%, not a huge amount of money and not a great pot of gold. But it would be useful for districts to be able to do that. It is not an additional imposition on council tax payers in district areas compared with the rest of the country. That is an important point. Perhaps the Minister will go away and think about it, and it is something that he could write about.

The Minister seems to be getting a bit obsessed with Pendle—I do not know why. I made it quite clear that, in so far as I talked about Pendle in my speech, I was just using it as an example of a type of area. I talked about lots of other areas, too. However, if the Minister is really so interested in Pendle, perhaps he would like to come and see for himself and talk about some of our problems, and we can explain to him what they are. If he would like to do that, I would very happily, together with colleagues in east Lancashire, across the councils, organise a meeting for him with three or four east Lancashire districts, which all have the same problems. We could explain to him why, probably in four years' time, the contribution of the new homes bonus in some or all of those districts will be zero. No matter what we do, given our resources, we are probably not going to meet the conditions that the Government are laying down for the number of new houses that would then have to be built. I issue that invitation publicly.

It only remains to me to move the Motion and thank everybody again for taking part in the debate—although I am a little disappointed that the Minister gave a general reply about local government finance and did not focus on specific district issues, in particular on neighbourhood services. They are becoming more and more a matter of concern and the subject of members' reports, and they are coming up to a crisis point in many areas. Having said that, I promise that the debates will continue.

*Motion agreed.*

## **Grenfell Tower** *Statement*

1.08 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 shall now repeat in the form of a Statement the Answer given by my right honourable friend the Secretary of State for Communities and Local Government to an Urgent Question in another place on Grenfell Tower. The Statement is as follows:

“My Lords, it is now just over four months since the tragedy of Grenfell Tower. Since then the Government, local council and wider public sector have been working hard to ensure that everyone affected by the fire gets the support they need and that tall residential buildings across the country are safe.

Since I last updated the House on 5 September, the number of households seeking rehousing has risen to 202. As before, this increase has been caused by members

of larger households choosing to be rehoused separately. The local council has now secured more than 200 suitable local permanent properties. Negotiations are under way on others, and by Christmas it expects to have over 300 available. As of this week, 112 households have accepted an offer of either temporary or permanent accommodation. Of these, 58 have moved in—44 into temporary accommodation and 14 into permanent accommodation.

The Government are determined that everyone who needs support gets it, regardless of their immigration status. We have previously established a process to grant foreign nationals who were resident in Grenfell Tower or Grenfell Walk 12 months' leave to remain in the country, with full access to relevant support and assistance. Last week, the Immigration Minister announced that there will be a dedicated route to permanent residency for these survivors. This policy will allow them to apply, for free, for two further periods of two years' limited leave. After this time, they will be able to apply for permanent residence.

Meanwhile, our work to ensure the safety of other tall residential buildings continues. One hundred and sixty-nine high-rise social housing buildings in England feature some form of aluminium composite material cladding. Our programme of testing has identified 161 that are unlikely to meet current fire safety standards. The particular focus of current work is now on supporting remediation work in these 161 buildings. Additionally, we are improving our understanding of the situation for privately owned high-rise residential buildings with ACM cladding so that all such buildings are as safe as they can be. We have been clear with councils and housing associations that we expect them to fund measures that they consider essential to make a building safe. However, if councils have concerns, they should get in touch with us. We will consider the removal of financial restrictions if they stand in the way of essential work. To date, 31 local authorities have expressed concern in principle to us. We have liaised more closely with six of these, and one of them has now submitted supporting evidence for consideration by my department".

1.11 pm

**Lord Kennedy of Southwark (Lab):** My Lords, I thank the noble Lord, Lord Bourne, for repeating the Answer to the Urgent Question asked in the other place. I remind the House of my entry in the register of Members' interests. I pay tribute to the work that continues to be delivered on the ground by public sector staff across a variety of disciplines and by charities, faith groups and volunteers.

The noble Lord has just said that the Government expect councils and housing associations to fund the work they consider essential to make buildings safe, that councils should get in touch with the Government and that the Government will consider removing financial restrictions if they stand in the way of essential works. That is slightly different from where we were four months ago, when I think it was said that money was no object. Therefore, does it follow that the Government are saying that they will not provide any grant funding to fund these essential works? Can the noble Lord be very clear on that? What are the Government actually

saying? They seem to have moved a little on that over the last four months. We need to be clear what they are going to do on funding works—or not.

**Lord Bourne of Aberystwyth:** I thank the noble Lord for his thanks to the public sector staff and very much echo those on behalf of the Government. Emergency staff, central government staff and local government staff have performed absolutely magnificently, and continue to do so around the clock. That is particularly true of staff in the National Health Service as well, who provide care for people suffering from emotional distress and others. I thank, as did the noble Lord, charities and the many volunteers for the work they have done. I also thank the public for their generous giving.

The noble Lord asked a specific question about the building works. We have been clear that the safety of buildings subject to these checks post Grenfell, whether in the public or the private sector, is absolutely paramount. We have said that we will ensure that financial restrictions will not be a barrier to essential work being carried out. That would mean, most typically, the lifting of borrowing restrictions on councils. That is what we have in mind. As I have indicated, 31 authorities have been in touch with us—we have been very clear about this and have encouraged local authorities to take up this offer, if appropriate. Six have issues that we wish to pursue, one has completed—I think, from memory, that it is Portsmouth—and we are looking at that now. I repeat that financial restrictions will not limit essential work post Grenfell.

**Lord Shipley (LD):** My Lords, I echo the comments of the noble Lord, Lord Kennedy, on the vital role of public sector staff, who have done a magnificent job. I had not realised until a couple of weeks ago that a large number of people from all over the United Kingdom have assisted at Grenfell. We should note that contribution in what has been a very difficult time for everybody.

I wish to ask the Minister two specific questions. First, the Statement makes it clear that the Government expect councils and housing associations to fund measures that they consider essential to make a building safe. But what if the Hackitt review says that such works are essential? Will the Government step in at that point? As I understand it, there will be an interim report from the Hackitt review some time during the autumn, which may well make clear statements about what should be done.

Secondly, sprinklers have been required since 2007 in all new high-rise buildings in England over 30 metres, whereas in Scotland, the relevant height is 18 metres. Will the Minister explain why that is the case? Do the Government expect that sprinklers will be retrofitted in buildings constructed prior to 2007?

**Lord Bourne of Aberystwyth:** My Lords, I thank the noble Lord, Lord Shipley, for what he said about the work carried out by the public sector. I certainly echo his thanks to people from throughout the country who have come to help at Grenfell on a voluntary basis. That shows our country at its very best.

[LORD BOURNE OF ABERYSTWYTH]

The noble Lord asked about essential work and sprinklers. I think he raised a similar point somewhat earlier in relation to the Hackitt review. As I said then, having set up the review to look at building regulations and fire safety—it will obviously look at sprinklers, and the inquiry will doubtless want to look at that as well—I do not think we should prejudge what it will come up with. If it recommends that something essential be done, clearly, the Government will take that very seriously—I cannot imagine it being otherwise—and that would include points relating to retrofitting.

On the difference with Scotland and the devolution element, I know from a previous life that if you have devolved systems, policies may diverge, sometimes for very good reasons. Therefore, I will not tread on any toes by pontificating on something I am not clear about, except to say that these things are sometimes quite different.

**Lord Beecham (Lab):** My Lords, Newcastle is not the only city or place where in recent years a huge number of newly built multi-storey buildings have been constructed to house students. Do the Government have a view on requiring the builders of those buildings to ensure that they also check issues concerning cladding and sprinklers? In respect of the latter, I endorse the plea of the noble Lord, Lord Shipley. I hope the Government decide that it should be a requirement to install sprinklers. If so, I hope they will ensure that they provide appropriate finance, and that this will not simply fall on local council residents.

**Lord Bourne of Aberystwyth:** I thank the noble Lord, Lord Beecham, for that point about Newcastle and more generally on higher education. I can confirm that some higher education and further education blocks—on which I think we have published statistics—also fall foul of these concerns, and they are being looked at in exactly the same way. That is also true of one or two buildings in the health service. It does not extend more widely in other areas of government, at least not in England; separate considerations and reviews are going on in Scotland, Wales and Northern Ireland. I reiterate that we have set up the Hackitt review, which is looking at building regulations and fire safety, including sprinklers, for the specific reason that we want it to come up with evidence-based recommendations. We should not anticipate those, but I can confirm that, obviously, whatever it comes up with—this goes for the inquiry as well—will be taken seriously by the Government, and, no doubt, by opposition parties as well.

**Baroness Verma (Con):** My Lords, moving away from building work, can my noble friend say whether the people of Grenfell are getting the emotional support that they require as they go through this difficult time? In addition, will he ensure that young people and children in particular are being well looked after, especially with regard to their needs during their time at school?

**Lord Bourne of Aberystwyth:** I think my noble friend for that sensitive and appropriate question. It is obviously a massive concern. NHS experts estimate that 50% or more of the people who survived the fire

are expected to display symptoms of post-traumatic stress disorder. NHS teams are providing the screening close to Grenfell at the Bard Road centre, and we are also providing support and counselling through the night with volunteers at the Notting Hill Methodist Church and at a number of hotels. It is obviously a serious issue, but I hope and believe that we are addressing it. My noble friend also mentioned young people. This is certainly a subject of great hope, and it is to our great credit that we have been able quickly to open a temporary school to substitute for the one we lost. It seems to be performing magnificently. Once again, I pay tribute to all the people who made that happen.

## EU: Transition Deal

### *Question for Short Debate*

1.22 pm

*Asked by Baroness McIntosh of Pickering*

To ask Her Majesty's Government what assessment they have made of the impact on the economy of failure to agree a transition deal with the European Union.

**Baroness Vere of Norbiton (Con):** My Lords, because there are so many wonderful speakers and so little time, I will start to look fierce when the clock says three.

**Baroness McIntosh of Pickering (Con):** My Lords, I am delighted to have secured this timely debate, and I look forward to contributions from other noble Lords, especially the Minister. I refer to my interests in the register. I also worked as an EU lawyer in Brussels and advised MEPs before myself becoming an MEP. As an MP, I chaired the EFRA Committee, where some 80% of the work originated from EU directives and policies. I am also extremely proud to be half Danish, and I studied at the University of Aarhus.

Yorkshire and other parts of the UK have benefited hugely from our membership of the EU. Examples include current payments to farmers, both direct payments for producing farm products as well as stewardship schemes for environmental benefits, and financial services in Leeds, York and London have flourished within the single market. Leeds Bradford Airport and the Humber ports also provide a gateway to Europe for our goods, services and people to access the EU market.

Despite this, the electorate was split down the middle on the referendum, with only 37% voting for Brexit—52% of the 70% who voted. Many who voted remain stand prepared to change their minds once convinced that it really is in our interest to leave the European Union. Only 18 months are left to finalise the agreement. However, talks leading up to Brexit and the smooth transition afterwards appear to be stalling, which is why I have sought this debate today, to consider what the impact will be on the local and national economy in the event of there being no transition period or no deal being reached at all—and therefore no smooth transition and implementation period following our exit from the European Union.

As the UK applied to the EU Commission to set Article 50 in motion only in March, and negotiations started on 19 June, it would seem extremely precipitate

to threaten to walk away after only four months of talks. The UK's initial opening gambit was somewhat unfortunate in tone. However, the Florence speech which the Prime Minister gave last month represents an altogether more moderate and conciliatory approach. One way for the UK to capitalise on the new mood and progress the talks would be for it to suggest hosting the talks, or one round of the talks, in London. That would be a positive idea and might be well received by our current partners.

The Prime Minister has said that on the day we leave the EU we will leave the single market and the customs union because we do not agree to the four pillars—the free movement of goods, services, capital and people—or the jurisdiction of the European Court of Justice. Yet she states that we want to carry on trading on the same terms. How can that happen? This smacks of having our cake and eating it, and we have been warned that that is specifically not on the table.

The Government have indicated that they are prepared to walk away from talks without a deal or a transition period, with the Treasury committed to spend £250 million on preparations for such a scenario. Yet transitional arrangements are essential to give businesses more time to plan and eventually to create a new relationship between the UK and the EU. When discussing transition, it is vital to consider the nature of this relationship and the effect it will have on industry.

In farming, there are three potential outcomes of a future trade relationship, none of which guarantees increased production levels or farm-gate prices, although each could threaten higher costs for consumers. Farming confidence, which is key to investment and productivity, has already fallen sharply in the last two years. Continued access to EU workers is essential for the agri-food and hospitality sectors, as it is for the care sector and the NHS. The pound's fall in value has had a huge impact on the economy. Falling prices have boosted exports yet also increased the price of imported materials. Transitional arrangements would increase certainty for seasonal and other EU workers as well as for the value of the pound. Such arrangements would also allow the Government more time to implement a new domestic agricultural policy to support farming.

The Government, other than stating that the UK does not wish to remain subject to the jurisdiction of the European Court of Justice, have not explained what the dispute resolution mechanism will be for all those businesses that will still be buying and selling goods with our current EU partners. Such a scheme must be agreed by both sides in advance of any potential trade dispute.

There are many other outstanding issues. What will the customs and excise arrangements be? What will the costs be of putting those in place? How will we avoid the imposition of tariffs and quotas or, worse still, non-tariff barriers? Will financial services be allowed to passport their existing services within the EU? What is the status of the UK within the World Trade Organization? When will we become a member of that organisation in our own right as opposed to negotiating as part of the EU? How long will it take the UK to negotiate each free trade agreement with third countries, as they all lapse on the day that we leave? Is it the UK's intention to apply under Article 127

to leave the European Economic Area? How costly will the physical checks and inspections at borders be for food, drink and other perishable goods and products?

To some, the US appears to be a preferred trading partner. However, the US rigorously adopts a protectionist approach. It does not, for example, allow foreign carriers to pick up and drop off on domestic air routes, and the aggressive approach that it recently demonstrated against Bombardier is an early indicator of future behaviour. The US and other non-EU countries such as New Zealand have objected to proposals agreed by the EU and the UK on how to split World Trade Organization tariffs on goods post Brexit. It is also a puzzle why the Department for International Trade has appointed a non-British person—a New Zealander—to lead negotiations for future trade deals when there are so many experienced British nationals to choose from in the EU Commission who are already negotiating at a very senior level and who would have seemed a far more appropriate appointment.

Another question is: what can we offer Commonwealth countries in a bilateral trade deal when they already enjoy preferential access to the European Union through ACP-EU membership, strongly encouraged by this country? One of its first achievements to be heralded was the setting of a fair and stable price for sugar.

Britain must demonstrate that it wants to make the best trade deals for Britain, not just any deal at any cost, which could have the potential to compromise our high animal health and welfare standards—for example, by accepting hormone-induced beef and chlorine-rinsed chicken from the United States. We should also be sensitive to the concerns of our near neighbours such as Ireland, where the common border is of concern. Effectively that becomes an external border, yet both sides of the border agree that they want no physical barriers. The EU has made this border issue, along with free movement and the rights of EU citizens, a top priority in these negotiations.

A particular sticking point has arisen over the third major EU priority—the budget: the amount that the UK will contribute to ongoing commitments. These include not just the salaries and pensions of British nationals—such as me—who are or have been officials of the EU institutions, but programmes such as Erasmus, which allows university students to study in other EU countries. There is also Horizon 2020, the EU research and innovation programme for companies, and EASA, the European air safety authority, which regulates licences for airlines.

The Government's priority is to proceed rapidly to the next stage of negotiations, but what are the alternatives for our future relations? We are told that existing models, which are tried, tested and shown to work, are not suitable. Therefore, concluding a new arrangement by March 2019 is a tall order. It is important to recognise that there has never been a trade agreement for services anywhere in the world to date.

Britain is at a crossroads after taking the biggest single decision in over 40 years, with huge implications for the economy, and Parliament needs to have the best available information to hand. It is therefore appropriate and necessary that the impact assessments undertaken by the Government are published so that we can analyse the impact of Brexit on the economy.

[BARONESS McINTOSH OF PICKERING]

Our European partners are bemused and confused. The messages coming from the Government are mixed, depending on the audience. The complexity of disentangling ourselves from administrative arrangements spanning 40 years is immense. Every sector is crying out for certainty. We owe to the people of Britain clarity, certainty and a smooth transition to future opportunities and challenges.

1.32 pm

**Baroness Kramer (LD):** My Lords, first, I congratulate the noble Baroness, Lady McIntosh, both on obtaining this debate and on her speech. With so few minutes in which to speak, I shall focus on just one or two areas that I think illustrate the underlying problem and the need to get absolute certainty, with a transition arrangement being agreed by both sides before the end of this year.

I work extensively with the financial services community, about a third of whose business is EU domestic only. It has as its priority a smooth arrangement for its clients, with no disruption in contracts or in the flow of work. That is its absolute priority, as indeed is appropriate. Because of the complexity of licensing, contract movements, moving people and operations and so on, these businesses have been working on contingency plans for transferring business out of the UK efficiently against a worst-case scenario of no deal and no transition for months. Those plans are now complete. At board meetings in October, November and December, different institutions will make the decision on whether to press the button so that implementation can begin in the new year. As I said, this is likely to be concentrated around business for clients based in the EU, but eventually it will bleed over into the global financial services, which are absolutely crucial to the ongoing future of London and of which about a third is domestic, a third global and a third EU regional. Therefore, the Government have to focus. We need absolute certainty for those institutions not to press that button in the next several weeks.

Frankly, however, it is not just in that arena that all these issues are critical. I was in Brussels for two days a couple of weeks ago and came away with the understanding that, if we do not wish to have clearance requirements at our ports for manufactured goods, we have to remain in “the” customs union, not in “a” customs union, otherwise WTO and treaty rules will require the establishment of borders and customs clearance arrangements. Noble Lords will know that many of our major manufacturers—those in the car industry and many others—work on a just-in-time basis. With some car manufacturers, the phone call goes over to the European factory at eight in the morning and goods need to be provided to go into the production line in the UK three hours later. For others, it is as much as six hours later, but that is about the outer limit of just-in-time arrangements, which will fail completely if any clearance process is in existence at the borders. I have listened to the head of the British International Freight Association. As this House will know, a two-minute delay will back lorries at Dover up to Ashford, and a six-minute delay

will push them back to the M25. There are critical issues of this calibre all across which require a transitional arrangement, and it must be one with certainty—and soon.

1.36 pm

**Lord Kerr of Kinlochard (CB):** But, my Lords, that is not going to happen because a transition requires a defined destination. The Government still cannot agree among themselves the long-term relationship that they want with the European Union. In Florence the Prime Minister told us that it was not the Canadian model because that would be too restrictive, and it was not the Norwegian model because that would not respect our democratic control, but she did not say what it was going to be, and I fear that she will not do so today. However, the Government will have to define it before the 27 can negotiate on it, let alone agree to it, so that we can transition to it. With respect, the ball is still in our court.

I have some questions for the Government. First, when will they at last put forward a draft of the framework for the future relationship with the EU, which is required by Article 50?

Secondly, when the Prime Minister spoke in Florence of a transition agreement, she was actually describing a standstill agreement. She talked of our respecting all EU rules and regulations for two years after we leave the Council, Parliament, court and Commission, which make those rules. Even I could negotiate that. If I am the 27, what is not to like about having all my decisions respected by the British without having to put up with boring British negotiators like me? And they are ready for it. Their guidelines, agreed on 29 April—exactly one month after we rashly fired the trigger and chose to spend three months having an election—say that, “a time-limited prolongation of Union *acquis*”, is fine, provided that all,

“existing Union regulatory, budgetary, supervisory, judiciary and enforcement instruments and structures”,

continue to apply. Do the Government accept that they would continue to apply? If so, will somebody please tell the Foreign Secretary, who is still out there cherry-picking with his mouth full of cake?

My last point is that business certainly requires a transition agreement—the noble Baroness, Lady Kramer, is absolutely right—but it is not going to get it because the Government cannot make up their mind about what we are transitioning to. A standstill agreement would be better than nothing for business, but let us not pretend that it avoids the cliff edge; it merely postpones it from 2019 to 2021. Even if by 2021 the Government have finally stopped negotiating with themselves and have decided on the long-term relationship that we want, there is no chance that a version acceptable to the 27 will have been agreed, translated into detailed treaty texts and ratified in all EU legislatures, including Wallonia, following all necessary referenda, including in the Netherlands. Canada took seven years.

Therefore, my third question to the Government is: what comes after the standstill period? Do we, after the standstill, get to the transition period? How long does this uncertainty last? And when will the Government drop the Panglossian pretence that it does not entail massive economic disruption?

1.39 pm

**Lord Bowness (Con):** My Lords, I thank my noble friend for asking this Question. The Government did work on the economic consequences of exiting the European Union, and that was published before the referendum. However, little good use was made of it in the campaign, the parties instead preferring exaggeration and rhetoric.

The question now is about no transition. “No transition” means either a deal that has been agreed by the end of March 2019, ready for immediate implementation—and there is no one who considers that possible—or we leave via the cliff edge like lemmings, save that lemmings appear to be agreed on their hopeless course of action, while in our case many will be carried over, dragged by the crowd against our wishes.

The Question refers to transition, but at present no deal also remains a possibility at the end of transition. It is therefore time to face reality and abandon that rhetoric. The leavers’ simplistic cry that we fall back on WTO rules must be exposed. They say that WTO rules govern the majority of trade with the rest of the world and that, therefore, it is no problem to apply the same system to goods to and from the European Union. The Freight Transport Association commented in the *Sunday Times* that the nature of much of our trade with the EU is physically different. Some 70% of it is by lorry, unlike from the rest of the world, which is in bulk, by container. Containers have time at sea to deal with customs formalities. The same considerations of speed do not apply to them. European Union trade consists of many and frequent loads, all of which require customs formalities, creating cost and delay, and not just regulation but infrastructure, too.

Concerns exist in many businesses and industries, and they are not agents of remain. These concerns include worries about rules of origin, the maintenance of existing regulatory regimes and agencies and the delay and cost if we become a third country. The Government therefore need to assess not merely “no transition”, but “no deal”. There has to be a transition to something, and what that is is not clear, if indeed anyone knows. Transition merely puts off the realities until later. It becomes clearer by the day that no dynamic, creative and unique economic partnership will give the UK arrangements better than we currently enjoy. Anything post exit will be a compromise.

If business and, therefore, the country is not to face economic problems—and the revised figures from the ONS last week suggest that the picture might not be as rosy as we hoped—surely we should think again about our rejection of continued membership of the single market and the customs union and give more consideration to EFTA and EEA-type arrangements. How much are we prepared to sacrifice to keep the commitment to reject any jurisdiction of the European Court of Justice, which colours our judgment and is having an effect on many issues, including citizens’ rights and the Irish border?

Parliament and people need an honest and comprehensive assessment of the cost of no deal, not just in terms of trade and tariffs, but all the additional costs to business, individuals and government.

1.42 pm

**Baroness Jones of Moulsecoomb (GP):** My Lords, I, too, thank the noble Baroness, Lady McIntosh, for bringing forward this debate, which is obviously very timely. I will mention two issues, both of which have been raised already, but about which I feel quite strongly.

The first is the impact assessments that the Government have had done. I am told that there are about 50 of these, and at the moment they are being kept secret. I simply cannot understand why that is acceptable: we live in a democracy and it is for this House and the other place to see, scrutinise and understand exactly what those options are. How can businesses prepare, how can anyone prepare and how can we call ourselves a democracy if we cannot discuss them? It is almost as if the Government are holding us to ransom, not allowing us to know what is actually incredibly important. This is probably the biggest thing that has happened to Britain since the war. We need to know, and those impact assessments really have to be published.

My second issue relates to the World Trade Organization. The Secretary of State for Exiting the European Union has said that the default position for leaving the EU without a trade agreement would be to trade on most favoured nation status under World Trade Organization arrangements. Again, this is something that absolutely cannot go unscrutinised. The WTO is undemocratic and places big restrictions on what countries are allowed to do. It is designed to force through free trade at the expense of local communities and local production. It also has a dispute settlement body whose decisions are binding on all members. A country that loses a dispute must change its policies to comply with the body or face compensation and retaliatory sanctions.

David Allen Green, a law and policy commentator at the *Financial Times*, has said that since the WTO operates on a consensus decision-making system, the UK will be,

“at the mercy of countries playing politics with ulterior motives, say by Argentina over the Falklands or by Spain over Gibraltar”.

He went on to say that,

“the WTO was another ironic example of a process supposedly about ‘taking back control’ handing real power of the UK’s post-Brexit fate to the whims of outside powers”.

There will, of course, be tariffs; there will be big impacts on the services that we export, such as professional legal services and management consulting. Our European Union Committee has said that, in a no-deal situation, many professional services firms would either relocate to the EU or move resources to partner firms in order to continue to trade on preferential terms.

In spite of the fact that I voted to leave—and I still feel very strongly that that was the right decision—I also feel that we cannot do it in this way. We have a Cabinet supposedly ignoring all concept of group or ministerial responsibility. It is not for me, from an unwhipped party, to lecture the Tory Party on discipline, but perhaps somebody should. The Government have calculated what impact all of this will have on the UK, and they must tell the truth to the public about what is coming. They must allow Parliament to play its proper role.

1.46 pm

**Lord Horam (Con):** My Lords, I am glad to hear of the semi-conversion of the noble Baroness, Lady Jones, to something like what I regard as common sense.

There always seemed to me to be three elements in the negotiations between the UK and the European Union. First, there is the dosh—the money. It has been obvious for months that Germany would be very unhappy about there being a big hole in the European budget, which it would largely have to finance. It was expecting us to come up with a better deal than we have already. Frankly, £20 billion is ridiculous: we could easily double that with no real problems. Our deficit at the moment is £1.7 trillion; another £20 billion is frankly ridiculous. It is about 100 times the amount for Harry Kane's transfer to the Tottenham Hotspur football team. As one of my investment banker friends said, £40 billion or £50 billion upfront by the UK would be an absolute steal for us.

Secondly, there is the issue of the transition. As the noble Baroness, Lady Kramer, rightly pointed out, imagine the scene at Dover if this were to end in March 2019 with no deal whatsoever and acrimony as well. The queues would be back to the M25, just at Bexley: in that case, there would be a certain amount of chortling in heaven. The fact is that the reputation of the Government for competence is already sliding and the effect of this would be a hammer-blow. Black Wednesday would be as nothing compared to what would happen if we marched off the end of the cliff.

As the noble Lord, Lord Kerr, rightly pointed out, for all the platitudes and good will of the Prime Minister, we do not have a mechanism. What is the end-point of all of this? We have no clear understanding, after all this time, of what is to be expected. I personally think we should stay in the customs union, but I recognise that that would cause a few problems for Liam Fox. The alternative, frankly, is that we have an association agreement, which the European Union has with many of its surrounding countries, such as Ukraine, Morocco, Turkey, Algeria, Serbia and so forth. All of these have association agreements with the European Union which contain free trade agreements. That is a familiar template for the European Union and a flexible one. You can put into it what you want and that would make total sense for us given that, even outside the European Union, most of our trade would still be with the European Union.

It is a delusion to imagine that somehow or other there is a large area out there with which we could do trade but are not doing so at the moment. That is not to understand at all the nature of trade, which is that trade halves as distance doubles. That is the fact of the matter, and will always be the case. Therefore, we should follow the advice that was set out in the House of Lords European Union Committee report, *Brexit: the Options for Trade*, way back in December, on transition deals and the possible role of an association agreement. It shows how lugubriously slow the Government have been to follow it up. We still, even now, have no clearer idea where we are going.

The time has come for the Prime Minister to crack the whip and get a move on. Otherwise, we will be in real trouble. If she does crack the whip, believe you me, she will have Parliament and the people behind her.

1.50 pm

**Lord Liddle (Lab):** My Lords, my congratulations to the noble Baroness, Lady McIntosh, on getting this debate on this day of all days, given that our Prime Minister has to face her European partners tonight. I will tell the House briefly what I think she ought to say but fear will not.

First, any suggestion of the United Kingdom walking away from these talks would bring about a national catastrophe that anyone who seriously cares for our national interest could never contemplate.

Secondly, the money question has to be settled quickly. The Florence speech accepted not only that the financial obligations will be met to the end of the current financial period but that Britain will honour obligations it had met during its period of membership—that means commitments we have made that have not, as yet, been paid for. A classic example is EU pensions. For the Government to say that they will not contribute to the pensions of British people who have worked in the national interest in the European institutions is, frankly, ignorant xenophobic populism. We have to meet those obligations.

Thirdly, we should set up an objective method of calculating those obligations—probably a Brit and a continental from the European Court of Auditors. We should look for an independent process to make that calculation.

Fourthly, as the noble Lord, Lord Kerr, said, it is not good enough to talk just about a transition; we have to say what we are transitioning to. I would like a transition to the position of Norway. However, I suspect that all Mrs May might be able to say, if she has the courage, is that she wants a transition to a Norway-minus position. What does that mean? It means that we want to maintain frictionless trade with the EU and will adhere to European standards, except in a limited number of cases where we decide to diverge. Where we decide to diverge, we will set up joint consultation machinery with our EU partners. On any question of divergence, they will tell us how they would react to that divergence and then, in the light of that knowledge, we would decide whether we are going to go ahead and exercise the sovereign right. There would have to be a relationship of co-operation.

We have to resolve the question of the final destination. The Prime Minister should say to our partners that if there is any continued dispute in the Cabinet about this, and if the Brexiteers are not prepared to accept it, they should go and enjoy the freedom of the Back Benches because there is a clear majority in the House of Commons for a sensible, long-term deal with the European Union.

1.53 pm

**Lord Butler of Brockwell (CB):** My Lords, I am glad to follow the noble Lord, Lord Liddle, because it gives me a chance to amplify the remarks for which he criticised me earlier in the week. First, I will address the subject of the noble Baroness's Question. I am afraid I cannot get as excited as the noble Baroness, Lady Jones, about a government assessment of the effect on the economy of leaving without a transition. I do not doubt that leaving without a transition would be worse than getting an agreement to it, but such an



assessment on the effect on the economy is, in my view, unlikely to be worth the paper it is written on. We all remember how unreliable were the forecasts on both sides before the referendum of the short-term effects of a vote for Brexit. As a member of your Lordships' European banking and finance committee, I hear every week from witnesses how speculative are the forecasts on the effects on our financial services of leaving without a transition.

Although I was and still am a remainer, we should now direct all our efforts to getting the best agreement available in the present negotiation. That should certainly include a transition. Here, I find myself in disagreement with my old and noble friend Lord Kerr and others that the Government have not been clear about the ultimate destination. It seems to me that the Government have been clear. They are looking for a bespoke agreement, not an existing agreement, and as wide-ranging and frictionless a trade agreement as can be negotiated.

In her Florence speech, the Prime Minister made a constructive offer on all aspects of stage 1. If the EU now refuses to proceed to discussing our future relationship, it will be acting in bad faith and inconsistently with Article 50. We would be justified in saying to Monsieur Barnier, "We hear the clock ticking". In this respect, the opposition parties have to be very careful, and I include my noble friend in this. Of course I accept the role and the duty of the Opposition to hold the Government to account and point up what they see as deficiencies. However, if they simply mock the Government and exploit their internal differences for party-political reasons, they risk undermining our negotiators and delivering them into the hands of the EU. There is too much at stake in the national interest for that.

1.56 pm

**Lord Cormack (Con):** My Lords, the noble Lord, Lord Butler, should be congratulated on his wonderful charity and willingness to see precision where some of us find it difficult to detect that quality.

We all should be a little humble in this debate. Those of us who were on the remaining side have to recognise that the vote went the other way, albeit by a very small majority. But those who voted leave, for a variety of reasons, equally have to display a degree of humility and recognise that their victory was a narrow one. Until both sides accept that there has to be constructive compromise, we are not going to get very far. In his excellent speech, my noble friend Lord Bowness said that we have to face reality. My noble friend Lady McIntosh, who introduced this debate extremely well, made clear how many difficulties we have to surmount in less than 18 months.

I have pleaded before in this House, and now plead again. The two Houses of Parliament are very often poles apart and do not understand each other. We are in completely uncharted waters in an unprecedented situation. No country in the European Union has ever before tried to come out. This is the time to have a joint Grand Committee of both Houses, accessible to Members of both Houses as Grand Committees are, where we can try to come together and discuss the intricacies of the extraordinary situation that we are

in, and we should try to do so with the sort of charity that the noble Lord, Lord Butler, just displayed in your Lordships' House. Unless we can do that, the future is dire.

I was, frankly, dismayed to see this morning in the papers a letter reportedly sent to our Prime Minister—almost in the form of an ultimatum. A number of people in the Conservative Party, and one or two in the Labour Party as well, do not seem to grasp the immensity of what we are faced with. They are behaving with a degree of certitude and arrogance that is not helpful if we wish to see this country, which saved Europe twice in the 20th century, continue to play a constructive part with our present friends, allies and fellow members of the Union, who must remain our friends and allies after March 2019.

We have a part to play. I hope the Government will listen to my suggestion. I have discussed it with Members of both Houses, who seem fairly receptive, but we have to move forward.

2 pm

**Lord O'Neill of Gatley (CB):** My Lords, I now find myself wondering whether the most passionate advocates of Brexit, some of whose arguments we have just heard the noble Lord illustrate, are secretly in favour of a second referendum on the original question. If not, I cannot see any of their logic. Brexit with no trade deal—the ultimate consequence of no transition—is anywhere from worrying to extremely bad. I shall make three quick points.

First, the world economy has shown in the first half of this year probably its strongest performance compared to any since the 2008 crisis, with eight of the 10 largest economies in the world accelerating. However, there are two notable exceptions—sadly, one of them is the UK. It would normally be close to impossible for the UK not to benefit from such a synchronised global upswing. In fact, our economy has slowed. We do not really know why, but it is probably to do with the weakness of investment spending and the pressure on consumers coming from sterling-related weakness in the cost of living—both of which can be traced to Brexit.

The second, more concerning, point is that after a very small lift in 2016, our productivity performance has apparently turned down again. Long-term economic growth is driven by two factors alone: the size and growth of the labour force, and that force's productivity. If we pursue Brexit at any price, we will add a fresh challenge to that of our weak productivity through a significant threat to the significant advantage our labour force growth has shown.

Thirdly, as I have highlighted once before in this House, at the end of 2016 China became Germany's number one trade partner, overtaking France and the US. You are good at trade if you are good at trade. To be good at exporting, we must produce things that the fastest growing domestic economies want, as well as, or instead of, being very competitive and/or trading on the best terms available. For the UK, a small—too small, sadly—group of companies have such strong brands that it is possible that defaulting to WTO rules may not be a massive issue for them. An example close

[LORD O'NEILL OF GATLEY]

to us might be open-top bus tours around Westminster, which would probably have a market, irrespective of this outcome.

To be seriously more successful in international trade, we need a dramatically increased effort toward the largest and fastest growing economies in the world, not just sentimental relationships with Commonwealth countries. This year, China will add another \$1 trillion to global GDP. That is equivalent to creating five new New Zealands in one year. A lot of industries are not in the position of open-top bus tours around Westminster; for those that are highly integrated into the world economy, defaulting to WTO rules is likely to be highly damaging. I can think of at least two such major industries: autos and finance, the latter of which the noble Baroness, Lady Kramer, talked about. Do we deliberately want to reduce the importance of each of those? Autos, by the way, is one of the few major industries that has been highly productive in the past 30 years, although there may be many others. The time has come for less emotion and more focus.

2.04 pm

**Baroness Ludford (LD):** My Lords, one of the factors inhibiting a transition arrangement deal, leaving aside the stasis on phase 1 of the negotiations, is the Government's failure to specify what it would be a transition to, as the noble Lord, Lord Kerr, among others, has pointed out. "Deep and special" does not cut the mustard; it is just a slogan.

Business needs to hear that the Government intend to stay in the single market and fully in the customs union in the standstill, in the transition and permanently. Of course, that would be achieved by remaining in the EU, which would also give us a voice in the rules. The Government must specifically resile from a no deal intention. I find it rather rich that the opposition parties are enjoined by the noble Lord, Lord Butler, to back the Government when their own party is not backing them.

The notion that crashing out of the EU will liberate the UK economy to prosper, as it sails the high seas in buccaneering spirit, is rejected by all serious and credible economists. No WTO member can unilaterally decide its rights and obligations. A new schedule of our trade arrangements would take years to negotiate and, as we saw recently, be a golden opportunity for trade partners to extract concessions. No country can unilaterally fix the regulatory environment it would face. The notion that life outside the EU would be less affected by red tape is utterly fallacious. Being in the customs union and single market cuts paperwork over rules of origin and local content, tariffs and compliance with regulations.

No deal would make the bad economic situation, as sketched by the noble Lord, Lord O'Neill, much worse, as highlighted by the OECD just this week. The cost of living would rise, possibly costing families £5 more a week. With inflation already at 5%, that is no small deal. There could be trade and customs chaos, with tailbacks of lorries, perhaps even from Dover to the Dartford Crossing, as mentioned by my noble friend Lady Kramer and others. Losing the benefits of the EU 66 trade agreements would be a serious setback:

we would potentially see serious job losses and a regulatory minefield, with industries struggling to function as we dropped out of EU rules and agencies.

My party is not secretly in favour of a further referendum. We are extremely up-front about that ambition. There are no options as good as remain, and thus voters should have the chance to think again on the wisdom of Brexit, once they see what it would really entail.

2.07 pm

**Lord Tunncliffe (Lab):** My Lords, the Prime Minister's speech in Florence marked an important turning point, not because it brought about a breakthrough—it did not. The EU's chief negotiator was clear when he described talks as having reached deadlock. It was significant because the Government finally accepted the need for a transitional period, which Labour has consistently argued is essential for British business and jobs. Florence, while offering no guarantees, at least represented a step forward.

Falling off a cliff edge in 2019 is in nobody's interests. If anyone has any doubt about the importance of transitional arrangements, they need look no further than two reports published this week that warn of the dire economic consequences we face if the Government cannot get their act together. The OECD has said that no deal would wipe £40 billion off the UK's economy, while the Resolution Foundation revealed that if the UK reverts to most favoured nation tariffs, the cost of living will rise dramatically. How many more warnings do the Government need before they wake up to that fact? TheCityUK warned that,

"a transitional deal is of diminishing value",

if no agreement is struck by the end of March next year. Banks and other financial services have been clear: without progress, they will have no choice but to move at least some of their operations out of the UK. Can the Minister give this industry the "urgent clarity" it needs?

As the Prime Minister has now recognised, it is nonsensical for businesses, consumers and public bodies to adjust to one set of changes in 2019, only to move to another regime when the new UK-EU relationship comes into force. That is why we on these Benches welcome the Government finally accepting the need for a transitional deal. For the avoidance of doubt, such a deal must not become a means of staying in the EU. Any transition should be as short as possible, but as long as necessary for our economy.

I urge the Government to finally publish their sectoral impact assessment, as Labour called for during the passage of the Article 50 Act. There is cross-party consensus on this. We know these assessments exist. The Secretary of State has been warned of legal action if they are not published. I therefore hope the Minister will assure us that these documents will be forthcoming.

2.10 pm

**Baroness Goldie (Con):** My Lords, I thank my noble friend Lady McIntosh for bringing this debate to the Chamber, and I thank your Lordships for your diverse and interesting contributions.

It is in the interests of all that we secure a good deal for the UK and the EU. Good progress has been made. Both my right honourable friend David Davis and the European Commission's lead negotiator, Michel Barnier, have acknowledged the new dynamic created by the Prime Minister's speech in Florence. This momentum was maintained during the September and October negotiating rounds.

As I stated in this House on Tuesday, both negotiating teams have continued to work constructively together. Since June we have steadily developed our shared political objectives. Of course, there is still some way to go to secure a new partnership, but we are confident that we are on the right path. Indeed, the shadow Secretary of State for Exiting the European Union, the right honourable Keir Starmer, said in a recent letter to my right honourable friend David Davis:

"The announcement of further progress on the rights of EU citizens and the issue of Northern Ireland is welcome. It is also encouraging to see a more constructive tone in the talks".

Mr Starmer seems to concede that something positive is happening in these talks.

As I said before, I think there is recognition that progress is now visible and tangible. That has been borne out by different parties and by Michel Barnier himself. He said at the end of the October round:

"Since Florence, there is a new dynamic. I remain convinced that with political will, decisive progress is within our reach in the coming weeks".

It is important to set a perspective of what are undoubtedly challenging and complicated negotiations against what I think is a positive perception. Indeed, at the dinner earlier this week attended by Mr Juncker, the Prime Minister, my right honourable friend David Davis and Michel Barnier, that view seemed to be shared. I regard that as encouraging.

My noble friend Lady McIntosh made the interesting suggestion that the UK Government might host a round of the EU Brexit negotiations in London. I do not think anyone would be inimical to that suggestion. While the Government have no immediate plans to host a round of negotiations, the arrangements for each round are subject to agreement between both parties. I thank her for what is an innovative suggestion.

Acknowledging the clarity we now see emerging on issues related to Northern Ireland and Ireland, citizens' rights and mutual financial obligations, and the positive atmosphere to which I referred, the presumption is we shall reach a deal and agreement on an implementation period. Of course, any Government would be negligent if they did not plan for the remote, unwelcome but none the less possible outcome of no deal. Frankly, to fail to do that would be folly.

As the Prime Minister set out in her speech in Florence on 22 September, the Government believe a strictly time-limited implementation period is in the interests of both the UK and the EU. It would help both sides to minimise disruption if we agree this principle as early as possible in the process. We are confident we can achieve this.

An implementation period will help to build a bridge from our exit to our future partnership, to allow businesses and people time to adjust, and to allow new systems to be put in place. My noble friend

Lady McIntosh raised the important point of who interprets the rules during this implementation period. On ECJ jurisdiction, my understanding is that it may mean we start off with the ECJ still governing the rules we are part of for that period, but the Government are also clear that if we can bring forward a new dispute resolution mechanism at an earlier stage, we will do so.

In a similar vein, the noble Baroness, Lady Kramer, raised the issue of business sectors, specifically the finance sector. I wish to reassure her that as part of our analysis, the Government are looking at more than 50 sectors and at cross-cutting regulatory, economic and social issues, and engaging closely with business.

It makes sense for there to be only one set of changes for businesses and individuals. That is why the implementation period should be based on the existing structure of EU rules and regulations. During that time the UK and the EU would continue to have access to one another's markets on current terms, and the UK would take part in existing security measures. Any implementation period should be strictly time limited, determined by the length of time needed to implement new processes and the systems for our future relationship. As the Prime Minister set out, as of today, these considerations point to an implementation period of around two years. That period should be agreed as early as possible to provide certainty. It remains overwhelmingly in our national interest and in the EU's interest for both entities to succeed in the years ahead.

The implementation period is a temporary measure. In the long term, the Government are seeking a special relationship—a deep relationship—with our European friends and allies. This is a mutually beneficial choice and we are confident we can achieve it. The partnership should be one that reflects our shared values and histories, and that works for the people of both the UK and the EU. That remains our priority.

A number of Members raised and commented on the prospect of no deal. I go back to my earlier phraseology: there is a presumption that we will achieve a deal. We are confident in our ability to secure a deal, but we have a duty to plan for the alternative. As I said earlier, not to do that would be utter folly.

As part of the general planning, we are also planning, under a range of scenarios, to make sure we deliver exit in as smooth a fashion as we possibly can. That includes preparing this country for the future economic partnership we hope to secure. Plans are well developed and they prepare us for a range of outcomes, including the very unlikely eventuality of leaving the EU without a deal. Every government department has developed a detailed understanding of how withdrawing from the EU will affect its existing policies and services in a wide range of outcomes. This general approach of trying to anticipate what is involved, and the unwelcome possibility of having to plan for no deal, was endorsed by Parliament. The Foreign Affairs Select Committee recently said that not preparing for all outcomes would be a "dereliction of duty".

Among these preparations we have some that will require long lead-in times. We need to begin that planning now for them to remain viable. We hope we

[BARONESS GOLDIE]

will not need all the provisions once we have achieved a deal with the EU. As Members are aware, the European Union (Withdrawal) Bill is currently in the other place to ensure we have a fully functioning statute book on the day we leave. In addition to legislation already announced in the Queen's Speech, the Government will bring forward further legislation as we require.

We recognise, as a number of Members have importantly stressed, the need for industry to prepare contingency plans. The Government are engaged closely with businesses across each sector to understand the challenges and opportunities that may impact on them in the coming months and years. We accept and understand the need to reduce uncertainty wherever we can, and we are working to get the right deal for industry, ensuring that the UK remains the best possible place to do business.

I am conscious of the time. I want to try to deal with some of the important specific contributions raised by Members. I turn to the noble Lord, Lord Kerr, who posed a number of questions on the destination and the framework. I slightly disagree with his assessment. There is a framework. That started with Article 50—I need hardly tell your Lordships that no one is more expert on Article 50 than the noble Lord, Lord Kerr. However, I remind the noble Lord that Article 50 specifically says that withdrawal is inextricably interwoven with our future relationship with the EU, and that relationship involves trade. We need to move on to discuss that future. That will in turn help to shape the next part of our negotiations. The noble Lord, Lord Butler, made a helpful observation in relation to these issues.

My noble friend Lord Horam raised trade and customs issues. We want an ambitious free trade arrangement—that is what we are negotiating for. We want to move on to discuss these issues and hope that the climate of the negotiations will assist that.

My noble friend Lord Bowness had a rather colourful metaphor about pessimistic outcomes, but the genesis of where we are is a referendum instruction from the voters, and the Government are endeavouring to deliver on it.

The noble Baroness, Lady Jones of Moulsecoomb, asked whether we would publish impact assessments. We are carrying out a programme of rigorous and extensive analytical work to contribute to our exit negotiations, define our future partnership and inform our understanding of how exit will affect our domestic policies and frameworks. It is not standard practice to provide an ongoing commentary on internal analytical work being carried out, but I assure the noble Baroness that it is being carried out.

I commend the noble Lord, Lord Liddle, because he focused on important issues and made some interesting observations. I realise that this is a genuinely difficult issue for him, so I want to thank him for his contribution, which was in many respects constructive and helpful.

The noble Lord, Lord Butler, gave us a timely and wise reminder of what it is realistic to address and what is inevitably speculative and hypothetical. I know that my noble friend Lord Cormack's views are well

intended and they are well known. They will be noted, but I think he will understand that I cannot give him any affirmative response.

The noble Lord, Lord O'Neill, made serious and significant points about the economy. I listened to them with respect and, again, they are noted. The noble Baroness, Lady Ludford, was also pessimistic about a deal. Let me say again that the presumption is that we shall reach a deal. We are focusing all our energy on that and straining every fibre and sinew to achieve it. That is our objective.

Finally, the noble Lord, Lord Tunnicliffe, raised issues similar to those raised by the noble Baroness, Lady Kramer. We want a deal and are striving to get one, and we want a manageable implementation period.

I have run out of time. If I have been unable to address any contributions, I shall look at *Hansard* and endeavour to make good my deficiencies.

## Battle of Passchendaele

### *Motion to Take Note*

2.22 pm

Moved by **Lord Black of Brentwood**

That this House takes note of the centenary of the Battle of Passchendaele and of Her Majesty's Government's plans to commemorate it.

**Lord Black of Brentwood (Con):** My Lords, to lead a debate commemorating the horror and savagery of the third battle of Ypres, black-edged in the annals of British and European history, in which half a million men lost their lives, were wounded or went missing in the most appalling conditions imaginable, is both a privilege and deeply humbling. A century on, it is still a struggle to find the right words to describe what became known as the Battle of Passchendaele and to do justice to the tale of sacrifice, killing and loss that characterised the three-and-a-half months of the late summer and early autumn of 1917, which the historian AJP Taylor has perhaps most succinctly summed up as, "the blindest slaughter of a blind war".

I am exceptionally grateful to all noble Lords who are joining me today in commemorating those who suffered and died at Ypres and trying to find those right words.

I have wanted this House to take time to remember since I toured the First World War battlefields last autumn. With friends, I visited first the Menin Gate, one of the world's most iconic memorials. It bears the names of more than 54,000 men who died serving the forces of Britain and many other countries from what is now the Commonwealth who have no known grave, their bodies sucked into the thick, glutinous mud of Flanders, and where to this day "The Last Post" is still sounded at 8pm every evening. From there, we went to the haunting cemetery at Tyne Cot, the final resting place of almost 12,000 Commonwealth servicemen, of whom more than 8,000 are unidentified, their graves bearing the inscription only that they are: "Known unto God". I spent more than an hour there, looking not just at the graves but watching the faces of young people who arrived on coaches. They entered the cemetery often in boisterous form. Within moments they fell silent and their faces became ashen not just as they realised the scale of the loss—something unintelligible

to a generation which has known Europe at peace—but as they realised, looking at the ages of those whose names were etched on to the gravestones, that these were people of their own age who had made the ultimate sacrifice.

For that reason alone, the powerful message that these memorials send anew to each generation—a terrible warning from history—they deserve to stand cared for and tended for all time, and we as a nation are immensely lucky that we have the Commonwealth War Graves Commission to do just that. I am sure the Minister will join me in paying tribute to its outstanding work.

A debate still rages today about the rights and wrongs of Passchendaele and whether things could have been done differently. There will never be a resolution to this debate—it will probably be raging a century from now—and, for me, today is not the place to rehearse those arguments but simply to remember. The battle was conceived by Field Marshal Haig to break out of the Ypres Salient where the British had been stuck for several years. The aim was to punch through the German lines and get to the coast in order to stop the devastating loss of vessels crossing the Atlantic being destroyed by U-boats that was threatening our survival as a nation.

As noble Lords know, it began on 31 July 1917. A century ago this month, it was grinding its bloody, grimy path to a conclusion on 10 November and, in doing so, in Churchill's words,

“disgorged its streams of manhood”.

By this time in October, the village of Passchendaele had been all but wiped from the map. A soldier with the 13th Reserve Infantry Regiment wrote almost 100 years ago to this day:

“In all directions there was yawning emptiness, ruins, ruin and destruction.”

By the time the battle had finished, a quarter of a million men on both sides were dead or wounded in exchange for an advance of just five miles by British troops. The small strip of land over which they fought had been turned to desolation. A few years later, the brave war reporter, Philip Gibbs, who saw the battle at first hand, said that,

“nothing that has been written is more than the pale image of the abomination of those battlefields, and ... no pen or brush has yet achieved the picture of that Armageddon in which so many perished”.

Apart from the extraordinary tale of sacrifice, this “Armageddon” was a battle marked by two things in particular. It was marked first and foremost by the bravery of the men. More Victoria Crosses were won on the first day of Passchendaele than on any other single day in the First World War. It would be useful to hear from my noble friend what is being done to commemorate their particular sacrifice.

It was marked above all by the most dreadful physical conditions imaginable because of the heavy rainfall which accompanied the start of the battle and turned the area into a quagmire which trapped soldiers and immobilised their weaponry. Indeed, the battle has become defined by what Lloyd George called,

“the campaign of the mud”.

In his extraordinary poem about Third Ypres, Siegfried Sassoon describes the horror of death in the Salient:

“I died in hell -

(They called it Passchendaele). My wound was slight,  
And I was hobbling back; and then a shell  
Burst slick upon the duck-boards: so I fell  
Into the bottomless mud, and lost the light”.

Many of your Lordships will know that I have spoken a number of times in this House about the welfare of animals. In describing the horror of the conditions in the battle, I want briefly to mention the plight of the animals that served and died in the war and whose suffering is so powerfully commemorated on the Animals in War memorial in Park Lane. Dogs and, above all, horses were particularly vulnerable in the swamp of land. In his superb book on the battle, Nick Lloyd describes the conditions as fighting raged in the lines around Becelaere 100 years ago to this day. One soldier wrote afterwards how horses just disappeared into the muddy quicksand. He wrote:

“Officers and men attempted, in some cases up to their necks in icy water, to free the horses ... this proved to be impossible ... There was nothing else ... but to put them out of their ... misery with a revolver shot ... further on, another team fell into a crater where, before it could be rescued, all the horses drowned”.

It is right that we remember them.

The battle was marked by the great bravery of troops from today's Commonwealth, particularly from Canada, Australia, South Africa, New Zealand, a country whose worst casualty figures of the Great War came from Passchendaele, and from Hindus and Muslims alike. Indeed, it was the Canadian 27th Battalion from Winnipeg which with British assistance finally took the village of Passchendaele on 6 November in an assault that took place, according to one Canadian soldier, in absolutely nothing but mud and water. Men came from every race, every faith, every culture, across the seas—as in the saying,

“from the uttermost ends of the earth”—

to fight and die for their king. And many did so on the Ypres Salient. It is essential that we pay tribute, as we have throughout the commemorations of the Great War, to the indispensable role that Commonwealth troops played in Passchendaele and in securing our ultimate victory.

We should also remember how important women were to the fighting at the front and the waging of war. Some of course served as nurses, 260 of whom died in the line of duty throughout the war. One was Nellie Spindler, from Wakefield, who was killed by the blast from a shell at a hospital just three miles from the front line at Passchendaele and who is the only woman buried at Tyne Cot, alongside 12,000 men. Her headstone bears the inscription “Staff Nurse” and in its simplicity sums up the heroism of all the women who endured the rain, the mud and the horrendous conditions to tend the sick and dying. Well away from the front, tens of thousands of women of course played a vital role in the war effort, producing munitions for the artillery which was so critical to the fighting at Passchendaele. Many suffered the most dreadful conditions and illnesses—we think of the canary girls whose repeated exposure to toxic TNT used in munitions production turned their skin yellow. I hope that at some point before the four years of commemorations of the Great

[LORD BLACK OF BRENTWOOD]

War come to an end, this House will have an opportunity to mark their role. I would be grateful if my noble friend could tell us what is being done to pay the most profound tribute to women and their role in the war.

One enduring characteristic of all the battles of the Great War is the loss of youth and of so much potential, particularly in the worlds of music, art and poetry. Passchendaele is no exception. On the opening day of the battle of Pilckem Ridge, the talented Welsh poet Ellis Evans—better known as Hedd Wyn—a pacifist conscripted into the army, was killed. A similar fate that very day befell the gifted Irish poet Francis Ledwidge, known as the “poet of the blackbirds”. From the world of music, the brilliant young composer Ivor Gurney fought valiantly in the battle. Gurney was a student at the Royal College of Music where he was taught by Charles Villiers Stanford, who described him as potentially,

“the biggest of them all”.

Gurney survived 15 months at the front and, having been shot and gassed, returned home with five of his most enduring songs. One mud-spattered manuscript, “By a Bierside”, was written by the light of a stump of candle in a trench. But war had destroyed Gurney in other ways: as a result of shell shock, mental illness overwhelmed him and he spent the rest of his life in a mental hospital, writing little more. The loss of these artists as a result of Passchendaele underlines the pity of war and the waste of potential, for who knows what they and countless others who died in those four bloody years might have achieved had they lived.

There are a number of reasons why I believe it is important for us to commemorate the battle. One is that it was in many ways a turning point in the war. It may have failed in its objectives, but as Nick Lloyd puts it in his book,

“it marked the moment when German morale on the Western Front began to collapse”.

Equally important was that it contributed to development in British tactical skill and weaponry which gave us a decisive edge over the German armies in the summer of 1918. Passchendaele was a milestone on the road to victory.

Secondly, it was a battle in which the whole nation—and, as I mentioned, much of what is now the Commonwealth—was involved. I doubt that there are many communities in the land that do not have a war memorial bearing the names of their many sons and fathers who did not return from the hell-hole of Ypres. It is important to remember in particular the contribution of troops from Scotland. Three divisions fought at Passchendaele and made what was probably a disproportionate sacrifice in the battle.

Thirdly, and perhaps most importantly, the battle in so many ways epitomises the absolute essence of the Great War. On the one hand, it symbolises the nobility of war: the sheer scale of supreme sacrifice, the extraordinary acts of valour that were underscored by the number of VCs awarded, and the comradeship linking people of all backgrounds, faiths and cultures in a common aim. Yet on the other hand, it represents the futility of war: the immense loss of life and the squandering of so much potential—all for five miles

of land which was then surrendered back in the blink of an eye to the Germans in the spring of 1918. A ridge that had cost so much blood was abandoned without a shot being fired.

Many organisations are involved in the commemoration of this great battle. I mentioned earlier the exceptional work of the Commonwealth War Graves Commission, to which should be added the War Memorials Trust which works so hard to maintain the war memorials across the United Kingdom that house forever the names of the fallen. The BBC and the Royal British Legion have played significant roles as well. The Imperial War Museum—I declare my interest as a trustee of the IWM Foundation—has this year put in place a comprehensive programme of commemoration and education. It has supported organisations across the world through the First World War Centenary Partnership, not least to bring alive for today’s young people the horror of this campaign through film, images and social media. Its Lives of the First World War project contains a permanent digital memorial to all those who sacrificed so much on the Ypres Salient in those deadly days of 1917. Their story lives on, too, in the museum’s remarkable First World War galleries.

I commend the work of my noble friend the Minister and the Department for Digital, Culture, Media and Sport. Together with the indefatigable work of Dr Andrew Murrison MP, they have done so much to make the commemoration of Passchendaele and all the significant milestones of the Great War, of which we have more to come next year, utterly memorable. I look forward to hearing from my noble friend more of what the Government have done and what impact they judge it to have had, particularly in terms of the education of young people. The department and the other organisations have between them generated a huge and almost insatiable public interest in the record of the sacrifice and heroism of those who died a century ago. I hope that today’s debate will contribute to the powerful record of commemoration of that fateful year, one which all those who are privileged to sit in this House, in this seat of freedom and democracy, should revere for all time.

Let me finish where I started, back at the Memorial to the Missing at the Menin Gate. It was opened in July 1927 with words of comfort for those who were never recovered from the battlefield: “He is not missing; he is here”. I like to think that all those who fell are here with us today.

2.37 pm

**Baroness Andrews (Lab):** My Lords, I congratulate the noble Lord on securing this debate and the very powerful way in which he has introduced it. It is an opportunity for us to reflect on this defining moment of the 20th century. I hope that he will forgive me if I cast my net slightly wider to talk a bit about the war in general as well as the battle of Passchendaele. I want, in particular, to talk about the way in which communities across the country have commemorated the war and about the role of the Heritage Lottery Fund and what it has done to make that possible. I declare an interest as chair of the Heritage Lottery Fund committee for Wales.

In introducing the debate, the noble Lord created some very graphic pictures for us. The casualty figures are of course still debated, but I think they seem to have settled at around 500,000 men lost in those first three months to October. The battle was dignified as the Third Battle of Ypres—we know it as Passchendaele. It has become associated with the story of those thousands who drowned in the mud. The mud itself became synonymous with the battle. Many others were sickened to death or froze. It was the last battle of Kitchener's volunteer army, so it has a more poignant aspect as well. It was a reprise of the Somme, but it was worse. Although fewer men died, they died in worse conditions. It divided Lloyd George from Haig. So we must continue to ask whether it was necessary and why it was so prolonged. The noble Lord is right that much of the burden was borne by Commonwealth troops. Australia lost more men in the first few days of that battle than in the eight months at Gallipoli. The Canadians suffered equally.

The Great War continues to invade our minds, never more so than the past four years. Passchendaele is different, though. It is the battle that really grips us, and it will always do so. In the images of that hellish landscape, where the trees were—as Blunden, who survived the war, wrote—as “described by Dante”, the poetry of the war is imprinted in our minds, our imagination and our national psyche. No one who watched the ceremony at Ypres in July will ever be able to forget the words and images revealed through the incessant rain that was projected on to the great Cloth Hall. I felt then, as I do now, that in remembering the Great War we have to remember all those who fought and died. In his great anti-war novel, *All Quiet on the Western Front*, Erich Remarque might have been speaking of young men on all sides of the conflict when he described how his generation of young Germans was betrayed by the older generation who took them to war, when he wrote that,

“in our hearts we trusted them. The idea of authority, which they represented, was associated in our minds with a greater insight and a more humane wisdom. But the first death we saw shattered this belief. We had to recognise that our generation was more to be trusted than theirs ... The first bombardment showed us our mistake, and under it the world as they had taught it to us broke in pieces”.

As I said, the Battle of Passchendaele was a defining moment for the 20th century. It is very easy to be overwhelmed by the scale. The quality of the talent lost, as the noble Lord described so beautifully, cannot be quantified: the best of physicists—men such as Henry Moseley; the best of poets, mathematicians and musicians; the brilliant son of the Prime Minister; and that golden generation. But when we seek to commemorate, it is vital that we ask who as well as what we commemorate. So far history has not given much space to the memory and experiences of the many, many more who also had such a lot to give—until now. The past three years have enabled some of this to be revealed for the first time, made possible in large part by the Heritage Lottery Fund and those who faithfully play the National Lottery, who deserve our most grateful thanks.

I will give the House some figures. Since April 2010 the Heritage Lottery Fund has awarded £90 million to more than 1,700 projects. In Wales alone, 100 grants

have been made, totalling well over £1 million. Some of these have been massive capital grants, not least for the galleries and the Imperial War Museum, as well as the £15 million that went to the National Museum of the Royal Navy to save “HMS Caroline”. Just as important has been the £11 million awarded to 1,300 community projects, involving 7 million people drawn from every type of community in Britain: disability groups, Muslim groups, African groups, veterans' groups, civic trusts, women's health groups, YMCAs, prisoner education groups, faith groups and refugee councils. The research they have done has uncovered the most extraordinary stories of Indian, African and Caribbean soldiers, conscientious objectors, refugees in the UK, the German communities, advancements in medicine and race riots in Liverpool. For the first time they have brought into the light—as Sassoon described it—the names on the war memorials. They have told their stories for the first time, in oral and written form, in photographs, exhibitions, plays and films. With regard to Passchendaele, grants have been made, for example, to Portsmouth Poetry and Portsmouth Cathedral in partnership to put on a specific exhibition and film, and to the Whilton Local History Society to research the life of a local hero, Captain Henry Reynolds VC.

Finally, I turn to Wales and Passchendaele. Four thousand Welshmen died on the first day of the battle alone. Among those who died, as the noble Lord said, was a young man who was already a great poet: Hedd Wyn. He had volunteered to spare his younger brother from the war. He died, as so many other compatriots did, at Pilckem Ridge, not knowing that he would be shortly awarded Wales' greatest prize—the Bardic Chair at the National Eisteddfod—for a poem that he posted from the battlefield. His bardic name was Hedd Wyn; his given name was Ellis Evans. His death, announced at the National Eisteddfod in Birkenhead in September 1917, came immediately to stand for what all Wales had lost.

As the years have gone by, more and more people have climbed the mountain to the farmhouse near Trawsfynydd where he lived with his family, which has been cared for lovingly by his nephew Gerald Williams. The farmhouse, Yr Ysgwrn, was given to the Snowdonia National Park a few years ago by Mr Williams, who deserves our great thanks for all he has done for Wales. I am delighted to say that this year the HLF, through the £3 million grant we were able to make, has worked with many people to conserve the cottage and the Bardic Chair, which he never occupied. The barns have become museums and places where young and old can learn about Hedd Wyn, his poetry and his life and times.

Contrast that with the unknown story of Mr William O'Brien, a policeman living and working in the small village of Abersychan in Gwent, who joined the Grenadier Guards and who was killed at Passchendaele just three days after Hedd Wyn. He wrote regularly to his girlfriend Rose, and his correspondence gives an intimate view of life on the front line—the routine and the traumatic—and his longing to come home to Rose. His letters are in the Gwent Archives and, with an HLF grant, children from Victoria Village Primary School and Ysgol Bryn Onnen have made a series of films. They have created a guided walk around the places that would have been

[BARONESS ANDREWS]

known to Rose and William, and they have researched and created a roll of honour to the other men from Abersychan who gave their lives but who never had a war memorial.

Many of those who died at Passchendaele are remembered on the gravestones of Artillery Wood Cemetery. But, thanks to the huge efforts that have gone into remembering and commemorating in so many different ways, we have been able to bring the war back into the foreground of memory. People have discovered the hidden biographies and the lasting impacts. In the play “The History Boys”, one of them says that commemoration enables us only to remember, not to explain. But I think what has happened in the commemoration of the war contradicts this. In researching the war, and this battle, we have gone beyond commemoration to a greater understanding—perhaps not of the strategy of disaster but of what war did to those who fought and died or were left behind. I hope that this determination and duty to explain what we can as best as we can, to find the truth where it can be found, will intensify throughout the rest of the commemoration.

2.46 pm

**Baroness Brinton (LD):** I, too, congratulate the noble Lord, Lord Black, for arranging this debate on an important topic. It is important not just to commemorate the past but to consider the present for our service men and women. I do not think that any of your Lordships would disagree with the fact that Passchendaele was a tragedy, with bloodshed and casualties that were excessive even by First World War standards.

One hundred years on, some have expressed the view that perhaps the sickening inhumanities should now be left on the battlefield, but Passchendaele lived on in the minds of its survivors and their families down the years. It left permanent scars on those who fought through it, plaguing their brains with lifelong nightmares that they could not escape, even in broad daylight. The psychological trauma initially had no name, other than shame, until it grew to be known as shell shock. We now know it as post-traumatic stress disorder. Unfortunately, we have a name for it because it still exists. Passchendaele was not the end of combat-caused mental illness. One would think that perhaps over the last century the nature of war would change or at least the numbers of those suffering from PTSD would decrease as advanced medical treatments and rehabilitation therapy became more readily available, but this does not seem to be the case. The dreadful experiences that our service men and women face remain common even 100 years later.

We know about the horrific sights, sounds and smells that those on the front lines of Passchendaele experienced because soldiers documented those experiences in writing. In my family, my grandfather, Arthur Coningham, wrote home to his mother throughout World War I. His writings covered everything from roughly drawn maps of the difficult terrain to describing the sadness he felt—far too often—when a friend or fellow soldier died. Other soldiers have used their writing to describe their endured suffering as well,

including Siegfried Sassoon and Wilfred Owen. Their poems presented graphic and heavily realistic images of what trench warfare was like for those who lived within it. Sassoon’s poem “Sick Leave” specifically explains the torture of shell shock. It was written when he was in Craiglockhart Hospital with shell shock. I believe it bears reading:

“When I’m asleep, dreaming and lulled and warm,  
They come, the homeless ones, the noiseless dead.  
While the dim charging breakers of the storm  
Bellow and drone and rumble overhead,  
Out of the gloom they gather about my bed.  
They whisper to my heart; their thoughts are mine.  
‘Why are you here with all your watches ended?  
From Ypres to Frise we sought you in the Line.’  
In bitter safety I awake, unfriended;  
And while the dawn begins with slashing rain  
I think of the Battalion in the mud.  
‘When are you going out to them again?  
Are they not still your brothers through our blood?’”.

Wilfrid Owen’s “Dulce et Decorum Est” describes a poison-gas attack, the title giving a bitter twist to Horace’s ancient line:

“It is a sweet and proper thing to die for one’s country”.

Owen and Sassoon were unusual in their blunt way of speaking; it was not usual to be so blunt at the time. Either physically or mentally, it was much more important to keep that stiff upper lip. Ordinary combatants—although I suspect that none was truly ordinary—faced horrors that very few of us are asked to see or do, and to keep their feelings muted when they wrote home regularly.

My grandfather Arthur was no exception. He told his mother everything, as far as the censors would allow. He was a New Zealander and joined the Anzacs within days of war being declared. He had seen active service in Samoa in August 1914 and taken part in Gallipoli in 1916. He returned home at that point because his health, physical and mental, had completely broken down. But he was determined not to give up and made his own way back to England, joining the RFC in late 1916. Promoted to captain, he was making his mark as a fearless flyer and strong leader of men as Passchendaele began and the Army moved in on the ground in preparation for the Third Battle of Ypres. He was awarded the Military Cross for outstanding work on his 96th patrol, leading his men and the patrol to take on German fighters. This young man wrote to his mother:

“A great life. Am in for the MC or something, so the Colonel says, and he ought to know. Bucked as old Harry ... am looking ahead a little, Mum, (optimism!) but will be able to send you a cable the day of the investiture just for luck”.

He goes on in the same letter:

“Friday is a day I dread almost as much as Sunday, but it has been a lucky one today. But we must get on. Beginning to dislike talking of the number of officers down, Mum, but I always tell you”.

This was code because on Fridays and Sundays, deaths were discussed and talked about but not during the rest of the week.

A fortnight later on 30 July, he and his patrol downed two Germans. During the dogfight, he was hit by a bullet in his head. Despite losing blood, he continued flying for another half-hour and even managed to land his plane before losing consciousness and



being taken to hospital. We have his letters to my great-grandmother as he recovered, as well as this delightfully positive note from RFC HQ:

“Dear Coningham, I am very sorry to hear that you have been wounded in the head. I hope it does not give you too much pain and that you are feeling better and fairly comfortable now, and will be fit again soon, yours sincerely”.

This was followed with the announcement of the award of a DSO to add to his MC. The note said that,

“the Army Commander was frightfully pleased with your show”.

As my noble friend Lord Addington said to me the other day, it really begins to sound like Biggles. Yet that bravery was covering up the personal cost. That November, in writing home to his old school, Wellington College in New Zealand, he said:

“I am prouder of being spared to keep up the reputation of the College and of New Zealand than of anything else. It is a treat to have one’s efforts recognised, but at the same time ... saddening to think of all the other real top notches not so fortunate”.

He felt like that for the rest of his life.

The one clear message echoing down the century since Passchendaele is “Never again”, and yet the Second World War followed not too long after. Once again, the world said “Never again”, yet British service men and women still face physical and mental traumas following active service in Afghanistan, Iraq and elsewhere. The military understand and accept that mental health is vital. I am encouraged that over 6,000 service men and women are trained mental health first-aiders—including Prince Harry and my own daughter, who is a current Army officer.

We cannot remove the horrors of war, but perhaps we can help those who serve their country to recover from their experience. We also need to ensure that veterans get prompt and proper access to mental health services once they have left, but that is just not happening: shame to us as a society. We have to do better for our military, our veterans and our citizens, and for the rest of the world. We do this by having debates like this one and commemorating Passchendaele, not least to remind us how precious peace is to the world. What plans are there to mark the role of the RFC and that of the doctors at Craiglockhart and other places, who helped us to understand mental health problems 100 years ago? The voices of Sassoon, Owen and ordinary combatants such as my grandfather still need to be heard and heeded today. That would be a true memorial for Passchendaele.

2.54 pm

**Lord West of Spithead (Lab):** My Lords, it is a privilege to speak in this debate commemorating the fearsome Battle of Passchendaele. As the noble Lord, Lord Black, mentioned in his very powerful opening speech, it epitomized the horror of trench warfare and combat on the Western Front during the First World War, but of course there was more to it than that. The fortitude and bravery of our men who were involved in the battle is very humbling but in hindsight, one has to wonder about how the battle was allowed to continue for over three months when it became clear in the first few weeks that there was limited strategic advantage to be won.

By that time of the war the British Army had begun to understand modern industrial-scale war, and the limited assault on the Messines ridge on 7 June 1917, using huge mines tunnelled under German positions and tanks, was a major tactical success. We were getting better at fighting tactically but fighting in a quagmire, created by nature and man, where tanks could not be used and men were bogged down—constrained by barbed wire and enemy blockhouses—was never going to achieve a strategic success. However, it did attrit and demoralise the German forces, far more than I think was realised at the time.

As has been said, one key reason for the battle was a desire to reach the Channel coast and stop German U-boats operating from ports there. Why was that considered so important? The Battle of Jutland, fought in the North Sea in mid-1916, had effectively decided the outcome of the war. The Germans knew their key adversary, which they had made clear was Britain, could be conquered only if they could defeat the Royal Navy. The Battle of Jutland, though not the crushing victory of annihilation that Britain expected, left the Navy pre-eminent and the Germans realized this.

On 22 December 1916, Admiral von Holtendorff composed a memorandum which became the pivotal document for Germany’s resumption of unrestricted U-boat warfare in 1917. He proposed defeating Britain by sinking 600,000 tonnes of shipping per month, based on a study done in 1916 by Dr Richard Fuss, who had shown that if merchant shipping was sunk at such a rate, Britain would run out of ships and be forced to sue for peace within six months, well before the Americans—who were likely to enter the conflict because of the unrestricted U-boat campaign—could act. As an aside, is it not amazing that we had a shipbuilding industry that could build up to 600,000 tonnes of shipping each month? I leave your Lordships to reflect on where our shipbuilding industry is now.

On 9 January 1917, the Kaiser met with Chancellor Bethmann Hollweg and the military leaders to discuss measures to resolve Germany’s increasingly grim war situation. The German navy was bottled up in Kiel and the British blockade had caused food scarcity, which I am afraid in turn caused death by malnutrition in Germany. It is horrifying to think that by 1918, 900,000 German civilians had died of malnutrition as a result of the British blockade. There was a shortage of machine tools, copper and other essentials, which led to revolution and collapse within Germany. The German military staff urged the Kaiser to unleash the submarine fleet and on 31 January 1917, he duly signed the order for unrestricted submarine warfare, which started on 1 February. Germany had 105 submarines ready for action, of which 23 were based in Flanders. Its initial campaign was hugely successful: 500,000 tonnes of shipping was sunk in both February and March, and 860,000 tonnes in April, when Britain’s supplies of wheat went down below six weeks-worth. In May, the losses exceeded 600,000 tonnes and in June, 700,000 tonnes. Again, it is worth thinking that we still rely on ships for everything that comes into this country, 95% of which by volume comes by sea. We forget that at our peril.

[LORD WEST OF SPITHEAD]

By June 1917, there was a real possibility that Britain would be starved into surrender in a matter of weeks, and although the USA joined the allies in April as a result of the German campaign and the Zimmermann telegram, it was months before they could bring any military power to bear. At first, the British Admiralty failed to respond to the German offensive, refusing to consider widespread convoying. That changed on 27 April. In May and June a regular convoy system was established and after July, the monthly losses never exceeded 500,000 tonnes, although they remained above 300,000 tonnes.

With hindsight, we can see that the risk of Britain's defeat by U-boats had been overcome by July, at the end of which the Battle of Passchendaele started. But when the battle was being planned there was a very real possibility of British defeat, and any action at all that could have some impact on the U-boats was worth considering, even a major battle such as Passchendaele, because if we did not stop the U-boat threat, Britain was going to be defeated.

When the Battle of Passchendaele juddered to a halt on 6 November, our gallant troops were no nearer to the key ports on the north Belgian coast, and for the loss of some 300,000 men or slightly more—the figure is disputed—the Ypres salient had been slightly expanded, by about five miles. However, many lessons had been learned and reinforced, and there were no more huge, meaningless, old-style offensive battles by the British in World War I.

By 1918, the British Empire Army was the best Army in the world. Having stopped the German spring offensive, it drove the German army back across the Siegfried line, defeating it daily, month on month, until the Armistice on 11 November. So perhaps Passchendaele had not been completely in vain, but it is completely appropriate that we should remember the gallant sacrifice of so many brave men during that battle.

3 pm

**The Lord Bishop of Derby:** My Lords, I, too, thank the noble Lord, Lord Black of Brentwood, and associate myself with the lovely phrase that it is both a privilege and very humbling to be part of this remembrance.

Passchendaele is, as we have heard, a symbol of war: the human cost, the sheer complexity of leadership and the sheer complexity of operations. Commemoration is not simply to remember but, as the noble Lord, Lord West, has just pointed out, to learn, to take something, to honour what people gave in their lives and commitment, and to see how that can inspire us and point us forward positively. It is a sign of huge issues in international relations, warfare and military and political leadership.

I want to offer some kind of commemoration and a platform for learning and looking to the future through what noble Lords might think is rather an esoteric and peculiar lens, although they will not disassociate it from me: the lens of chaplaincy. Chaplaincy was in one sense, almost totally peripheral. The soldiers were fighting and there were commanders and politicians, and chaplains could be seen as scrabbling around the edge, adding perhaps very little value. Yet it is a lens that allows us to ask some important questions.

In Derbyshire, where I live and work, we produced a book for the period from 1914 to 1918 which collected memories, like those we heard from the noble Baroness, Lady Brinton, and others, so that people could reflect, remember and perhaps learn. There is a lovely diary entry from someone called Harold Blaylock about all things we know—the mud and the frustration—but also about the laughter and the fun that they had to try to make to survive. There are lovely stories about chaplains burying German soldiers as well as English dead. There are some very important insights about when the dead were buried in shallow graves—the noble Lord, Lord Black, mentioned how many people have never been found—an effort was made every time to write their name down, put it in a bottle and make some kind of stopper, and then put the bottle in with the body. One wonders how many millions of bottles there were and how many survive. They reflect the deep human instinct to preserve the preciousness of each person.

The chaplains were faced with not just the big issues of international relations, political judgment and military tactics but with issues that affected everybody on the battlefield about life and death, good and evil and how life can have any meaning in all that mess, which is what so many of the letters and memories were about. The Church of England tried to learn because in 1917, before Passchendaele, it set up a school for chaplaincy, having gone through the first couple of years of the war thinking it knew what to do. We obviously had to learn and to do it better.

An example I want to share with the House comes from just before the battle. It is the practice developed by Geoffrey Studdert Kennedy, whom noble Lords may know as Woodbine Willie. He was very famous. He had been a vicar in Worcester. He was called up, and he went to be a chaplain in the First World War. He was stationed in Rouen. That is where the men assembled or came back to for rest. They went on trains to the front, into all the horror that the noble Lord, Lord Black, described so powerfully. How could you be a chaplain to people in Rouen who were about to face all that or who had come back for respite? Rouen was a place of brothels and bars because when we are under stress, it is very difficult to ask the big questions about good and evil and what the mess is about and much easier to look at more immediate satisfactions and look after yourself. It is a very understandable instinct. How could you help people look at these big questions of good and evil, the meaning of life and what the mess was about? The men knew from being there what the experience would be.

Studdert Kennedy had a very interesting way of trying to help people engage with those issues. He would go to the station and there would be 600 men in the canteen waiting to get on the train. Noble Lords can imagine what they were feeling about getting on that train. He had a lovely voice, and he would go to the piano, start playing and get them all singing. That is a bit like what can happen in a good church service sometimes. You lift people out of themselves and create a spirit of connection and hopefulness and of being in it together. You create a situation of being accompanied on a pilgrimage and not being alone. Studdert Kennedy got them singing and created a

spirit that enabled the men to feel they were part of a movement that was worth being part of. After the singing that had created that atmosphere of solidarity, he would stand on a chair and say, "If anybody wants to give me the name and address of a loved one, when you've gone and while you're at the front, I'll write to say that I've seen you and you're okay". A huge queue would form. Studdert Kennedy understood that within these big questions of good and evil, right and wrong and mess, each of us needs to know that we are precious, that we can be loved and that we can give love to other people. He would spend several days afterwards writing all those letters to say, "I saw so-and-so, and he wanted you to know he's all right and has gone to fight. I'll pray for him". Each person is precious and needs to be loved.

Then, when they got on the train, before it went, he went down the whole train with two rucksacks on his back. In one were Woodbines, and he gave everybody a packet of Woodbines. That just shows that the Church, like everyone, is not immune from making serious mistakes in trying to be kind and good to people, and we certainly would not be giving Woodbines to people today, but the pastoral thing is to say, "Here's something for you which in your culture at this moment might be a comfort". From the other rucksack, he gave the men copies of the New Testament. Why did he do such a bizarre thing? Of course, the New Testament is a story of these huge issues, of suffering that can lead to hope and of evil that can emerge in goodness. It appeals to that spirit of solidarity, that preciousness of each person. That is what Studdert Kennedy tried to understand. It gives people a chance to step into a story that is full of all the horrors, the big picture and the little picture, but where hope keeps rising in human hearts and life can triumph over death. That was his offering. He did not tell the men that; he just gave them a book and they could read it or not—they could throw it away—but in it there was a place where these deep questions could be explored and the men could step into that story themselves, facing they knew not what.

Chaplaincy will always be a peripheral thing, I suspect, but it is worth remembering and trying to learn, as we reflect on the sheer horror painted so graphically and eloquently by the noble Lord, Lord Black, that in the human hearts that we are commemorating and saying thank you for, there was powerful witness about solidarity and a spirit of togetherness—a powerful sign of the preciousness of each person and the fact that we, and they, are in a story. We are here today speaking because we believe that hope can triumph over suffering and that life emerges out of death. That is something that we need to put in our remembrance and renew our commitment to in honour of all those who gave their lives for us at Passchendaele.

3.09 pm

**Lord Hutton of Furness (Lab):** My Lords, I warmly congratulate the noble Lord, Lord Black of Brentwood, on calling this debate, and on the tone of his remarks; he made a powerful and moving speech. Indeed, we have heard several such speeches today. Like him and others, I feel it is a great personal privilege to be able to speak today as we commemorate the third Battle of

Ypres, the battle that became known as Passchendaele. I congratulate all those who have been involved in the commemoration events so far, both here and abroad. My noble friend Lady Andrews has reminded us of the excellent work of the English Heritage Lottery Fund as well.

What we are doing today in commemorating these events is truly right and proper. It is 100 years since that terrible battle took place. When we commit ourselves to acts of commemoration, even when we have debates in this Chamber, we strengthen the bonds that separate us now from our grandfathers and great-grandfathers who served with such distinction in the battle. As many others have said, arguments continue to rage over whether what was achieved during the titanic struggle in the second half of 1917 at Ypres was worth the cost. Every aspect of the battle—its inception, execution and continuance—has become a matter of great historical and public controversy. However, the commemorations of the battle are probably neither the time nor the place to take that controversy forward. Instead, our purpose should be to reflect on the courage, humanity and sacrifice of those who fought at Passchendaele, people from every part of our country and the Commonwealth, from every walk of life.

When I was thinking about saying a few words today, I thought the best words for us to hear were not mine—everyone would probably agree—but of those who fought, many of whom died. Sergeant John Carmichael of the 9th Battalion of the North Staffordshire Regiment was serving in September 1917 on Hill 60 on the Ypres battlefield. He was supervising a working party of his men who came across a grenade while digging a new communication trench. These are his words:

"One of the chaps was deepening the trench when his spade struck an unexploded grenade ... and it started to fizz ... I knew that there would be seven seconds before it went off unless I did something. I couldn't throw it out, because there were men working outside the trench ... All I had was my steel helmet. So I took it off my head, put it over the grenade as it was fizzing away, and stood on it ... They tell me it blew me right out of the trench".

When he woke up in hospital, he wrote a letter to his mother in Airdrie saying that he was fine and well, but he forgot to tell her that he had been awarded the Victoria Cross for his actions.

When it comes to humanity, I cannot think of anything more powerful than the image described by Private Bill Smith, who was serving with the 2nd New Zealand Machine Gun Company in October 1917. As the fighting inched its way towards Passchendaele Ridge, he witnessed something that still makes the hairs on the back of my neck stand up. He said: "We took advantage of a lull to lug three or four of our wounded mates down to Waterloo Farm, where our part in the advance had started the morning before ... what a sight the place presented. Now we saw that it was a mass of shell holes full of water, and on the parts of firm ground between the holes there were scores, even hundreds, of wounded men lying there, 40 and also by their mates. In front, there were long lines of Northumberland Fusiliers and Durham Light Infantry, lying dead almost in formation when they had been mown down like wheat. Amid the fury and

[LORD HUTTON OF FURNESS]  
shelling, the Maoris were there. They had formed relays to get the wounded out but there were no stretchers, so they carried them to safety in their arms like children”.

Another example of humanity that really touched me was reported by Rifleman Jim Maxwell of the 11th Battalion The Rifle Brigade. Early in the battle he and his mates were laying new tracks to take materials up to the front line. He said:

“By dusk, we’d been at that job for eight hours or more and the wounded were still coming down. Two of the RAMC stopped just by our working party. They were carrying a young German private, obviously very seriously wounded. They laid the stretcher down ... and asked if anyone spoke German. Our lance-corporal said, ‘Yes, I can speak a bit.’ ... one of them said, ‘Well, just have a word with this lad if you can, will you?’ So he bent over the stretcher”,

held the young German soldier’s hand,  
“and said something to this boy. Some words of comfort in German. And the boy looked at him, and he said just one word, ‘Mutti’”—

“Mum”.

“Then he died. We knocked off, but I kept thinking about him”—

this young German boy.

“They were in the same boat as ourselves”.

When it comes to sacrifice, one thinks of the First Battalion the Hertfordshire Regiment, which took part in the fighting at St Julien the beginning of the battle. Company Quartermaster Sergeant George Fisher, who was to survive the battle, was given rations to take up to his battalion. After several hours of work, George found his way to brigade headquarters. He said:

“I went down the stairs, saluted the Brigadier”—  
usually a good thing to do—

“told him who I was and said, ‘Could you give me any instructions, sir, that would help me find my battalion?’. He just stood and looked at me. We were both standing on the steps and the pillbox was rocking like a boat in a rough sea with explosions. He said, ‘I’m sorry, Quarters, I’m afraid there isn’t any Hertfordshire Regiment”.

Of the 650 men who had begun the attack that morning, only a handful ever returned.

Those are some of the many poignant and moving stories that can be found about the battle of Passchendaele. Many things divide us in our country today, be they politics, faith, religion or whatever, but I hope our shared history, the recognition of the service and sacrifice of previous generations, should never be a cause for division.

3.16 pm

**Lord Lexden (Con):** My Lords, my noble friend Lord Black of Brentwood, to whom we are indebted for this debate, summarised the course of a truly terrible battle and the reasons why it must be held firmly and for ever in the public memory with his customary clarity and skill in his opening speech, which others have described quite rightly as most moving and powerful. The third Battle of Ypres came to be known at once by the name of the final ridge conquered at the end of it with huge loss of life. It is not difficult to argue that this final attack should never have been attempted; indeed, that was the view of the Canadian general who, in reluctant obedience to orders, led the assault. As my noble

friend Lord Black remarked, a few months later that hard-won ridge was quietly evacuated without a German in sight.

Passchendaele: it is as if providence itself decreed that that should be the name to ensure that this terrible battle would reverberate powerfully down the years, stirring feelings of pride and outrage generation by generation—pride in the wonderful courage of our forebears fighting in defence of freedom; outrage that they should have been called upon to endure so much wretchedness and agony because of the battle’s flawed strategy and tactics for which both generals and politicians bore responsibility, each indecently seeking to pass the blame to the other when held to account.

In this year of commemoration, as the noble Lord, Lord Hutton, reminded us, we must also remember the formidable German forces ranged against Douglas Haig’s great Army. They too suffered most grievously in the same dreadful conditions. A British pilot flying over the battlefield said:

“It’s just not conceivable how human beings can exist in such a swamp, let alone fight in it”.

Our opponents were also caught in that ghastly swamp. Nick Lloyd’s new history of Passchendaele, published a few months ago, to which my noble friend Lord Black referred, is the first study in English to make full use of German archives, and it provides a superb account of the battle on both sides. He writes:

“the German soldier had to cope with the perils of seemingly endless drumfire, poison gas and low-flying aircraft ... Even the best units could be reduced to a shambling, lice-ridden bunch of stragglers after a few days on the battlefield”.

The well-worn defence of appallingly high First World War casualty rates is that important military lessons were learned from them which assisted our ultimate victory in 1918. It is not obvious that Douglas Haig progressed to victory by absorbing useful lessons along his bloodstained path. He adopted more or less the same tactics at Passchendaele as he had a year earlier at the Somme—with better artillery but in much worse weather.

“It was the Somme all over again, except that a Somme battle fought knee-deep in marsh was so much the worse”,

wrote one officer who took part in both. A Private Carter recalled that,

“the ground very much resembled that of the Somme, every yard being churned up by shells, the only difference was that many of the holes were a good deal bigger”.

Should not a fearful question lurk at the back of the mind when comments by the combatants are read today: how would I have acquitted myself in those frightful circumstances? It is a question that goes to the very heart of the matter and should induce great humility in us, as other speakers have mentioned.

Then, as now, Douglas Haig had many critics. In 1917, they were lead in Cabinet by the Prime Minister, David Lloyd George. His dynamism and originality stood in stark contrast to Hague’s stubborn stolidity. The Welsh wizard was completely opposed to a long, large-scale campaign in Flanders in 1917. Lloyd George argued against Haig’s ambitious plans for a decisive breakthrough in the War Cabinet which he himself had created. At any point during the long battle he could have brought it to a halt. Why did he not?

Lloyd George later gave a number of reasons. Haig, a highly political soldier, cultivated newspaper proprietors. He enjoyed strong support within the Conservative Party, known almost universally at the time as the Unionist Party, on whose votes Lloyd George's coalition Government depended. Nearly 20 years later, in a long section of his war memoirs, Lloyd George furiously denounced Haig's conduct of the battle while insisting that he had not been in a sufficiently strong position to dismiss a commander in whom he had no confidence. By and large, historians have been unimpressed. His latest biographer, Roy Hattersley, our own Lord Hattersley, writes that, "had Lloyd George done what he knew to be right, he would almost certainly have succeeded in imposing his views on policy either by insisting on a change of strategy or making a change in the high command".

Those who look to historians for a final, definitive verdict on Passchendaele will continue to be disappointed. More than 50 years ago the distinguished Tory historian, Robert Blake, later a Member of this House, wrote that, "Historians will long argue as to whether Passchendaele on balance weakened most of the British or the German Army. If there had been no Passchendaele, would the British have been better able to withstand the German offensive of spring 1918 or would the Germans have been in a better position to exploit their early successes and perhaps roll the British Army into the sea? No clear answer", Lord Blake concluded, "has been, perhaps ever can be, given to this question".

What can be said with some certainty is that neither the British Prime Minister nor the British commander-in-chief served our long-suffering soldiers well while this terrible battle raged 100 years ago. How different everything would have been if we had had a Wellington.

3.24 pm

**Lord Murphy of Torfaen (Lab):** My Lords, it is always an enormous pleasure to follow the noble Lord, Lord Lexden, who made a fascinating contribution, as have been all the speeches made so far in this Chamber.

For about three or four years now, a good friend of mine and councillor, Stuart Cameron, has been compiling a register of those in the eastern valley of Monmouthshire, my former constituency of Torfaen in South Wales, who perished during the Great War. In her very good contribution, my noble friend Lady Andrews referred to those who came from my home village of Abersychan in Monmouthshire. They, too, are commemorated by the register that Mr Cameron has been compiling.

I had a look at that register for the months of July to November 1917, covering, of course, the third Battle of Ypres. I discovered that at least 50 young men from my valley perished in that battle. That is 50 in a relatively small part of our country. Tragically, too, of those 50, seven of the men who died had brothers who had also died during the course of the war. Most of them were coal miners. Of course, the majority of coal miners were in a reserved occupation, as my grandparents were: they were finding the coal to fuel the ships to which my noble friend Lord West referred. Others, though, joined up. We have heard today of the poets and mathematicians, and the other tragic stories of people who died, but this is also the

story of coal miners, steelworkers and other working-class boys who lost their lives at the same time. Most of those eastern valley men are buried in Tyne Cot, near the town of Ypres. They came from different regiments, but mostly from the South Wales Borderers or from Second Battalion, Monmouthshire Regiment.

The successor to those regiments is the Royal Regiment of Wales, and I have the great privilege of being the local president of the association of that regiment, led as it is by Captain Lewis Freeman and Mr David Thomas. They recently visited Passchendaele and Ypres, and this afternoon gives us an opportunity to pay tribute to those veterans' organisations up and down the land—involving veterans who have fought in more recent battles than even the Second World War, to whom I think we should pay tribute on this occasion.

Almost exactly 50 years ago, I visited Menin Gate in Ypres for the first time and saw the ceremony of the Last Post. The veterans I saw lined up then to pay tribute to their comrades who had died were themselves veterans of the First World War. It is interesting to note now that when we return to the Menin Gate, year after year, there are literally hundreds of young people from our country and the Commonwealth who commemorate those who, a century ago, lost their lives. I wonder whether, if the same thing had happened at the beginning of the 20th century, people would, 100 years later, have commemorated Waterloo or Trafalgar. I doubt it. The reason is, of course, that those who fought and lost their lives in the Great War came from a much wider section of society, and hardly a family was unaffected by death or misery as a consequence of that war. Indeed, at the 90th commemoration of the Somme battle, the Last Post Association in Ypres visited Cwmbran, my home town, and played their part in the commemoration.

In some parts, as the noble Lord, Lord Lexden, said, the third Battle of Ypres was even worse than the Battle of the Somme. The divisional historian of the Monmouthshire Regiment, just a few years after the Battle of Passchendaele, wrote this:

"By universal consent, the Third Battle of Ypres represents the utmost that war has so far achieved in the way of horrors ... the cramped theatre with its slimy canals, becks, bogs and inundations; its shelled duck-boards; its isolated outposts; its incessant shelling and incessant rain; its mists and fogs; its corpses and its pestilential miasmatic odours outdid anything that the Somme or Arras could boast".

That moved me when I read it last week in a very old history of the Monmouthshire Regiment, which endured five months under those circumstances. Rightly so, its battle honours included the title "Ypres, 1917". That was richly deserved.

Our debate today plays its small part in our country's tribute and remembrance of those brave men who fell on the fields of Flanders a century ago.

3.30 pm

**Viscount Simon (Lab):** My Lords, the noble Lord, Lord Black, whose debate this is, and other noble Lords mentioned Siegfried Sassoon. I went to school with his son in the 1940s. Siegfried Sassoon used to come around quite regularly but we knew nothing about Passchendaele at that time, which I find quite extraordinary knowing about it now.

[VISCOUNT SIMON]

The third Battle of Ypres, which the troops called “Wipers”, was the largest military operation in 1917, involving British and French armies for three and a half months in a series of operations to the east and north-east of Ypres. This battle is, historically, one remembered by all Australians for certain reasons which I shall try to address. This is completely different from what we have discussed so far.

Two battalions of the 3rd Australian Division were involved in the battle and their artillery formations contributed to the massive artillery bombardment for a fortnight. Some 4.25 million shells were fired from some 3,000 guns. The opening attack involved 17 divisions across a 17-mile front. The British Army captured the lower features east of Ypres but the massive bombardment destroyed the drainage system, with offensive stalling on 27 August, as the result of which flooding reduced the battlefield to a vast quagmire within a few days. The total British casualties at the end of August amounted to almost 70,000.

Hell on earth has a name—Passchendaele, the suffering of Christ—and suffering it was. The offensive continued until late November with 11 major attacks in which 1 and 11 Anzac Corps formed the spearhead of five, with the majority fought in appalling weather conditions and the notorious Flanders mud. The Australian divisions were involved in lots of battles in which huge numbers were killed or injured. I wonder how many people are aware of the fact that in October 1917 alone more than 6,800 Australians were killed.

Including a preliminary operation on 7 June, the third Ypres offensive cost the British Army approximately 275,000 casualties, with about 70,000 deaths. It is interesting to learn that the German army is estimated to have suffered a total of about 200,000 casualties and, of extreme relevance, 35 Australians were killed for every metre of ground taken. Nine of the Victoria Crosses awarded were to Australians.

The strategic gains were minimal and the captured Passchendaele salient constituted a defensive liability, exposed as it was to the German artillery fire. Within a month of its capture the British high command was considering a withdrawal to get a better defensive line. In March 1918, the German army launched a massive offensive and quickly overran the region. In the words of a couple of Australian military historians:

“what had taken 4 months to win was evacuated in three days”.

Mounted on the concrete blockhouse at the centre of the Tyne Cot cemetery, which we have already heard about today, is the cross of sacrifice. Amid manicured gardens, lawns and 12,000 graves, including those of 1,369 Australians, it bears the plaque:

“This was the Tyne Cot blockhouse captured by the 3rd Australian Division 4th October 1917”.

3.35 pm

**Lord Addington (LD):** My Lords, I congratulate the noble Lord, Lord Black, on bringing this debate to the House. When I looked at it, I thought, “Where will I speak in it? Probably fairly low down, for all the normal reasons”. I thought, “Should I look at the stories of suffering?”. The answer was no because I know this House well and know that my colleagues

would do that, and have done it extremely well. I could not add to any of these because I do not have enough special connections of my own.

However, I want to draw attention to the image that this brings up in the mind. I am just about old enough to remember parades of World War I veterans on Armistice Day. The passing of time tells me that now World War II veterans are much older than those men when they stopped doing it. We must look at the image of time and how it presents itself to us. The images coming out of Passchendaele are slightly different from those we get from the other episodes in the Great War. The initial period of “We will be home by Christmas” in bright uniforms with the French, then the terrible slaughter of the first day in the Somme, to Passchendaele, which becomes another image—of tiny men struggling in a sea of mud, making virtually no gain and dying in incredible numbers, almost for the most trivial of reasons and gains possible. That is the image that comes up.

Why did this happen? The attack—if attack is too strong, let us say criticism—of the noble Lord, Lord Lexden, on those in command at the time tells us exactly how anybody involved in any form of government or authority must always remember their responsibility to do the right thing at the right time. Taking that image back, and saying, “Do not commit these errors of judgment, and do not run away from them” is something we should also remember.

We heard from the noble Lord, Lord West, about the naval contingent in the battle in which he fought and how it brought it all together. That struck me. Passchendaele was when we were almost at total war. We did not want to get there; we resisted it and resisted rationing. We were co-ordinating and changing our lives and pretending that the war was not going on. That was something we did not do in the Second World War; we went straight in. Passchendaele brought us towards that situation. The volunteer army disappears and we are down to conscription—something we had never done before. The fact that there was a conscript national army meant that we had to reorganise our economy to fund and support the war. We had to throw everything into it.

This is what a big war costs. You have to change everything you do. You have to change your social order. Many of those changes would be applauded by many of us—women’s status was enhanced by this process. At that cost? Sometimes that is what it takes. Everything changed as a result of having a situation where men are reduced to statistics.

There is still doubt about the actual casualty figures. Although they were early 20th-century armies with mass literature and pay-books, we still do not know exactly how many died. It may be about half a million; we are not totally sure. It just goes to show how big and catastrophic this conflict was. What we take from this is that the whole nation is brought together to fund these types of activity. Everyone in power must take responsibility for the whole thing. They cannot stand back. They cannot ignore what is going on; it is not somebody else’s job. That is about the only thing I can say we can fully take forward from here. The individual suffering was catastrophic. The fact that it touched everyone is what we come back to and how the whole of society changed.

There is no way that we can remember this and try to get the full message without pointing out that the whole nation was drawn in, in a way that had never happened to us before. It was a new and traumatising moment in our history. Some people would take it as an example of what the state can do when it puts its mind to it. Half a million dead people in countries that are now our allies is quite a high price to pay for the control of the state. But let us please try to remember this when we go forward—remember exactly what was required to do this, and remember that, if we had tried really hard, we could at least have mitigated it, if not stopped it.

There are lessons to be taken here; some will be forgotten, some will be remembered properly, but we should at least challenge everybody when they talk about this and point out the fact that somebody, somewhere had to make those decisions.

3.40 pm

**Lord Faulkner of Worcester (Lab):** My Lords, I join others in thanking the noble Lord, Lord Black of Brentwood, for securing this debate, and congratulate him on his brilliant opening speech. I had the privilege of attending the two days of commemoration in Flanders on 30 and 31 July, which I went to as a member of the Government's World War I centenary advisory board—and I shall say a bit about that in a moment. I also want to talk about other aspects of the commemoration programme, as we move towards the anniversary of the armistice in November next year.

We have been reminded today about the horror that was Passchendaele and the unimaginable scale of the casualties on the allied and German sides. After the wettest summer for 30 years, the ground under foot was a quagmire, and the mud was so deep that men and horses drowned in it—described by Siegfried Sassoon in his heart-breaking poem, “Memorial Tablet”, quoted to such effect by the noble Lord, Lord Black, in his speech.

One soldier who fought at Passchendaele and survived was Harry Patch, who died in 2009 at the age of 111, the last British survivor of the trenches. I had the privilege of meeting him in Ypres the year before, when he paid his last visit to the Western Front. His Great War service was uncovered only in 2000, when he began to talk of his wartime experiences. He was an ardent spokesman for the promotion of peace, saying that war benefits no one but merely leaves individuals and families irretrievably scarred. He travelled back to the battlefields of Ypres regularly during the last decade of his life, and attended the “Last Post” ceremony at the Menin Gate, always promoting the same message: dialogue, rather than show of arms. He agreed to meet a German veteran while in Ypres in 2006, and their coming together was a powerful symbol of reconciliation. I think that he would have agreed with David Lloyd George, about whom the noble Lord, Lord Lexden, spoke, when he described Passchendaele in his war memoirs as,

“one of the greatest disasters of the war... No soldier of any intelligence now defends this senseless campaign”.

Looking back at the commemorative events held in Flanders this summer, I would like to put on record my admiration and appreciation for everyone who

made it possible for those two days to be so memorable and appropriate. I have been to many “Last Post” ceremonies at the Menin Gate, but the one on 30 July was extraordinary, as was the event in the Market Square the same evening. The digital imagery projection on the Cloth Hall was effective and striking and, by using the words of the people who were there 100 years earlier, gave a real sense of the suffering, endurance and sacrifice. The events on the following day, 31 July, were also very special. The Commonwealth War Graves Commission organised a powerful and moving ceremony at their Tyne Cot Cemetery, which, like those in Ypres the night before, was attended by members of our Royal Family and the King and Queen of Belgium, with our Prime Minister and members of the Government—one of whom was the noble Lord, Lord Ashton, I think. The commitment of all of them to ensuring that those two days were so successful reflects great credit on everyone involved, and I would particularly like to put on record my appreciation for the hard work behind the scenes of the DCMS team, Dave Thompson, Jennie Shaw and Clare Pillman, who all went the extra mile to ensure that everything worked so well.

With regard to other events going on now and planned for the coming months, the Commonwealth War Graves Commission tells me it will be doing all it can to ensure that the flame of remembrance is kept alight. I share the admiration expressed for the CWGC by other speakers in this debate. It has opened a new visitor information centre in Ypres, which was visited by the Prime Minister during the UK commemorations in July. This centre enables it to help all those who make the pilgrimage to the Ypres salient to find out more about the work of the commission and the 400 cemeteries and memorials that it cares for in that small stretch of the Western Front. The commission is placing young interns at Tyne Cot, welcoming those who visit, and telling the stories of those who fell—an initiative financed by the LIBOR fund, perhaps proving the truth of the old saying that it is an ill wind that blows nobody any good. The commission's new charity, the CWGF, will be fundraising to continue that work, and expand it to include young people from all over the Commonwealth in 2019.

We should also express our appreciation to the Government of Flanders, who continue to be so supportive of the CWGC and of all member Government commemorations, and who have this year pledged over €3.8 million to help maintain and conserve some of the historic structures. I take this opportunity to thank them for agreeing over a decade ago to abandon plans for the extension of the A19 motorway across the Ypres salient, which would have destroyed the tranquillity of Pilckem Ridge. They did that in response to representations by Members of this House, who, with me, founded the All-Party Parliamentary Group on War Heritage in 2002. All these initiatives will help ensure that visitors to the battlefields of Flanders will continue to be able to honour those who fell long after the centenary is past.

Now everyone is preparing for 2018. As the paper considered by the Government's World War I advisory board last week says:

“Commemorating the centenary of the war in 2018 is one of our greatest challenges to date. So far we have focused on highlighting

[LORD FAULKNER OF WORCESTER]

and telling the story of a specific battle or engagement. In 2018 we have a far more complex narrative to convey, together with issues of tone – both throughout the year and on 11<sup>th</sup> November specifically”.

How we commemorate 1918 will, I am sure, be the subject of a separate debate in your Lordships’ House. I just express the hope that the high standards set in the first three years of the commemoration period in terms of tone, nuance and content are sustained through to November 2018. I have consistently supported the non-partisan and cross-party way in which the Government have approached the commemoration programme. The combination of school battlefield visits, national events, the enhancement of the Imperial War Museum, the active involvement of the Commonwealth War Graves Commission and the encouragement of local initiatives is absolutely right.

In my own city of Worcester, a great many initiatives have been taken—the city of Woodbine Willie, as the right reverend Prelate the Bishop of Derby reminded us. The next significant event is on 4 November in St Helen’s Church. It is planned to include exhibitions, short talks, Army, Navy and Air Force cadets, re-enactors and children’s activities. The day’s activities will start with a short service at 10 o’clock led by the Royal British Legion chaplain, which will include a one-minute silence and the “Last Post”.

There are countless other such events taking place across the country. I am happy to pay my tribute to the Prime Minister’s special representative, Dr Andrew Murrison, for the trouble he has taken to include as many organisations and individuals as possible in the plans to commemorate the centenary.

3.49 pm

**Lord Monks (Lab):** My Lords, I add my thanks to the noble Lord, Lord Black, for initiating this debate and join those who have expressed appreciation for the standard that he set with his introductory remarks—a standard which I think just about everybody who has contributed so far has also reached in their contributions.

I was general secretary of the European Trade Union Confederation and lived in Brussels for eight years. During that period, many family and friends visited Belgium and it became a pilgrimage to visit Passchendaele and Ypres. The repetition never bored: every visit stirred the emotions and burned into me and others the words, “Never again”.

We have to reflect from time to time on the origins of the Great War, how so few people saw it coming, how it erupted so volcanically after the assassination of Archduke Ferdinand, how the German emperor gave the Austro-Hungarians a blank cheque, which widened a local conflict into a European and global one, and, once the war had started, how it proved impossible to stop. It resolved none of Europe’s tensions while it bred plenty of new ones, which became fertile territory later for the dictators.

Yet the outbreak of war was totally unexpected by the mass of Europe’s population. There were, of course, many tensions: the rise of a sense of nationhood in the small countries which were part of Europe’s empires; the Prussianisation and militarisation of Germany under an erratic Kaiser; frontier disputes, social and

class tensions and the rise of a powerful new political philosophy—socialism. But in 1913, none of these was expected to erupt into a European war. Is there a lesson here for today and tomorrow? I want to address that question briefly, because I think there is.

In the EU referendum, one argument I advanced, admittedly with limited success, was that the EU was a peace project to harness former enemies into a common endeavour. Yet it got very little traction. It was unthinkable to many that there was a risk of war in Europe—elsewhere yes, perhaps, but Europe, no, at least west of Ukraine. Peace is widely taken for granted in our part of the world. I just hope that those people are right. Yet the lesson of the start of the Great War is that peace should never be taken for granted. War can erupt with little warning.

Does the Europe of today generate complacency? We know that there is a new wave of nationalisms. Catalonia is today debating whether to declare UDI from Spain. We know, too, that extreme right-wing parties have gained support in many countries, now even surfacing quite noticeably in Germany. There is widespread disillusion with austerity and our economic models, especially since the economic crash of 2008. In addition, mass movements of migrants and refugees are under way and no one has a clear idea, beyond building walls, of what to do about it. However, you can say for sure that the EU and its member states have not risen adequately to all these challenges and so have fed scepticism and disillusion about the project. Into this tinderbox, the UK decision on Brexit has tossed a match—a match which we hope will not provoke other countries to think that they too need to “roar like lions”, to coin a current phrase.

One thing I remember from the time I spent in Brussels was the Europe-wide respect for Britain’s role in bringing peace and democracy back to Europe and for our stability and political maturity. We have to be very careful that we do not become a more nationalistic exemplar in the European world. Our Brexit negotiators should have Europe’s troubled history at the front of their minds, certainly not at the back.

So I advise all noble Lords who have not been—and many have, as has been said today—to visit Passchendaele and its cemeteries, especially Tyne Cot, the largest. Also, make a detour and take in the moving German cemetery at Langemark, which has affected everybody who has been there with me. Visit the Menin Gate and the wonderful In Flanders Fields Museum, which is in the Cloth Hall at Ypres. I hope that the many British visitors and schoolchildren who go there are as moved by all this as my family and my visitors have been. Reflect, too, not just on the sacrifice and the hopelessness then but on any contemporary lessons.

My own family came off lightly. There are Monks commemorated on the Menin Gate, but they are not of my immediate family, as far as we know. Six of my uncles were in the British Army in the Great War and all survived, although one was to die later of a wound contracted in Ireland. Nevertheless, we count ourselves among the lucky ones.

But while we remember and honour the past, the dead, the wounded and the disabled, we must resolve never to commit our young people to senseless slaughter



and to work for a peaceful world. The hundreds of thousands of casualties of Passchendaele deserve no less.

3.55 pm

**Lord Shipley (LD):** My Lords, it is always a pleasure to follow the noble Lord, Lord Monks. I have made a note of his words: “Never take peace for granted”. How important that is when we consider commemorating the centenary of Passchendaele. I too thank the noble Lord, Lord Black of Brentwood, for enabling us to have this exceptional debate, in which we have remembered and commemorated all those who were present at Passchendaele.

Last weekend I visited the Paul Nash exhibition at the Laing Art Gallery in Newcastle. Before I go any further, I publicly thank the Tate gallery for enabling the exhibition to go out of London, the Tyne and Wear museums service for its work in securing the exhibition, and the Arts Council and other funders for ensuring that it could be financed.

Paul Nash was an official war artist by the autumn of 1917. He began the war in the Artists Rifles and subsequently joined the Hampshire Regiment, but he took sketches and painted in the autumn of 1917 in the Ypres Salient and at Passchendaele. His paintings are legendary and are an outstanding contribution to our knowledge of the realities of war. The sights he saw on the front line at Passchendaele traumatised him. He described it in a letter to his wife in November 1917 as,

“one huge grave, and cast up on it the poor dead”.

He went on to say to her:

“It is unspeakable, godless, hopeless. I am no longer an artist interested and curious. I am a messenger who will bring back word from men fighting to those who want the war to last forever. Feeble, inarticulate will be my message, but it will have a bitter truth and may it burn their lousy souls”.

You can see the message in all his paintings of Passchendaele and the Ypres salient. As we have heard, Passchendaele was described by Lloyd George as one of the great disasters of the war. There were 550,000 casualties on both sides, and the land gained was ceded just four months later.

It is very hard for us today to grasp the scale of what was happening. There were 300 British guns, firing over 4 million shells, which failed to destroy the heavily fortified German positions, particularly around Tyne Cot. The ground became the quagmire we have heard about, and so many soldiers drowned in the mud. There was an average of some 2,000 casualties a day on both sides.

I am particularly glad that this debate has recognised the contribution of Commonwealth troops in working in unity with British troops to capture Passchendaele; a number of speakers referred to that. My noble friend Lady Brinton talked about the permanent scars—the psychological trauma—of those who fought, and about her grandfather, who wrote home about how he endured suffering. She also talked about the problems that individual troops have had throughout history and in particular in the last 100 years—how they have had to manage suffering and how important support is for those who suffer from stress. Medical knowledge has advanced a great deal since 1917, when

shell shock was officially recognised in Britain and a small number of war hospitals were asked to look after its victims.

My noble friend Lord Addington talked about veterans. He reminded us of the images of time and changes through time, and of how Passchendaele represented almost total war in which men become statistics. He also reminded us how important it was for people to come together in the face of war and in remembering war.

A number of contributors to the debate have thanked the organisations involved in commemorating the First World War, and I add my own tribute to the Commonwealth War Graves Commission. It maintains 2,500 cemeteries and plots, and the quality of its work is simply outstanding. The maintenance of very high standards demonstrates its care, and the design and quietness of the cemeteries are exemplary.

I was very glad that the noble Baroness, Lady Andrews, talked about the Heritage Lottery Fund. It has made a huge difference. She referred to the number of community projects that have helped communities to understand better what happened. The scale and role of the fund have been truly excellent.

We heard of the contribution of the War Memorials Trust, which is rescuing many memorials in a poor condition. There are up to 100,000 war memorials in the UK. I also thank the Imperial War Museum and the BBC for their work and resources, which are outstanding. I want to commend the Government too for their sensitive planning and for the appropriateness of events. They have been organised each year since 1914 and an excellent job has been done.

I was very pleased to hear from the noble Lord, Lord Murphy, about “The Last Post” being sounded at the Menin Gate by buglers from the fire brigade at Ypres every evening at eight o’clock since 1928—with a slight hiatus during World War Two. When I first went there, I wondered for how many years this would continue. Each time I have gone in recent years, there are simply more and more people. It is now quite hard to get a good vantage point because of the number of people, but I welcome that because it means that people are remembering and commemorating.

I understand that next year, 2018, there will be a national concert at Birmingham to bring an end to the four-year programme to remember those who fought and died in the conflict. It may bring an end to the programme but it will not end our need for remembrance. The noble Lord, Lord Black of Brentwood, said that we should take time to remember. He is right: it is important for our sense of who we are that we take time to remember the courage, endurance and sacrifice of all those involved at Passchendaele.

4.03 pm

**Lord Stevenson of Balmacara (Lab):** My Lords, I start by congratulating the noble Lord, Lord Black, on securing the debate and on his very moving and excellent speech, which set the tone for what followed. All speakers have risen to the challenge to come forward with compelling, moving and very interesting contributions, and it has, in totality, been one of the

[LORD STEVENSON OF BALMACARA]

best debates that I have heard in recent years. As many people have said, it has been a privilege simply to be here and to be part of it.

It is also an important debate, and it has benefited hugely from the fact that your Lordships' House has the capacity to bring into its discussions military expertise, political knowledge, compassion and understanding from all sorts of experiences that we have had. Bringing those experiences together and allowing them to play into the analysis of the issues before us is what we are good at and is something that I hope we will continue to do. Of course, in so doing, it is rather wonderful that so many people are able to work in contemporary issues and reflect on how some of the lessons of the past can be applied in near real-time. I am sure that the Minister will want to respond to this in a vigorous way.

Your Lordships' House has debated World War I and the troubling questions of how to commemorate it on a number of occasions. I have taken part in a number of these debates, and the early ones were really about how to ensure that the accent that we placed on the national programmes was focused clearly on remembrance and education and on lessons to be learned, particularly avoiding the danger of glorifying the war. It became clear during that process that the emerging conclusion was that our national programmes should be a commemoration, not a glorification: they should concentrate—as many noble Lords have said—not only on the military aspects of the war, but on its impact on Britain's social history. They should recall, for example, the way that the industrialisation of death and the devastating scale of the military carnage wiped out a generation of our young men, and all the loss of potential that that implied; the contribution of women; the sacrifice of Commonwealth citizens; the contribution of artists and war poets, who have shaped the way that the war is remembered; and, as the noble Lord, Lord Black, mentioned, the animals that lost their lives as part of that process, which is something that we often forget.

There will, no doubt, be opportunities to reflect on how these years of commemoration have gone after the final event on—appropriately—Armistice Day in November 2018. I certainly look forward to that. I agree with the sentiments expressed widely round the House today that the Government have got the balance about right, and that—as my noble friend Lord Hutton hoped—we have not been divided politically or otherwise over how we have, as a country, commemorated this battle and the war more generally.

Having said that, I hope that it will be of interest to your Lordships' House if I use my time today to reflect on the process in which we are engaged rather than to detail some of the particularities of the commemoration. My first task is to ask, how certain are we about what happened? In January 1936, nearly 20 years after he took part in the Battle of Passchendaele, the poet was asked to choose a poem to represent all of his war poetry—and there is a great deal of it—he chose this one. In it, he asks himself if he can remember the war and describes his feelings when those memories return, often masked by what he calls “mists”, which, he goes on to explain are,

“spiritual  
And luminous-obscure,  
Evolved of countless circumstance  
Of which I am sure;  
Of which, at the instance  
Of sound, smell, change and stir”.

The closing lines capture well the duality of these memories:

“And some of sparkling, laughing, singing,  
Young, heroic, mild;  
And some incurable, twisted,  
Shrieking, dumb, defiled”.

My point is that while contemporary accounts are, as we have heard, a brilliant way of reliving the events, they can only be, at best, a partial solution to what we seek to understand and remember. We also need to take distance and time to give substance to what would have been the so-called first draft of history. Explanation of memory is not just simply important as a means of understanding a survivor's experiences; it is also one of the ways that we have of building our own knowledge of our shared past, complementing the dry histories and challenging art works that flow from these lived experiences. As, inevitably, the distance between ourselves and our children and the events themselves widens, so society's responsibilities to our past become greater. We must impart, in our very act of learning, an obligation to the young to be inquisitive about this narrative and others.

Secondly, what precisely are we commemorating? As we have heard, Passchendaele symbolises all the horrors of trench warfare. Indeed, it has been described as the worst battlefield in history. We have heard about the loss of life, which is almost unimaginable: in three months, 350,000 allied and 260,000 German soldiers were killed. The conditions in which they fought, lived and died are really beyond contemporary understanding. Major Desmond Allhusen recalls in his diary:

“The mud and water reached our waists and it took us about half an hour to do a hundred yards ... It was different from what we were used to. It had lost all form and consistency and all resemblance to the honest stuff one finds in peaceful lands. It was just the shapeless mess that remains when everything else is gone”.

Lieutenant General Sir Launcelot Kiggell, General Haig's chief of staff, when he reached the edge of the battlefield, exclaimed, “Did we really send men to fight in this?”.

As I have been arguing, commemoration, in particular of a battle such as Passchendaele, must be multidimensional. It must be open to exploring the past not only through the lives of the individuals who experienced it but within broader continental and global contexts. Crucially, while we have a responsibility to seek the truth and to be inquisitive, we must be open to our own prejudices. If we can recognise our own preconceived notions, we will be best placed to get the most out of any commemorative act, whether it be a Paul Nash painting or a local council memorial—I would argue that both are as valuable as each other.

What about fake news, to bring it up to date? In the past few months, the threshold on accuracy and truth has been diluted and this could have important consequences for how we commemorate, if we allow the patterns of the present to impact the way in which we see the past. Perhaps the best antidote to such

behaviour is to continuously renew our interest in our own past and not shy away from such debates, by being open to different types of commemoration as they come forward. I will return to that point at the end.

Truth, memory and commemoration are all inextricably linked. It is not just the responsibility of academics, teachers or even politicians to be mindful of this. The responsibility of interpretation should weigh heavy on all our minds. Edmund Blunden, the poet I quoted earlier, was acutely aware of how memory changes our understanding of war. It is therefore very important that we have commemorations that properly reflect that.

We need to interrogate what has worked well in the national programme and build that into our thinking and plans for any future commemorations. We have heard of local and national events and of the exemplary work of the Commonwealth War Graves Commission, which I also salute. We heard also from my noble friend—I am sorry, but I have forgotten her name and she is not in her place but on the Woolsack. She cannot do this to me—she is like a ghost, appearing all around the place. I thank her for drawing our attention to the work of the Heritage Lottery Fund, which has been so important in bringing out the bottom end of the spectrum, including a range of responses and detail from the individuals involved.

However, we need more than this. We need writing, films, plays, art and performances if we are to fully understand it. I used to use a film made by Charlie Chaplin to exemplify this point, and it perhaps works in this context. You can understand history by looking at records and films of, for instance, events in Germany during the time of Hitler. But you will understand it much better if you see somebody taking off that, as Chaplin did in “The Great Dictator”. It is that duality that brings us to the nature of the understanding.

I want to leave the House with this. For me, the most impactful commemoration event I have experienced was the astonishing work by Jeremy Deller, “We’re Here Because We’re Here”. Noble Lords may recall this work. The participants were a volunteer army of non-professional performers who were sworn to secrecy while rehearsals took place across the country without anybody really understanding what was going on. The intention, as laid out by Rufus Norris and Jeremy Deller, was to create the complete opposite of,

“a static memorial that the public went to to be sad”.

It was something completely and unnervingly different and it,

“would take itself to the public rather than the public taking itself to the memorial”.

I picked up a very good explanation of the work by the *Guardian* arts correspondent, Charlotte Higgins. She recorded the appearance of these people in Waterloo station one morning, saying,

“they were dressed in the dull-green uniforms of the first world war. They were just there: not speaking, not even moving very much. Waiting, expressionless, for who knows what. A small crowd gathered, taking photographs. A woman caught the eye of one of the men. She tried to speak to him. Without speaking or dropping his gaze, he pulled a small card out of his pocket and handed it to her. ‘Lance Corporal John Arthur Green,’ it read. ‘1st/9th Battalion, London Regiment (Queen Victoria’s Rifles).

Died at the Somme on 1 July 1916. Aged 24 years.’ There were similar scenes across the UK ... There were more than 1,500 men in total. They gathered on the steps of the Gallery of Modern Art in Glasgow. They smoked roll-ups outside Bristol Temple Meads and marched ... boots ringing, through Manchester Piccadilly. They stood in clumps by the entrance to Queen’s University, Belfast, and sat on the market cross in Lerwick, Shetland”.

It was a silent reflection and it was so moving. In some ways, it said it all.

4.14 pm

**The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Ashton of Hyde) (Con):** My Lords, I start by saying how grateful I am to my noble friend Lord Black for initiating this debate and to all noble Lords, both for making such moving speeches and for their kind words about the commemorations so far. Being the Minister responsible for the First World War commemorations is an honour, a great responsibility and, frankly, having listened to your Lordships’ speeches, rather humbling. I am also humbled because how does one sum up in 20 minutes speeches that have covered, in typical House of Lords fashion, subjects as varied as life and death, the meaning of life, art, the Royal Flying Corps, comradeship, mental health, the meaning of memory, fake news, the nature of sacrifice, the role of animals, the debate over military tactics, links to the Europe of today and, inevitably, Brexit?

Let me concentrate on what we have done to commemorate the third Battle of Ypres and how the First World War commemorations have extended across the country, with a little about 2018. As noble Lords have explained, the Battle of Passchendaele and the whole third Battle of Ypres is hugely significant: significant for the huge losses sustained, the horrific conditions and the lessons learned; significant in the context of the wider war, in trying to break the stalemate and increase attritional pressure on Germany and in regard to the U-boat threat outlined by the noble Lord, Lord West; significant for the impact at home on families that lost husbands, brothers, sons, and some daughters and sisters; and significant for the way the country was galvanised and reorganised to support those at the Front. Those losses affected communities across the country and across the world, and I hope noble Lords will agree that that has been commemorated appropriately by the Government.

The three months of fighting around Ypres in 1917, that would come to be known colloquially as Passchendaele, were marked by a series of events delivered by the Department for Digital, Culture, Media and Sport and its partners. The events were attended by their Royal Highnesses the Prince of Wales and the Duke and Duchess of Cambridge, their Majesties the King and Queen of the Belgians, and the Prime Minister, as well as thousands of descendants and members of the public.

The event on 30 July in Ypres, at the Commonwealth War Graves Commission’s Menin Gate, took place in the presence of 200 descendants of those commemorated on the gate, and built on the poignant service held there every night by the Last Post Association. It provided an opportunity for reflection and remembrance beneath the memorial, which records more than 54,000 soldiers who died before 16 August 1917 and

[LORD ASHTON OF HYDE]

have no known grave. That was followed by a public event in the Ypres market square, attended by thousands of members of the public and watched by some 1.5 million people at home in the UK. With performances by well-known actors, musicians, military personnel and the National Youth Choir of Scotland, it made the most of our artistic talent to pay tribute to those who passed through Ypres before us, many never to return. Of course, those losses were not just during the battle; in the days before the battle began, on average 500 men a day were killed by shelling alone.

The next day, a formal commemorative event at the Commonwealth War Graves Commission's Tyne Cot cemetery focused on the third Battle of Ypres. Some 4,000 descendants of those who served at Ypres were present and another 1.3 million people watched live on the BBC in the UK. Those of us who were privileged to be there would, I think, also like to echo the comments of my noble friend Lord Black and the noble Lord, Lord Shipley, on the excellent work of the commission in maintaining those sites in perpetuity, in such a dignified way, and record our appreciation for the commission's support in delivering the events. It was also particularly appropriate that, on the evening of the Menin Gate event, the chairman of the Last Post Association, Monsieur Benoit Mottrie, was awarded an honorary OBE in the Cloth Hall in Ypres by the Duke of Cambridge for,

"services to commemoration and remembrance of British and Commonwealth armed forces",

recognising his huge contribution and that of the Last Post Association.

The events also saw the participation of nearly 100 National Citizen Service volunteers and participants in the Commonwealth War Graves Commission's centenary intern scheme. They supported the delivery of events and were a visible presence throughout, interacting with descendants and families, from whom I heard many appreciative comments. They exemplified the theme of youth, to which I will come in a minute.

The events delivered huge media interest in print, online and on social media, reaching a broader audience than any of our previous events. The #Passchendaele100 hashtag reached 122 million potential impressions, engaging many people who had not previously connected with the centenary programme.

My noble friend Lord Black mentioned the impact on the Commonwealth. Australia and New Zealand have also recently delivered their own commemorative events in Ypres to mark their own significant dates. I understand Canada, whose troops finally took Passchendaele itself, will do so in November.

Throughout the centenary programme we have tried to reflect three themes: remembrance, youth and education. We believe the events ensured that the centenary was marked as widely as possible and that a new generation came to understand what Passchendaele means. This will also ensure that, as a nation, we appropriately commemorate the centenaries of 2018, which we will mark with a series of events. These include events to mark the appointment of Marshal Foch as commander-in-chief of the Allied armies in March, the centenary of the Battle of

Amiens in August, and of course the Armistice on 11 November, which, suitably, next year falls on Remembrance Sunday.

There is also a wider government-led programme to help communities across the country to engage with the centenary. Historic England, working in partnership with the War Memorials Trust, Civic Voice and the Imperial War Museum, is helping communities rediscover, care for and conserve local war memorials. Funding is available for repair and conservation, and more than 300 projects have already shared £1.3 million of grants through the War Memorials Trust. There are also many projects taking place across the country funded by the Heritage Lottery Fund. I pay tribute to the work with the Heritage Lottery Fund of the noble Baroness, Lady Andrews, and thank her for explaining that. Since April 2010, the fund has awarded more than £90 million to more than 1,800 projects. Grants of between £3,000 and £10,000 for community projects are available via the Heritage Lottery Fund's "Then and Now" programme. Applications will be accepted at any time up to 2019.

As my noble friend Lord Black mentioned, the Imperial War Museum's Centenary Partnership programme, which now has more than 3,700 members from over 60 countries, helps to deliver a vibrant programme of events, activities and resources to enable millions of people to engage with the centenary. The Imperial War Museum also announced yesterday its "Women's Work 100" programme, which will develop projects, collections and stories across the Centenary Partnership to explore the working lives of women during the First World War, including the very brave women who worked as nurses, very much on the front line. The women's work collection is closely linked with the formation of the museum itself in 1917, and almost immediately plans were put in place to ensure that the role of women would be recognised and recorded. The centenary is a fitting opportunity to revisit the collection and highlight the enormous changes that occurred during the war.

For many people, an abiding memory of the Somme commemorations was 14-18 NOW's "We're Here Because We're Here" project, which saw uniformed actors take to the streets of the UK. Its full plans for 2018 will be released early in the new year. So far its programmes have been experienced by 30 million people, of whom 4 million are aged under 16. The poppies sculptures, of which I know my noble friend Lord Black has been a great supporter, will also continue their tour of the country in 2018, having been to Derby, Belfast, Hull and Cardiff so far this year. Yesterday, my right honourable friend the Secretary of State announced that the poppies will appear at Hereford Cathedral, Carlisle Castle, Middleport Pottery in Stoke-on-Trent, the Imperial War Museum in London, Fort Nelson near Portsmouth and the Imperial War Museum North in Manchester in 2018.

As has been mentioned, the first day of the battle saw the most Victoria Crosses awarded on a single day during the First World War, including Army doctor Noel Chavasse's posthumous bar to the VC that he had won on the Somme. I am pleased to say that the VCs of the First World War are being marked by the

DCLG's Victoria Cross commemorative paving stone project, which commemorates each Victoria Cross recipient by laying a memorial paving stone in their place of birth. Two Passchendaele VC winners, Captain Thomas Colyer-Fergusson and Second Lieutenant Dennis Wyldbore Hewitt, who were both born in Westminster, have been commemorated with paving stones in Victoria Embankment Gardens. They were also commemorated with the "Mud Soldier" statue displayed in Trafalgar Square in July by VisitFlanders.

More than 1,400 schools have visited the First World War battlefields as part of the Department for Education-led tour programme. The Great War Debate programme has seen 13 debates take place nationwide, with more than 1,200 young people having the opportunity to hear high-profile historians, including Sir Hew Strachan and Professor Annika Mombauer, bring a fresh perspective to their studies. The noble Lord, Lord Stevenson, asked how we could be sure what happened and suggested that the events should be multidimensional to address the subject in different ways. He might like to know that there is a four-day academic seminar on the Home Front led by Sir Hew Strachan. I hope that all the other events that I have described will achieve the multidimensional approach that we seek.

In conclusion, I pay tribute to the team at DDCMS who have worked so hard to deliver the commemoration—I was grateful for the kind words of the noble Lord, Lord Faulkner, about them; to the First World War advisory group, of which the noble Lord is a member; and to the work of the Prime Minister's special representative for the First World War commemoration, Dr Andrew Murrison MP. Thanks to them and all our other delivery partners, I am confident that as we move to the final year of the centenary we will build on the achievements of the previous years and ensure we mark the tumultuous final months of the war in a fitting way. We owe it to those who served, fell or were wounded, in body or mind, to continue to ensure that they are remembered with admiration and gratitude.

4.27 pm

**Lord Black of Brentwood:** My Lords, I thank the Minister for that comprehensive response. Even by the high standards of this House, as the noble Lord, Lord Stevenson, said, this has been an exceptional debate which has probed so many aspects of the dreadful Battle of Passchendaele in a series of incredibly thoughtful, poignant and moving contributions. I am most grateful to all noble Lords who took part.

One of the most striking features of the debate was what the noble Baroness, Lady Andrews, described as the hidden stories of the war, which she deployed to such effect. From the right reverend Prelate, we heard one of those hidden stories, of the chaplaincy, which I found fascinating. By the noble Lord, Lord Hutton, we were allowed the opportunity to hear the voices of the past in their own moving words. For me, the most telling moment was when the noble Baroness, Lady Brinton, talked about the ordinary combatants in the battle, but then added, quite rightly, that none of them was ordinary. How right she was. They were all extraordinary, as they faced up to what eye witnesses at the time said was like descending into Dante's

*Inferno*. My noble friend Lord Lexden said that it was as if providence had given Passchendaele its name, because it has become synonymous with so many different things: with suffering and courage. It lays bare our own humility and it lets us have lessons for the future, but, most of all, as the right reverend Prelate said, from the death of so many young men springs a message of hope.

*Motion agreed.*

## National Health Service (Pharmaceutical and Local Pharmaceutical Services) (Amendment) Regulations 2017

*Motion to Regret*

4.29 pm

*Moved by Lord Hunt of Kings Heath*

That this House regrets that the National Health Service (Pharmaceutical and Local Pharmaceutical Services) (Amendment) Regulations 2017, in delaying the review of the regulations governing the provision of community pharmaceutical services, do not prevent the closure of community pharmacies resulting from the budget cuts in 2016–17 and 2017–18 and changes to the way the funding is distributed (SI 2017/709).

**Lord Hunt of Kings Heath (Lab):** My Lords, I beg leave to move the Motion standing in my name on the Order Paper. I so do because I am very concerned at the reduction in community pharmacy funding, at the very time when we need this precious profession to take on ever more responsibilities. In opening this debate, I take the opportunity to pay tribute to Mr William Darling CBE, the youngest ever president of the Royal Pharmaceutical Society, who died earlier this year. I had the pleasure of working with Mr Darling over many years in the NHS; it was he who brought home to me the hugely valuable role that community pharmacies play in the UK. I, the profession and the public will be ever grateful to him for his immense services.

I should also say by way of introduction that the Secretary of State, under current statutory requirements, was expected to initiate a review of the pharmaceutical and local pharmaceutical services regulations 2013 by 31 August this year. He has not done so because, according to the Explanatory Memorandum, the Pharmaceutical Services Negotiating Committee sought to judicially review the Secretary of State's decision on pharmaceutical spending and the department decided to await the outcome of the review. Let me say at once that I do not object to that at all or, therefore, to the order. What I object to is the way the department has dealt with the profession over the whole question of funding.

I find it remarkable that a Conservative Government are effectively undermining both patient choice and the role of SMEs in their approach. On patient choice, it was clearly stated by Ministers at a meeting of the All-Party Pharmacy Group last year that the intention was to reduce the number of community pharmacies in this country. Remarkably, the department feels that there is too much choice for patients in our high streets. In effect, the change to funding they are making

[LORD HUNT OF KINGS HEATH]  
is reducing the number of pharmacies. The judicial review ruled in the department's favour, but nevertheless established the legal principle that it is the duty of the Secretary of State to always bear in mind health inequalities when making judgments. The problem in relation to community pharmacy cuts is that the department has not done so; nor does it deliver the more clinical and effective approach that it said it wanted in its letter to the PSNC back in December 2015.

Community pharmacies are the most accessible of all healthcare services. Last year, they had, on average, 137 visitors a day, gave 281 medical reviews and dispensed approximately 87,000 prescribed products. My concern is that the cutbacks or reforms will have a painful impact on thousands of people and therefore need to be thwarted as soon as possible. By reducing the contribution that community pharmacies can make, there is a risk of an increased burden on already pressed GPs and A&E departments.

I remind the Minister of a PricewaterhouseCoopers analysis commissioned by the PSNC in England in 2015. It estimated that community pharmacies contributed £3 billion in value to the NHS, its patients, the public sector and the wider economy. This included £1.1 billion in cash savings for the NHS, £600 million in benefits to patients and £242 million saved in avoided NHS treatment costs. It is rather short-sighted to undermine a profession that can give so much to patients and relieve some of the pressure on a system that, overall, is really suffering at the moment.

The majority of community pharmacies' funding comes, of course, from the NHS and is used to fund their premises, staff and all other operating costs. My understanding is that this funding was reduced by 4% in 2016-17, with a further reduction in 2017-18, making a total 7.5% drop from 2015-16. Some pharmaceutical contractors claim that the payments to them have been cut by as much as 20%. We know that the Government have brought in some reforms—combining dispensing fees into one, a special funding scheme for pharmacies in isolated areas, a scheme for high-performing pharmacies and a pharmacy integration fund—and I welcome those payments. The problem is, they will not ameliorate the impending crisis faced overall by many community pharmacies.

One of the reasons given by the Government is that they think there are simply too many community pharmacies in some parts of the country. It often seems to me that the Department of Health lives in a world of isolation, ignoring general government policy. I had rather thought that the Government were in favour of consumer choice and therefore having more community pharmacy premises on the high street would be a good thing, not a bad thing. No doubt the Minister can enlighten me on the Government's view on that matter.

One has to be clear that although Ministers have said they are worried about the number of community pharmacies, the reality is that those cuts will actually affect mainly the smaller pharmacies, which tend to be in the deprived areas. This is the real concern here. The fact is that there is financial instability in the sector. The reduction in NHS funding has led to pharmacies having to face worryingly high and unexpected wholesale

bills if they want to maintain an adequate level of stock, which clearly they need to do. They face the potential prospect of banks withdrawing credit because income covenants have not been reached, due to the inability to find a source of credit to cover the aforementioned bills.

In a desperate attempt to keep the business viable, community pharmacies are reducing their services to patients. Because they are having to reduce their staff costs and make staff redundant, they are reducing opening hours and apparently cutting some free services, such as delivering prescriptions to the home, which particularly benefit older people and those with long-term degenerative conditions. We know that community pharmacies were under significant financial strain this summer. We are concerned that as we move into the winter, that financial strain will grow. Of course, it is mirrored by the pressure on the NHS at the moment.

Last year community pharmacies provided 950,000 flu vaccinations. There is a reason for this: it is very convenient. You do not have to wait until the surgery tells you that you can come in one Friday when it is able to give you a vaccination. You can go into a pharmacy and have it immediately. Already this year, community pharmacies have given out 500,000 flu vaccinations—a figure that could double by December. It is just one example of community pharmacies' huge potential. They could do more—much more—if they were fully engaged in the kind of planning we need to see at local level.

Last night in your Lordships' House we debated sustainability and transformation programmes. I do not think many STPs have mentioned the contribution that community pharmacies could make to providing services which, otherwise, other bits of the health service will have to. It is a pity because I believe this profession could provide much more support for the system and for patients in the future. I am worried about the impact of the financial reductions that have been made. I hope through this debate to at least encourage the Government to think again. I beg to move.

**Baroness Jolly (LD):** My Lords, I am happy to lend my support to this regret Motion. For many years, pharmacies have been the lynchpin of our health service. Before the NHS was formed, the pharmacist was the expert who those without means went to for advice and medicine. With the advent of the NHS and a free general practice service backed up by free prescriptions, the role of the pharmacist began to change. The last couple of decades have seen further change. Pharmacists began to reassert their role of offering advice to customers, being commissioned locally and nationally for public health and medicines support.

In 2015 the Government proposed 6% cuts to the pharmacy service and suggested the ways in which this might be achieved, including a reduction in the number of pharmacies and the adoption of internet supply. This was solely a budgeting exercise and lacked any evidence base or indeed impact assessment. The Chief Pharmaceutical Officer suggested that we have 3,000 too many pharmacies without offering supporting evidence.

Apart from the pharmacy being a place where we collect our prescriptions and buy over-the-counter painkillers and cough medicines, the public ask advice from the pharmacist on things they would not trouble a doctor with. Women access emergency hormonal contraception, while needle and syringe programmes are managed, as is the supervised consumption of medicines.

Pharmacies offer specific public health services, support with self-care and medicines support, including checking prescriptions and the New Medicine Service. In addition, they arrange deliveries of prescriptions to patients. That might be stopping in some parts of the country but in Cornwall it is ongoing. In 2015, there were nearly 12,000 community pharmacists dispensing a billion prescription items to the value of £9.3 billion. They are funded by both local and central government to provide essential, advanced and local services.

The PSNC was so concerned at the lack of evidence base for the Government's decision that it commissioned PwC to look at 12 specific services and determine their net value. In 2015, more than 150 million interventions were made, along with 75 million minor ailment consultations and 74 million medicine support interventions. They also served more than 800,000 public health users, for example with supervised interventions and emergency hormonal contraception. PwC determined that patient benefits totalled £612 million, that the wider societal benefits were £575 million, and that the NHS benefits to the tune of £1,352 million. There are other benefits to the public sector of £452 million. That is a total just shy of £3 billion of benefit which, in one way or the other, comes to us all from having community pharmacists. That is just the financial benefit and does not include the benefit of Joe Bloggs or Mary-Jane being able to walk in and ask their pharmacist a quiet, discreet question and get support, help and advice.

I suggest that when not only our GPs but our A&E services are under immense pressure from patients presenting with conditions that do not require prescriptions or that level of advice, this is not the time to take away from the high street the welcome and expertise of the neighbourhood pharmacist. Will the Minister persuade his colleague to stop, look at the evidence and protect these services which are so vital to the communities they serve?

**Baroness Redfern (Con):** My Lords, in debating this regret Motion I listened intently to the noble Lord, Lord Hunt. He agrees that more pharmacies should be more engaged and that people should have more choice. I agree with him, but in today lies an opportunity to acknowledge the unique contribution that community pharmacists make to the health and care sector by providing easy access to clinical advice. I refer at this point to my entry as listed in the register of interests.

We should acknowledge that the Government are spending over £150 million a year more on pharmacies than the last Labour Government did, with over 11,500 community pharmacies—up by 18% over the last 10 years—together with the growth in the service budget of 40% over the last decade, to £2.8 billion in 2015-16. We now see over 40% of pharmacies in clusters of three or four, which means that in some

cases two-fifths of pharmacists are within 10 minutes' walk of two or more others. So it is right and proper that the Government are having this review to make absolutely sure that no community, whether in urban or rural settings, will be left without a pharmacy.

I want to pay tribute to the people who work in those pharmacies. In many cases, they are located at the heart of our communities with trusted professionals on-site who reflect the social and ethnic backgrounds of their residents. They are not only a valuable health asset but an important social asset, because they are often the only healthcare facility located in an area of deprivation and play a critical role in improving healthcare. Maintaining community pharmacies is crucial to keeping older and frail people independent. Going forward, we certainly do not want to see those people forced to travel, potentially over long distances, to pick up vital medicines and receive health advice. I very much hope that many rural communities, where travel distances can be a lot longer, can receive some sort of protection to ensure that patients can still access those services.

In 2017, it is right and proper to support a better payment structure and to be more efficient in the allocation of precious NHS resources—particularly by payment for the quality of service, not just for the volume of prescriptions dispensed—and to support the continuous improvement of those services to patients. That in turn will relieve pressure on many other parts of the NHS, particularly with a commitment to a national minor ailments service delivered through pharmacies so that patients who need urgent repeat-prescription medicines will be referred from NHS 111 directly to community pharmacies, rather than a GP out-of-hours service. We need to move from clusters of pharmacies to protect access for patients through a new pharmacy access scheme where there is a higher health need in a particular community.

The NHS has to be much more integrated. Pharmacists can make opportunistic public health interventions and provide advice on healthy lifestyles, thereby preventing or delaying the onset of long-term conditions and fulfilling a commitment to support people to keep healthy outside hospitals within the wider health system and a more integrated approach.

Finally, with the NHS asking for a £10 billion budget increase, there is an overriding need to see reforms to make sure that every pound spent goes as far as it can for patients and for the taxpayer as well. This package of reforms will ensure much greater use of community pharmacies as a first port of call by more fully integrating working with the rest of the NHS so that more people benefit from the skills of pharmacists and their teams. I am pleased that the Government are investing £112 million to deliver a further 1,500 pharmacists in general practice by 2020. I hope this review of the regulations, although delayed, will bring about the beginning of a longer-term transformation of the sector, expanding it to provide public health services such as health checks and immunisations as well as dispensing and selling medicines. There is no doubt that we all want to see a strong future for community pharmacy, but only if we can move with the times, because any delay brings uncertainty.

4.45 pm

**Baroness Seccombe (Con):** My Lords, I am fortunate to live in a lively Warwickshire village. There are two doctors with their own pharmacies, but every time I want something as simple as paracetamol I have to get the car out and drive eight miles to the nearest pharmacy. Last week, I was thrilled to see that the closed HSBC bank had a sign above it saying “pharmacy”.

I understand that in an NHS with increasing demands for funds it is not sensible to have pharmacies—each of which costs the NHS, on average, £220,000 a year—in abundance every few yards in urban areas. However, in rural areas it can be more than difficult to buy those essentials we rely on, especially if you do not have a car and there is an infrequent bus service. I congratulate the Government on being selective in supporting pharmacies that make life easier for country people while encouraging those small businesses to expand their basic service. In another village, I recently saw a sign in the window saying, “Opening hours: 6am to 9pm Monday to Saturday, and 9am to 5pm on Sunday”. What a service.

Last Saturday, I went inside the empty pharmacy and met Steve, the new pharmacist who is planning to open next week. He is enthusiastic to get going. So to him and all independent pharmacists who are free to flourish and to respond to the needs of the community, I say good luck, as they provide a really worthwhile service to the community. I am sure noble Lords will understand why I am not able to support this Motion.

**Lord Deben (Con):** My Lords, I declare an interest as chairman of the Climate Change Committee. I intervene only because one of the largest uses of vehicles is for health reasons. I hope my noble friend will not mind if I say that the Department of Health has perhaps not shown itself to be quite as central to the solution of our problems with climate change as other departments have. I hope this is going to change, and I am intending to bang on his door quite a lot until it does because this is a central issue.

This debate has shown that it is a useful one to have. I am not sure I want to enter into the party politics of it but there are quite good arguments about how many extra community pharmacies there have been, and there is certainly no doubt that the Government have shown themselves to understand this. No doubt there are other arguments, but the issue for me is proximity and propinquity. I am thinking not just about rural areas, although I live in a rural area and I understand the point very strongly; for many people in urban areas who do not have access to motor cars and where bus services are exiguous, the fact that they can walk to a pharmacy or ask others to do so if they themselves are unable to, is an important part of the kind of service that we need. It is disappointing that in the various collections of data we have not spent a bit more time looking at how many journeys are made and how many hours' worth of diesel are used by people in accessing the health service. We know exactly how many journeys by lorry carry food—it is about 42% of all the lorry journeys in Britain—so we know a lot about these things, but I am not sure we know enough about what

happens in the health service. When we are making these judgments, we have to make them in a holistic way.

So I do not apologise for the fact that on this, as on many other issues, I shall try to dramatise the fact that we should not be making decisions without asking ourselves, “What is the issue here in trying to meet the requirements which are now statutory?”. By 2050 we have by law to cut our emissions by 80%. We have to meet by law the fourth and fifth carbon budgets, and we have just issued the clean growth plan which is designed to deliver that end. There is nothing in any of that on the contribution of the NHS. It is time we asked the NHS to recognise that part of its role is to ensure that people's access is as convenient as possible, not just for their convenience or because it saves money for other bits of the NHS, but because we as a community have to look at our statutory requirements to meet our climate change targets.

I hope that my noble friend will accept this as a preliminary thrust on the subject of the health service's contribution to what we need to do. Indeed, in doing it, it is of course a circular system. Many of the problems the NHS has to deal with result from the subsidiary effects of pollution. It is not a matter not just of changing our climate but of the pollution at a much lower level physically but very high-level in terms of air pollution, and the damage that that does to health. I do not think this is something the health service can avoid and I hope my noble friend will take it into account.

**Lord Shipley (LD):** My Lords, I should like to ask the Minister to clarify four issues. First, does he agree that community pharmacies are for many people the most accessible healthcare location, particularly where there are no GP surgeries locally; that community pharmacies in those situations can take pressure off GPs, and that in fact overall community pharmacies can take pressure off accident and emergency? Both GPs and A&E are experiencing rising demand.

Secondly, I am not clear whether the Government have responded to the Murray review and whether they plan to be clear what they think about that review, which was published in December last year. What policies do they have for community pharmacies as a consequence of that review?

Thirdly, we have heard about rural areas. I agree entirely with what has been said, but I shall talk in addition about deprived urban neighbourhoods where few people have cars. Has the department done an impact assessment on deprived communities' access to health and care services, because I think it is material to this debate, particularly in the context of my fourth question? Do the Government accept that many pharmacies have cash flow problems? Many do, and I understand that it will be much worse from next month. What exactly is the Government's grand plan? I cannot see one at the moment.

**The Parliamentary Under-Secretary of State, Department of Health (Lord O'Shaughnessy) (Con):** My Lords, I begin by thanking all noble Lords who have spoken in this interesting debate. Obviously, the Government disagree with the premise of the Motion of the noble Lord, Lord Hunt, but I am grateful for the opportunity



that it has given us all to discuss this critical sector. I join the noble Lord in paying tribute to Bill Darling. I did not have the opportunity to know Mr Darling but, having researched his career, I can see that he was a man with a deep commitment to serving his community and the public, and showed true leadership throughout his life, so I pay tribute to him on behalf of the Government and send our condolences to his family and friends.

Perhaps no noble Lord has done more than the noble Baroness, Lady Jolly—I welcome her to her position on the Liberal Democrat Front Bench—to list the benefits and impact of the community pharmacy. It has a vital role to play in the nation's health. More than that, pharmacies are, as my noble friend Lady Redfern pointed out, both a health asset and a social asset. They play more than just a straightforward health role. There are about 1.6 million visits to community pharmacies a day, and more than 11,500 community pharmacies are in operation, which is 20% more than in 2004-05.

As several noble Lords have pointed out, not least the noble Lord, Lord Shipley, they are increasingly important as healthcare moves into the community, and they certainly have a role to play, particularly in primary care, probably less so in A&E or urgent care. I reassure all noble Lords that the work of community pharmacies is deeply valued by the Government.

The regulations specify a detailed market entry and exit regime and terms of service for making arrangements for NHS pharmaceutical services in England. Their aim is to ensure that there is a proportionate regulatory framework which encourages the delivery of NHS pharmaceutical services that meet local needs, without excessive provision in areas already meeting demand. The regulations have been continually reviewed and updated since their inception, and the Government are committed to conducting a full post-implementation review. The regulations amend the deadline for that review, which was originally 31 August 2017.

As has been discussed, the delay is due to two reasons. First, the judicial review by the negotiating partner, the Pharmaceutical Services Negotiating Committee, was brought into the decisions made by the Secretary of State. We did not feel that it was appropriate to begin a judicial review, as the noble Lord, Lord Hunt, correctly said. Secondly, of course, we had a general election, and therefore a *purdah* period, followed by the summer holidays. That had some impact on the ability to conduct proper stakeholder engagement before the deadline. Therefore, the deadline was extended to 31 March 2018, to allow proper and wide-ranging engagement of stakeholders, so that we can fully consider whether the regulations are delivering their intended outcomes. A further stakeholder meeting is scheduled for later this month to present the emerging findings to these stakeholders and to shape the final report to be published early next year. I apologise if I have laboured the point about why the delay happened, but I thought it would be useful, given that it is the topic of the debate.

5 pm

We have heard today concerns about the wider impact of the community pharmacy reforms, and the

important services that pharmacies provide. It is worth setting out by way of background that the 2015 spending review reaffirmed the need for the NHS to find £22 billion in efficiency savings. Community pharmacy is a core provider of primary care and must play its part in helping the country eliminate the deficit that the previous Government left us. However, in designing the reforms we looked not only at allocating precious NHS funding more efficiently, but at improving services for patients and the public and better integrating community pharmacy into the wider health service.

As a consequence, included in the reforms are, first, a simplified payment process, moving away from payment arrangements that reward pharmacies solely for operating; and secondly, a pharmacy access scheme that protects access for patients in areas where there are fewer pharmacies, and in some cases takes account of higher health needs. That is precisely the kind of protection that my noble friend Lady Redfern called for in her very wise remarks. I am absolutely delighted that it is delivering a new pharmacy in the village of my noble friend Lady Seccombe. These pharmacies have been protected from the full effect of the funding reductions, so that patients can continue to access the services they need. I should point out that within the pharmacy access scheme, there is a review process, and one of the funding change criteria for reconsideration was whether that pharmacy was serving a deprived community. That answers one of the specific questions from the noble Lord, Lord Hunt, about the reforms.

Thirdly, the changes include quality payments which, for the first time, link payment to the quality of services pharmacies provide to the public, not just the volume of prescriptions they dispense. This should lead to improved patient experience, improved clinical effectiveness and increased integration, with over 90% of pharmacies now taking part in the scheme.

In parallel, the Government have introduced changes to relieve pressure on other parts of the NHS by embedding pharmacy in the urgent care pathway. Patients who need urgent repeat prescription medicines—coming to a point made by the noble Lord, Lord Shipley—are now referred from NHS 111 directly to community pharmacies, rather than via a GP out-of-hours service. Furthermore, we are piloting a scheme to increase the number of NHS 111 calls that can be fully dealt with by referral to a community pharmacist. Building on that, the Pharmacy Integration Fund is providing developmental training and exploring the use of pharmacists in GP surgeries, care homes and urgent care hubs. Many of those pharmacists have a community pharmacist background, and we are seeing better communication and integration of community pharmacy in patient care through these initiatives.

Several noble Lords have raised concerns about the closure of pharmacies resulting from the efficiency savings, but that was not the aim, and nor has it been the result. I can confirm that the number of pharmacies remains at or around pre-2016 levels and that there are more than 11,600 community pharmacies in England dispensing NHS prescriptions. As my noble friend Lady Redfern pointed out, it is an 18% increase in the last 10 years. Furthermore, 88% of the population remain within a 20-minute walk of a community pharmacy, which I hope will satisfy my noble friend

[LORD O'SHAUGHNESSY]

Lord Deben on his question about the role that community pharmacies claim in reducing the environmental impact of the health service. He will be pleased to know that my honourable friend Claire Perry, the Minister in the business department who is leading the green growth strategy, has already nobbled me about the NHS's role in this, so he is building on firm foundations, and I look forward to discussing those more with him.

There was one additional point on cash flow made by the noble Lord, Lord Shipley, that I would like to talk about. There is recognition of this, and the department is working with the trade body and pharmacies to look at this issue which results from some specific changes. I can reassure him about that, but I would be happy to talk more to him about it, or to introduce him to officials if that would help.

To conclude, I can reaffirm and reassure all noble Lords about the Government's commitment to delivering a modern approach to community pharmacy—one that promotes efficiency and the best use of NHS resources while maintaining access to quality services and good patient outcomes. Pharmacy will continue to be a trusted partner in delivering a world-class National Health Service and the Government are committed to working with the sector to help make this a reality. On that basis, I hope that the noble Lord, Lord Hunt, will feel able to withdraw his Motion.

**Lord Hunt of Kings Heath:** I am grateful to the Minister, and I echo the welcome given to the noble Baroness, Lady Jolly, in her position as Lib Dem spokesman on health. I thank the noble Baroness, Lady Walmsley, for her sterling work over the last couple of years—we very much enjoyed working with her, particularly when we combined to defeat the Government on a number of occasions. Long may that continue.

I very much welcome the response from the noble Lord, Lord O'Shaughnessy. The review is very important, and I hope we will have an opportunity to debate these important matters. I am not sure that he is really in a position to talk about the deficit any more. I would refer him, perhaps, to the comments of the former Chancellor, Mr Osborne, about who exactly was responsible for the financial situation that we as a Government found ourselves in. I shall not carry on in that mode, but I think the Government's mantra needs perhaps to move on.

Efficiency savings are one thing, but cuts to community pharmacies are another. That is where we really disagree. On the issue of closures, Mr Alistair Burt went to the All-Party Pharmacy Group in 2015 when these proposals first came out and said that he thought that thousands of community pharmacies would close. There is no question that cash flow is a real worry. I am very interested in what the noble Lord said, and it would be good to know the outcome of those discussions, but I can tell him only that in the sector there was very real concern about this.

I come to SMEs. The risk is that it will be the very small multiple, individual community pharmacies that will be the most affected. I do not know whether the Minister knows, but in 2015 Matthew Hancock for the Government announced an ambitious target to get more small businesses working on central government

contracts. The target was set that, by 2020, £1 in every £3 by government would be spent with SMEs. I guess that there is a question of definition here, of the extent to which that is regarded as a central government target or not. The point is that last week Mr Damian Green in the Cabinet Office announced that the target is being missed by a considerable margin and that it has gone from being a hard target for 2020 to an ambition for 2022.

What is happening here today is symptomatic of the Government's approach to SMEs. They say that they are important, but the actions of individual government departments are to make it more difficult for them to do business. This is where I am concerned that the cumulative impact of these cuts will have a damaging effect on the small independents, which would be a great pity.

The noble Baroness, Lady Secombe, said that she was fortunate to live in Warwickshire, and I endorse that—it is second only to God's own city, of course. I was delighted to hear about the opening of a new community pharmacy in the premises of a bank. That is good, and I welcome the four schemes to which the noble Lord referred. I have no objection whatever to that, but the problem is that overall the package of proposals reducing the funding will put many community pharmacies at risk; they will often be in vulnerable areas and will reduce patient choice. The point that I put to him is that I do not think we are making as much use of community pharmacies as we could.

The 2012 changes took many community pharmacies away from the table. With PCTs, they were more around the table. CCGs at first did not have the responsibility for community pharmacy contracts, although I think they have more influence now. But we have to be realistic: GPs are not always as supportive of community pharmacies taking on more work as one would wish them to be. Some of that is about finance, and where it goes. Alongside the issue of funding, which I hope will be reviewed, I hope the Government will see how we can ensure at a local level that community pharmacies are heard more, have more influence and contribute much more, because I believe they have the professional skills to do so.

Finally, it was a great pleasure to hear the noble Lord, Lord Deben, talk about the impact of this measure on the environment and climate change. We sometimes forget that the desire of the NHS to centralise many of its services can lead to more car miles. I hope we will take that factor into account in the future.

This has been a very good debate. One thing on which we are all united is the role of community pharmacies, which is a very good thing indeed. I beg leave to withdraw my Motion.

*Motion withdrawn.*

## **Financial Guidance and Claims Bill [HL]** *Order of Consideration Motion*

5.10 pm

*Moved by Baroness Chisholm of Owlpen*

That the amendments for the Report stage be marshalled and considered in the following order:

Clause 1, Schedules 1 and 2, Clauses 2 to 13  
Schedule 3, Clauses 14 to 16, Schedules 4 and 5,  
Clauses 17 to 20, Title.

*Motion agreed.*

*House adjourned at 5.11 pm.*

