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PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS
OFFICIAL REPORT

ORDER OF BUSINESS

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

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

No party affiliation is given for Members serving the House in a formal capacity, the Lords spiritual, Members on leave of absence or Members who are otherwise disqualified from sitting in the House.

House of Lords

Tuesday 6 March 2018

2.30 pm

Prayers—read by the Lord Bishop of Rochester.

Death of a Former Member: Lord Stewartby

Announcement

2.36 pm

The Lord Speaker (Lord Fowler): My Lords, I regret to inform the House of the death of the noble Lord, Lord Stewartby, on 3 March. On behalf of the House, I extend our condolences to the noble Lord's family and his friends.

Israel and Palestine

Question

2.37 pm

Asked by ***Lord Polak***

To ask Her Majesty's Government what action they are taking to promote coexistence between Israelis and Palestinians.

Lord Polak (Con): My Lords, I beg leave to ask the Question standing in my name on the Order Paper. In doing so, I refer the House to my non-financial interests recorded in the register.

Baroness Stedman-Scott (Con): My Lords, I thank the noble Lord for his Question. Ultimately, the only way to achieve coexistence is through a negotiated two-state solution that ends the occupation and delivers peace for both Israelis and Palestinians. This is why the UK continues to support renewed peace negotiations between the parties. The UK is also supporting work that helps create the necessary environment for a two-state solution, including by providing up to £3 million over three years to support coexisting programming.

Lord Polak: I thank my noble friend the Minister for her Answer. I warmly welcome last week's announcement of the impending visit to the region of His Royal Highness the Duke of Cambridge—a first official royal visit to Israel and a great way to celebrate its 70th anniversary. I also welcome the Government's support for coexistence programmes, which lay the foundation for peace. For example, Israeli doctors and nurses at the charity Save a Child's Heart have provided life-saving surgery for over 2,000 Palestinian children at the Wolfson hospital in Holon, which many Members of your Lordships' House have visited. Does my noble friend agree that the Government should support projects such as this?

Baroness Stedman-Scott: Save a Child's Heart is clearly doing admirable work. We recognise that its programmes have been commended by a number of UK parliamentarians. The UK supports of coexistence work to foster understanding between communities on both sides of the conflict to help support the necessary environment for a just and peaceful two-state solution.

Lord Anderson of Swansea (Lab): My Lords, any bridge-building on our part—I am sorry.

Baroness Stedman-Scott: It is good to see noble Lords so excited about these things. DfID's £3 million co-existence programme will facilitate interaction between youth leaders and religious communities and strengthen co-operation in the health sector. This will help Israelis and Palestinians to work together to achieve tangible improvements in their lives and build understanding between people. There are currently no plans to fund Save a Child's Heart as part of DfID's coexistence programme. DfID's programme will help tackle a neglected tropical disease with co-operative engagement from health academics and senior health representatives for the well-being of both populations. We welcome the announcement of the forthcoming visit to the region of His Royal Highness the Duke of Cambridge.

Lord Singh of Wimbledon (CB): My Lords, does the Minister agree that two-state solutions do not have a happy record and simply turn latent ignorance and prejudice into lasting enmity? We look at the partition of India into two states, when several million people were killed immediately and tens of millions were displaced. Closer to home, we can look at the island of Ireland and the conflict that has resulted there. Would it not be much better to look for the commonalities and common aspirations of the two communities and build on those rather than to divide a country and then have permanent enmity?

Baroness Stedman-Scott: I thank the noble Lord for his question. He does well to remind us of historical difficulties, which make it hard to achieve peace in difficult circumstances. However, we firmly believe that ultimately, the best way to promote coexistence is through a just and lasting resolution that ends the occupation and delivers peace for both Israelis and Palestinians.

The Archbishop of Canterbury: My Lords, the Minister recognises the importance of coexistence, which has been supported by the status quo nunc, established at the Sublime Porte by the Sultan in 1852, which has maintained coexistence between the Christians and the other communities in the Old City of Jerusalem since that date through times of war and peace. Following the welcome announcement after the recent crisis of discussions between the municipality of Jerusalem and the State of Israel and the heads of churches, will the Minister comment on how Her Majesty's Government will support those discussions to bring about a re-establishment of the status quo and the continued flourishing of those churches, with their charitable work for coexistence?

Baroness Stedman-Scott: I thank the most reverend Primate for his question. It is not our place to comment on internal Israeli and property matters. However, we have concerns over Israeli legislation when it is applied to the Occupied Palestinian Territories, including east Jerusalem. The consul-general in Jerusalem and embassy in Tel Aviv are following matters closely. These are complex issues but we will do all we can to help the situation.

Baroness Northover (LD): My Lords, does the Minister accept that, while both peoples need to learn to coexist, coexistence and military occupation are not easily compatible? Can she reassure the House that no project will be funded that will in any way normalise occupation or undermine Britain's long-standing opposition to settlements as illegal under international law?

Baroness Stedman-Scott: I thank the noble Baroness for her question. We continue to press the parties on the need to refrain from actions that make peace more difficult. Settlement construction is a significant barrier to achieving this goal, as are terrorism, incitement to violence and the refusal by some to acknowledge Israel's right to exist. The UK's position is clear, and our long-standing position on the Middle East peace process is clear too. We support a negotiated settlement, leading to a safe and secure Israel living alongside a viable and sovereign Palestinian state, based on 1967 borders with agreed land swaps, with Jerusalem as the shared capital of both states, and a just, fair, agreed and realistic settlement for refugees. This will be difficult but we must try.

Lord Collins of Highbury (Lab): My Lords, I welcome what the Government have attempted to do in funding projects, but we should be trying to amplify that work by working with our allies to ensure that they, too, make similar funding arrangements, working with the European Union and, not least, the United States, which has indicated that it will stop a lot of funding for Palestinians. Just what are the Government doing to ensure that others join us in this good work?

Baroness Stedman-Scott: I thank the noble Lord for his question. Our Government will work with all our allies to make sure that everything we do, we do together to make the situation better.

Agriculture: Gene Editing

Question

2.44 pm

Asked by ***Viscount Ridley***

To ask Her Majesty's Government what plans they have to encourage the use of gene editing in agriculture.

Viscount Ridley (Con): My Lords, I beg leave to ask the Question standing in my name on the Order Paper and, in doing so, I refer to my farming interests as listed in the register.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, the Government welcome research involving gene editing in this country and overseas in helping to breed pest and disease resistance into crops and animals more efficiently than is possible using traditional breeding methods. We see technological innovation as key in increasing productivity and sustainability in agriculture. This research is being carried out under the appropriate controls. We are committed to proportionate regulation that protects people, animals and the environment.

Viscount Ridley: I thank my noble friend for that reply. On the point about regulation, is he aware that Brazil, Argentina, Chile, Canada, the US and Sweden all now say that CRISPR and other gene-editing technologies should be regulated like any other plant-breeding technology—only faster and safer—and that Australia is about to follow suit? The Advocate-General of the European Court of Justice has strongly recommended the same course of action. Therefore, does my noble friend agree that the UK should urgently make a similar announcement to encourage the development of this economically and environmentally beneficial technology here in the UK?

Lord Gardiner of Kimble: My Lords, we are in communication with the regulators in the countries that my noble friend has referred to and are aware of the decisions that they have made. Those decisions are made on a case-by-case basis and that is the approach that we are taking. We agree that gene-edited plants, for instance, which could have been produced by traditional breeding do not need to be regulated as GMOs. In fact, the Government intervened in the ECJ case. I am aware of what the Advocate-General said and thank the United Kingdom for the helpful intervention. We are now waiting for the court's judgment.

Lord Grantchester (Lab): My Lords, I declare my interests as listed in the register. As the Minister said, the European Court of Justice will certainly decide this year whether gene editing will fall under the EU's genetic modification in agriculture regulatory framework. Bearing in mind the implications not only for agriculture but for food and the Irish border, is this not another reason to stay within a customs union, or will the Government wish to set a new framework in order to agree a trade deal with America?

Lord Gardiner of Kimble: My Lords, under the European Union (Withdrawal) Bill we will bring the EU regulatory framework into UK law. As I said, this matter is for consideration on a case-by-case basis. We already know that the John Innes Centre in Norwich, for instance, is undertaking work on oilseed rape. This is all about ensuring that the 15% to 25% of the pods that shatter are no longer shattered by gene editing. There are all sorts of ways in which we can gain enormous benefits from gene editing, and that is why I am encouraged by what the Advocate-General has said.

Lord Deben (Con): Is my noble friend aware that gene editing plays a very important part in helping agriculture to fight climate change, and does he accept that we need to move fast on that if we are to meet the needs that the Government have adumbrated in their *Clean Growth Strategy*?

Lord Gardiner of Kimble: My Lords, I agree with my noble friend. The work undertaken in this country and around the world on a case-by-case basis could be immensely important in terms of climate change and hunger, as well as in dealing with disease and pests in animals and plants. We in this country believe that we should advance these techniques.

Baroness Miller of Chilthorne Domer (LD): My Lords, at least gene editing does not bring with it the threat that GMO technology used to bring. Nevertheless, when the Minister uses the term "more efficiently" in relation to gene editing, I think that he means "more quickly". However, speed can cover up some of the issues that can still arise with gene editing. Therefore, will the precautionary principle still apply?

Lord Gardiner of Kimble: My Lords, as I said, this is about different research into different areas, and we believe that this is a force for good for the reasons that I have articulated. It is about advancing our knowledge of pests and diseases and enhancing animal welfare. Whether it is the work at the Roslin Institute at the University of Edinburgh on diseases in pigs—for instance, African swine fever—or other research, all this work on gene editing could make a remarkable difference and represent an advance in animal welfare. Those are the reasons we think it is a force for good.

Lord Cameron of Dillington (CB): My Lords, I hope the Government are aware that these techniques developed in the UK could be beneficial to the wider world and its environment. Built-in resistance to pests and diseases means a big reduction in the use of chemicals in the developing world, where it is very hard to train smallholder farmers in the use of chemicals. Are the Government aware that in-built drought resistance could be crucial for sub-Saharan Africa? I hope the Government will encourage our research facilities to become world leaders in these techniques for the sake of the developing world's smallholder agriculture.

Lord Gardiner of Kimble: My Lords, these techniques will be a force for good, not only in this country but particularly in helping the rest of the world feed itself. Therefore, we should advance this innovation. Certainly, our industrial strategy and our agritech strategy are designed to help agriculture, both domestically and around the world.

Lord Winston (Lab): My Lords, as a professional gene editor, I wonder if I might add one tiny comment. In spite of the massive enthusiasm for gene editing, its results are invariably uncertain and, to some extent, unpredictable. Will the Government take that into account when they consider it, particularly in respect of animals and animal welfare?

Lord Gardiner of Kimble: My Lords, your Lordships' House has many experts and I am conscious of my lack of knowledge. However, it is absolutely crucial that there are proper procedures. That is why there are well-established controls and why the use of animals in experiments and testing is regulated under the Animal (Scientific Procedures) Act. That is precisely for the reason that we want to advance animal welfare.

Brexit: Aviation

Question

2.51 pm

Asked by ***Lord Kirkhope of Harrogate***

To ask Her Majesty's Government, following the appointment of their General Aviation Champion, when they will set out how future regulation of general aviation will be handled after the United Kingdom's withdrawal from the European Union; and how this will fit in with plans to reform United Kingdom airspace policy.

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Sugg) (Con): My Lords, regulatory oversight of general aviation is shared between the European Aviation Safety Agency and the Civil Aviation Authority. As the Prime Minister made clear in her speech last Friday, we will seek participation in the EASA system after we leave the European Union. The UK's airspace modernisation programme, together with the aviation strategy, aims to provide a framework that enables industry, including general aviation, and communities to continue working together to deliver airspace modernisation while managing the environmental impacts of aviation.

Lord Kirkhope of Harrogate (Con): My Lords, speaking as a GA pilot, I am very interested in success in that sector and in controlled airspace. Can my noble friend confirm that, as the review takes place, we will be looking at the possibility of reducing, not just increasing, controlled airspace to the advantage of that sector? The Minister referred to EASA. Can she please clarify that, in our negotiations for continued involvement with EASA, we will also be negotiating our position to remain members of the various committees under EASA? Can she clarify what our proposals are for international airspace access in the wider setting outside Europe?

Baroness Sugg: I thank my noble friend for his question. The Government absolutely recognise the importance of the general aviation sector, the economic footprint of which is an estimated £3 billion. On controlled airspace, as my noble friend will know, airports often want to increase controlled airspace for safety reasons, which are of course paramount, but when making decisions on airspace changes proposals, which can absolutely consider a reduction in controlled airspace, the CAA has a duty to consider the interests of all stakeholders, including general aviation.

Lord Sugar (CB): My Lords, in respect of airspace modification, the Americans have for many years used GPS technology for airport approaches. This has resulted in the greater movement of traffic and greater efficiency. The Civil Aviation Authority has, up until now, had two experimental GPS approaches, one in Lydd and the other in Cambridge. Does the noble Baroness know when GPS approaches will be rolled out?

Baroness Sugg: The noble Lord is right: we are currently looking to roll out GPS use as part of our programme to modernise the airspace, which is well overdue. Planes currently have to fly lower and for longer to avoid the routes, and so modernisation and the introduction of technology will benefit the environment.

Baroness Randerson (LD): My Lords, Brexit will probably mean additional bureaucratic hurdles for leisure and private pilots and planes flying to the rest of the EU. Can the Minister confirm whether this has been discussed in negotiations so far with the EU and the US? Can she further confirm whether a report in today's *Financial Times* is accurate when it states that

[Baroness Randerson]
the US has so far offered us only a "standard bilateral agreement", which would be a problem to our major airlines which have large foreign shareholdings?

Baroness Sugg: The Government have yet to start detailed transport negotiations with the European Union. The Prime Minister confirmed on Friday the ambition to seek participation in the EASA system, and we stand ready to continue those conversations as soon as we are able. I do not recognise the description of the talks with the US on a new UK-US air service agreement. The talks have been positive, we have made significant progress and both sides want to conclude these discussions soon.

Lord Trefgarne (Con): My Lords, I declare my interests in this matter as set out in the register. Is my noble friend aware of the threat being faced by a number of smaller aerodromes in south-east England used by general aviation and how much it welcomes the remarks made yesterday on the national policy guidelines?

Baroness Sugg: My Lords, I thank my noble friend for that question. There will always be competing needs for housing and other uses of land, including for the general aviation industry. As my noble friend has rightly pointed out, yesterday the Government launched the new National Planning Policy Framework consultation, and the draft text for this consultation strengthens the language on airfields and aviation networks. It states that all planning policy should,

"recognise the importance of maintaining a national network of general aviation facilities".

The Government have appointed a new general aviation champion, Byron Davies, who will be looking at this.

Lord Tunnicliffe (Lab): My Lords, in announcing the appointment of the general aviation champion, Byron Davies, the Minister acknowledged the economic importance of general aviation, particularly smaller airfields, and the need for protection of airspace. Will she make sure that the role of general aviation in creating the next generation of airline pilots is held in the balance because, without general aviation to create that new generation, British aviation in general could be seriously damaged?

Baroness Sugg: I agree with the noble Lord on the importance of supporting general aviation. The skill sector within it currently supports more than 38,000 jobs, nearly 10,000 of them directly related to flying and the remainder in manufacturing. It is key that we continue to support this industry and those who are learning their skills in it.

Baroness Tonge (Non-Afl): My Lords, while I welcome the jolly sounding appointment of a general aviation champion, will he—I think it is a he—be able to stop the now totally unaffordable third runway at Heathrow airport and thus lift the scourge on south-west London?

Baroness Sugg: I am afraid I will have to disappoint the noble Baroness in that our general aviation champion will not be dealing with the proposed new runway at Heathrow.

Lord Balfe (Con): My Lords, clearly general aviation is going to have its demands but also this week we have been talking about the Government's housing policy. Can the Minister tell the House how general aviation and the housing demand will be fitted together in the move forward?

Baroness Sugg: The general aviation champion is tasked with establishing a strategic network of aerodromes which will ensure the balance between transport and housing development priorities.

Lord Cormack (Con): My Lords, why is he a champion and not a tsar?

Baroness Sugg: Because Byron Davies is a Welshman, and we decided to call him the general aviation champion.

Democratic Republic of the Congo

Question

2.58 pm

Asked by ***The Archbishop of Canterbury***

To ask Her Majesty's Government what is their response to the escalating violence and suppression of peaceful protests across the Democratic Republic of the Congo.

The Earl of Courtown (Con): My Lords, the UK remains committed to supporting peaceful elections in the Democratic Republic of the Congo. We repeatedly call on the Government to respect their citizens' constitutional right to peaceful protest. Those responsible for the violence towards civilians, including peaceful protesters, must be brought swiftly to justice. The Minister for Africa, Harriett Baldwin MP, will reiterate the importance of fully implementing the political agreement signed on 31 September 2016 when she meets Prime Minister Tshibala on 7 March.

The Archbishop of Canterbury: My Lords, given the prevailing anarchy across the country which the central Government in Kinshasa seem unable to control and of which I was reminded when in conversation with the Archbishop of the Congo this morning, and given that the war has created 2 million refugees who are now living in conditions of immeasurable suffering and 4 million casualties over the past 20 years, along with the sad weakening of the already overstretched MONUSCO forces in recent months, are the Government prepared to use their influence on the P5 to seek to reinforce those MONUSCO forces and find ways of serving the poorest and most desperate of that region? What practical steps apart from merely speaking to Prime Ministers can the Government find to ensure that the commitments to elections are undertaken?

The Earl of Courtown: My Lords, I pay tribute to the most reverend Primate for his knowledge and the many visits he has made over the years to this area of Africa. MONUSCO's mandate will be renewed this month. We will work with our partners at the United Nations to ensure that the mission's priority remains the protection of civilians. In order to achieve this, we believe that the key lies in making MONUSCO a more effective force. Our ambassador and his team are working with the newly appointed head of MONUSCO, Leila Zerrougui, and her team to support MONUSCO's work in restoring stability to the country. We will also work directly with a number of provincial governors across the country in order to deliver vital humanitarian and development aid. We will focus even more of our development effort at provincial level in the coming months.

Lord McConnell of Glenscorrodale (Lab): My Lords, the last election in the Democratic Republic of the Congo now seems a long time ago. Given the success of ECOWAS in the west of Africa in ensuring that presidents leave office at the end of their terms, is it now time—with new Governments in southern Africa and elsewhere—for us to invest more in the regional organisation SADC to build capacity for the future rather than continue to pursue a dialogue with the Government of the Democratic Republic of the Congo, which seem unwilling to listen or to learn?

The Earl of Courtown: My Lords, I thank the noble Lord, Lord McConnell, for his question. The fact is that President Kabila, under pressure from the US and the African Union, has allowed the electoral commission to put forward a calendar for elections in December. Even imperfect elections and a widely accepted transfer of power would be a measurable step forward. Our medium-term objective is to help deliver orderly and credible elections so that the Congolese people can vote for a new president. However, I have taken note of the other comments made by the noble Lord.

Lord Chidgey (LD): My Lords, President Kabila is now protected by the so-called "M23 Rebels", who have regrouped for "special duties" which include butchery, murder and child rape. The United States and the EU have imposed targeted sanctions, including freezing assets and on business transactions, against Kabila's chief of staff, General Olenga, and eight other senior officials. What guidance does our Congo trade envoy receive on avoiding the officials who are associated with these sanctions? Further, when did the Government last hold discussions about this crisis with US Ambassador Nikki Haley and the Kabila critic the President of Botswana, Seretse Khama?

The Earl of Courtown: My Lords, I shall take the last question first. As the noble Lord is aware, Botswana has a strong record of supporting improved human rights in the DRC. At the Human Rights Council last June, Botswana supported a resolution that, among other things, encouraged the DRC to intensify its efforts to put an end to violence in its territory and underlined the centrality of the agreement of 31 December 2016. The noble Lord mentioned our trade envoy. In fact, at present there is no trade envoy from the United Kingdom in the Congo. As regards anyone trying to carry out work in that part of the world, we have a duty to provide frank advice to any businessmen seeking to operate in the DRC.

Lord Alton of Liverpool (CB): My Lords, in a country where 5.4 million people died in the second Congo war, has the Minister seen the United Nations report that agents of the state have murdered more than 1,000 people in the last year, and that the mutilated body of an outspoken critic, Father Florent Tulantshiedi, was found on Friday last, recognised only by his clerical collar? Given that President Kabila is today meeting multinational mining companies to seek increased royalties—in a country where people live on less than 80p a day—is it not time that economic leverage was used to challenge and bring to an end state-sponsored anarchic violence and unspeakable corruption, which lines pockets while children starve and critics are executed?

The Earl of Courtown: My Lords, the noble Lord, Lord Alton, paints a pretty grim picture of life in the DRC. There has been some movement in bringing people to account. In the last protest on 25 February, where three people were killed, the authorities identified the officers responsible for the deaths, who are now facing judicial proceedings. This is a change from previous practice. On all occasions when we have contact with the DRC Government, we emphasise the importance of human rights and how, putting it bluntly, they have to clean up their act.

Lord Collins of Highbury (Lab): My Lords, one of the sad facts about the DRC is that intercommunal violence has been exploited by politicians, parties and warlords, and we certainly want to ensure that people are held to account. But in terms of the longer situation, will the noble Earl pick up what my noble friend Lord McConnell said about working with the African Union and neighbouring countries to ensure that we focus on building community cohesion and peacebuilding efforts to try to stop the cycle of violence?

The Earl of Courtown: The noble Lord makes a very sound point. As he is aware, the United States has great traction in the DRC, but in reality the African Union and regional levers will potentially have the greatest impact. On conflict resolution, which both noble Lords commented on, we are part of the international security and stabilisation support strategy. This focuses on five stabilisation pillars: democratic dialogue; security; restoration of state authority; return, reintegration and recovery; and sexual and gender-based violence.

Waste Enforcement (England and Wales) Regulations 2018

Motion to Approve

3.07 pm

Moved by ***Lord Gardiner of Kimble***

That the draft Regulations laid before the House on 25 January be approved. *Considered in Grand Committee on 27 February*

Motion agreed.

Laser Misuse (Vehicles) Bill [HL]

Third Reading

3.07 pm

Bill passed and sent to the Commons.

National Planning Policy Framework

Statement

3.08 pm

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, with the permission of the House, I will repeat a Statement made in the other place yesterday by my right honourable friend Sajid Javid, the Secretary of State for Housing, Communities and Local Government. The Statement is as follows:

"Mr Speaker, with permission, I wish to make a Statement on planning reforms that will help get our country building and deliver the right homes in the right places of the right quality. It cannot happen soon enough.

An entire generation are the victims of a housing crisis as prices and rents race ahead of supply. The average house price in England in 2017 was nearly eight times average income. Families in their early 30s are half as likely as their parents to own their home. This does not just hold these people back; it holds our country back.

For young people in this country, it is frankly disheartening when you do not see your hard work rewarded and see the dream of a home of your own—something your parents took for granted—remain just that: a dream. It is hard in these circumstances to feel that you have a stake in society, and we all lose out when that happens.

That is why this Government have taken action on all fronts to turn this situation around—efforts that are starting to bear fruit. We inherited a situation in 2010 where annual housebuilding had fallen to its lowest level in peacetime. Since then, we have delivered more than a million homes. And last year saw the biggest increase in housing supply in England, of more than 217,000 new homes, for almost a decade, the biggest annual increase in all but one of the last 30 years, with planning applications on a high and set to boost these numbers even further.

We have helped hundreds of thousands of people on to the housing ladder through Help to Buy. We are working to encourage landlords to offer longer tenancies and will promote more homes for rent on family-friendly, three-year tenancies in Build to Rent schemes. We are cracking down on rogue landlords and abuse of leaseholds, and taking steps to make renting fairer and tackle homelessness through earlier intervention.

We have launched a new, more assertive national housing agency, Homes England. We have launched an independent review led by my right honourable friend the Member for West Dorset on the gap between planning permissions granted and homes built. We are putting billions of pounds into the affordable homes programme and delivering essential infrastructure through the Housing Infrastructure Fund.

However, we know that there is a lot to do to deliver 300,000 homes a year in England by the middle of the next decade. Planning is an important part of that journey. Today, we are taking the crucial next step with the launch of consultations on the revised National Planning Policy Framework—the NPPF—and the reform of developer contributions. These measures set out a bold, comprehensive approach for building more homes more quickly in the places where people want to live—homes that are high quality and well designed, that people are proud to live in and to live next door to, and that are at the heart of strong, thriving communities—with much clearer expectations on local authorities and developers to deliver on their commitments, unlock land, fulfil planning permissions, provide essential infrastructure and turn those dreams of decent, secure and affordable homes into reality.

To that end, the revised National Planning Policy Framework implements around 80 reforms announced last year and retains an emphasis on development that is sustainable and led locally. But it also involves a number of significant changes. For the first time, all local authorities will be expected to assess housing need using the same methodology, which is a big improvement on the current situation where different councils calculate housing need in different ways, wasting time and taxpayers' money. A standardised approach will establish a level playing field and give us a much clearer, more transparent understanding of the challenge we face.

But perhaps one of the biggest shifts is a change in culture towards a focus on outcomes achieved—the number of homes delivered in an authority's area—rather than on processes like planning permissions. As it becomes easier to make plans more streamlined and strategic, this culture change will also encourage local authorities to work together to meet their communities' needs.

We are also confirming the important protections for neighbourhood planning—plans produced by communities—that we introduced in December 2016 to guard against speculative applications. And we are going further, beyond the reforms that we previously consulted on. We are giving local authorities the tools to make the most of existing land, with an even stronger drive for increasing density, particularly in areas where housing need is high, and supporting councils to build upwards—but it will not be at the expense of quality, with high design standards that communities are happy to embrace remaining a priority.

These reforms also include more flexibility to develop brownfield land in the green belt to deliver on affordable housing need where there is no harm to the openness of the green belt. I know that even the mention of the words 'green belt' may cause some concern, but let me assure honourable Members that this is about building homes on sites that have been previously developed and not about compromising in any way existing protections that govern the green belt.

Our green spaces are precious and deserve our protection, which is why the Government are delivering on our manifesto commitment to give stronger protection to ancient woodland, demonstrating that you do not have to choose between improving the environment

and delivering the homes we need; we can do both. So we are raising the bar across the board—for protecting our natural world and for local authorities to be more ambitious and accountable so that places such as London no longer deliver far fewer homes than they need. In areas such as the capital, where demand and affordability are going in different directions, it is especially important that there is less talk and more action, and it must be action that is more strategic and more realistic about housing need. Stronger leadership is needed to bring people together across sectors and boundaries.

That said, it is not all down to local government. Developers must also step up to help us continue to close the gap between planning permissions granted and homes built. In doing so, it is vital that developers know what contributions they are expected to make towards affordable housing and essential infrastructure, and that local authorities can hold them to account. However, we all know of instances where developers make these promises and later claim they cannot afford them. In truth, the current complex, uncertain system of developer contributions makes it too easy for them to do this and puts off new entrants to the market. This is not good enough, which is why we are proposing major reforms to developer contributions. As part of these reforms, areas will be able to agree a five-year land supply position for a year, reducing the need for costly planning appeals involving speculative applications.

I recognise that swift and fair decisions are important at appeal. To that end I will shortly announce an end-to-end review of the planning appeal inquiries process, with the aim of seeing what needs to be done to halve the time for an inquiry to conclude, while ensuring that the process remains fair. Going forward, we will continue to explore further significant reform of developer contributions, and there are other areas where we are considering pushing boundaries to really boost housing supply, including a new permitted development right for building upwards to provide new homes and finding more effective ways of supporting farmers to diversify and support the rural economy.

We will keep a strong focus throughout on making sure that we are exploring all avenues to meet everyone's housing needs, whether that means implementing an exception site policy to help more people onto the housing ladder, giving older people a better choice of accommodation, giving planning authorities and developers the confidence to deliver good-quality, well-managed build to rent that serves a growing number of renters, or encouraging local policies for affordable homes that cater for essential workers such as nurses and police.

By giving everyone, whether they are renting or buying in the social or private sector, a stake in our housing market we give everyone a stake in our society. That is why I encourage honourable and right honourable Members and anyone who wants to see today's generation enjoying the same opportunities as their parents to get involved and contribute to the consultations I have announced today. They will run until 10 May and I look forward to announcing the implementation of the National Planning Policy Framework in the summer. I am confident that the bold and ambitious measures we are proposing will have a huge impact, not just on the number of homes built but ultimately on people's prospects and our prospects as a country, ensuring that no local authorities or developers can any longer be in any doubt about where they stand, what is expected of them and what they must do to help fix our broken housing market and deliver the homes that the people of this country need and deserve. I commend this Statement to the House".

3.18 pm

Lord Kennedy of Southwark (Lab Co-op): My Lords, I thank the noble Lord, Lord Bourne, for repeating the Statement delivered in the other place yesterday. I draw the attention of the House to my relevant registered interests as a councillor in the London Borough of Lewisham and a vice-president of the Local Government Association. It is a disappointing Statement, not in all of what it proposes to do but in how timid the proposals are and with the wrong focus.

Since 2010 the number of rough sleepers in England has trebled to almost 5,000 last year. The number of households living in temporary accommodation has risen almost continuously since 2010. The latest figures had 79,000 households in temporary accommodation, including 121,000 children, as I have referred to in this House before. Wage-to-mortgage differentials are making owning your own home, as the Statement says, only a dream. The ratio of wages to affordable rents in many parts of England means that in reality these are unaffordable for most people. Some of the measures in the consultation may make a difference but, as with all the Government do in the Ministry of Housing, Communities and Local Government, it is too little, too slow and the actions never quite meet the rhetoric.

It is regrettable that, despite all of us agreeing that there is a housing crisis and that we need to build more homes, council housing and the contribution that additional council housing could make are not mentioned at all in the Statement. There is one reference to,

"in the social or private sector",

in the concluding remarks. The solution to the housing crisis will not be found just within the planning process or with developers—affordable homes that in large parts of the country are unaffordable for most people, or increased permitted development rights, which further exclude the local community from the planning process and other measures. We need to allow local authorities to build council homes and housing associations to build more homes on social rents. It will make a real difference to the housing crisis; where people are on benefits it will help reduce the Government's housing benefit bill; it will help take the heat out of the market; and it will contribute to delivering the improvements to housing that we all want to see in terms of the numbers and the quality of the homes built, with appropriate infrastructure.

Planning departments have taken a huge cut in recent years and the increase in fees that has been allowed is welcome but it is still not enough. Again, I have called many times for full cost recovery on fees. I have suggested that the Government should find one council to pilot full cost recovery but so far they have refused to do that. There are still more than 400,000 approved planning permissions where not even one

[Lord Kennedy of Southwark]
brick has been laid. I agree very much with the comments of the Local Government Association chair, the noble Lord, Lord Porter of Spalding, who said:

"If we want more houses, we have to build them, not plan them".

Can the Minister explain why his friend in the other place, the Secretary of State, returned money earmarked for affordable housing to the Treasury? We have a broken housing market, as the Government keep reminding us, so why is the department not making every effort to spend every single penny to build the homes we need? If one area cannot use the money why can it not be used elsewhere? Can the Minister tell the House what work the department has done to see where money could be spent quickly if it is returned from other areas?

Can the Minister give us some idea of the timescale once the consultation has finished? There are a number of consultations going on in the department at the moment—for example, on letting agents' fees and electrical safety checks—which I have raised regularly. At some point will we get some real, concrete action? It would be helpful if the Minister could tell us.

With regard to achieving sustainable development, I warmly welcome the comments about protecting ancient woodland and veteran trees. That is very good. But can the Minister say a bit more about how the Government propose that we really do achieve sustainable development, particularly with those authorities that are under delivering on housing in their own areas?

The noble Baroness, Lady Cumberlege, is in her place. I recall our discussions about plan-making last year. Can the Minister comment on plan-making and permitted development—is there a conflict there? If we are increasing permitted development rights in local areas and a local plan has been agreed, is there a conflict? Perhaps the Minister could comment on that.

We all agree that we need to deliver high-quality homes. I am very conscious that Governments of all persuasions made some terrible mistakes in the 1960s and 1970s in the quality of the homes they built. I do not want to see us build homes that are not of good quality and in years to come our successors have to deal with another problem with the quality of housing we have in our communities.

It is not in the Statement but the consultation includes the viability of town centres. We need our communities to be sustainable in terms of infrastructure, and town centres are really important. Can the Minister say a little bit about that? It is not just the planning; issues such as business rates are also important.

Finally, the consultation also talks about sustainable transport. Transport needs to be built into communities as well. I am conscious that we have a number of new towns. Ebbsfleet is one; I have asked a number of questions about that recently. There is some more work to be done to make sure that these new towns succeed.

I will leave my comments there and look forward to the Minister's response.

Baroness Pinnock (LD): My Lords, I draw attention to my registered interests as a councillor in the local borough of Kirklees and as a vice-president of the Local Government Association. The consultation document that the Government have issued details new changes and collates existing measures into an amended NPPF. The details will obviously be the subject of detailed debate at a later date. Today, we have the headlines of the general thrust of government policy on the planning process and housebuilding.

Over the past few days, the media have been full of rhetoric and what I regard as the unedifying spectacle of the Government in full blame-game mode. The blame is on local planning authorities for failing to allocate sufficient land and be efficient in the planning process; the blame is on developers for failing to build allocated sites. But planning for housebuilding depends on three key players: government, the local planning authorities and developers. All need to work together if housebuilding is to achieve the targets rightly set by government. Resorting to a blame game does nothing but create a negative atmosphere.

The Government must consider and be transparent about their role in the planning process. When local authorities develop their strategic plans, it is with clear expectations of housing numbers and site allocations set by government. Once this plan is signed off by councils, it is then inspected for soundness by a government-appointed planning inspector who can, and often does, recommend changes to the plan—recommendations which are difficult to refuse. So despite the rhetoric, it is the Government who are setting the broad requirements and enabling the loss of green-belt land. Can I suggest to the Minister that some clarity of leadership in these matters would be more effective than exhortations and blame? Constructive leadership from government would be more effective in getting the minority of local authorities that have not succeeded in fulfilling government expectations to do so.

Moreover, despite their protestations, evidence shows that developers do land bank, waiting for prices and consumer confidence to rise. Developers are reluctant to build low-cost housing because profit margins are lower—thus not building all the house types in the numbers that are needed. None of this will change without government policy changes, so I welcome the proposal for an investigation into land banking, as long as it leads to actions that restrict it.

If this country is to provide an adequate supply of housing to meet individual needs, more fundamental changes are needed than are being proposed. Perhaps the Minister can respond to some of these issues. First, there is pressure on the south-east because the Government do not have an economic regional policy that draws investment away from the south-east. Developing one would be a significant aid to housing policy. Secondly, that word "affordable" should be abandoned in relation to housing. It is misleading because affordable is what it is not: it is just not as expensive. Thirdly, the National Planning Policy Framework should be amended to enable councils to specify in their strategic plans different housing types on each site allocation: for example—there is some reference to this in the consultation document—housing for older and disabled people. Councils must be encouraged to take responsibility for building homes for social rent. These changes are sadly missing from the consultation. Exhortations to use brownfield sites will fall on deaf ears if the Government fail to provide

support for the remediation of sites which are severely contaminated—I speak from bitter experience in my own area.

Finally, perhaps the Minister will be able to explain the Government's financial commitment to enabling development through providing funding for essential infrastructure. I am not referring to the infrastructure fund. Currently, government policy appears to be to pass on the infrastructure costs of the development that the Government want either to the developers via the community infrastructure levy and Section 106 funding or to local people through a new tax, the infrastructure tariff that I read is part of the proposals. Will the Government change their tune away from the destructive blame game to purposeful leadership so that we can get the housing that this country and its people need in the places that they need it in a sustainable way that does not take away precious green belt land?

Lord Bourne of Aberystwyth: My Lords, I shall respond to the contribution of the noble Lord, Lord Kennedy, and then turn to that of the noble Baroness, Lady Pinnock. The noble Lord made a very wide-ranging contribution that went well beyond the Statement. I will endeavour to pick up the points, but a lot of his contribution seemed to be on what was not in the Statement, rather than what was, but I shall try to deal with the issues he raised.

First, his mention of rough sleepers enables me to thank local authorities and charitable workers for their magnificent response during the period of very cold weather we have just had. I know that my honourable friend the Minister, Heather Wheeler, has already spent time doing just that, and it is right that we do that. Some lessons have been learned and in that process we have been getting details of people who are rough sleepers, which will help tackle that problem. Let us be clear that it is unacceptable, and the Government have set out clear policies. We now have a Minister who is focused on the issue.

The noble Lord then turned to earnings in relation to affordability. He and others have used that phrase so I will use it, and it does describe the situation. This issue is crucial to the Statement and was dealt with in it, but I have to tell the noble Lord that the steepest earnings to affordability rise was in the Labour years, when it doubled, and the lowest peacetime build-out rates were also in the Labour years. I accept that we need to move forward and look at the issues, which we are addressing. As far as I am concerned, this is not about a blame game, and I will come to that point shortly, if I may, in answering the noble Baroness. This is about building more houses and a mix of houses and stating, once again, that the neighbourhood planning process is very much the right one. We took the Bill in question through to statute recently, and there was a consensus, largely. We are all committed to this neighbourhood approach, and I pay tribute to my noble friend Lady Cumberlege, who was very much part of that process. We are still very much committed to it; it is central to what we are doing, but that does not mean that the Government step away and do not have a policy on housing.

The noble Lord asked when some of these consultations will be ending. There are not that many consultations out at the moment. Two are referred to here, one on the NPPF, which ends on 10 May. As the Statement says, we anticipate carrying that forward in the summer. The other one is on developer contributions. That also ends on 10 May, and we would not want to hang about when it reports. A consultation is out on build-out rates and land banking. It is not announced in this Statement as it is already in process. It is an independent review being carried forward by Sir Oliver Letwin. It will report this year, I am sure, but that is a matter for him. We will want to take it forward. The other review, which was widely welcomed, is on the house-buying process, but that is a somewhat different area.

The noble Lord referred to the policy on ancient woodland, and I pay tribute to the noble Baroness, Lady Young, who evocatively referred to,

"the cathedrals of the natural world",—[*Official Report*, 17/1/17; col. 161.]

and knew the way to progress this area. I am very pleased that it is included. There is, no doubt, still work to be done, but it is important. This is the first time it has been mentioned in planning guidelines, and that is also true of housing for older people, and I pay tribute to the noble Baroness, Lady Greengross, and others who helped on that. Design is also a central feature of this. Those three issues were raised and developed in the House of Lords, and I am very pleased that we have been able to carry them forward.

The noble Lord asked about the viability of town centres. The Prime Minister talked about that very issue and its importance when she launched this policy yesterday. This is something we want to carry forward: releasing property above shops and looking at whether empty shops are viable as homes if they are not viable as shops. They are very often near stations or other transport hubs, so we need to look at that, which is tied in with the issue of the future of our town centres.

The noble Baroness, Lady Pinnock, said she did not want a blame game and then proceeded to blame the Government—presumably starting from 2015 rather than 2010, when of course the Liberal Democrats were part of the Government. It is not about the blame game; it is about carrying the policy forward and ensuring that everybody does what they can to help with this issue. There are many things we can do, as a Government, as developers and as local authorities. In particular, the noble Baroness did not want us to blame developers. I hope we are not doing that, but she then went on to talk about the scandal of land banking, which sounded to me as if she was prepared to blame them. We want to look at that, and we have it under review. There is a genuine issue—I feel it too—with people who are keeping land and not developing it as they should, but that is part of the ongoing review. That was not announced yesterday, but some time ago, and is being carried forward.

The noble Baroness referred to a lack of regional policy. The policy on housing numbers is very much tied to each separate housing authority—to the price of housing in that area. The areas with the steepest prices are required to take the most action, in very broad terms, so this is integral to what we are doing. She referred to the need for housing for older people, which, as I have said, is in the National Planning Policy Framework for the first time ever. We need to work

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on it. She referred to the importance of brownfield sites, which I quite agree with. If she wants to address the issue of remediation, which she mentioned, I am very happy to talk to her about it and to look at it, but of course, we require local authorities to come forward with registers of brownfield land and to have a policy of building on brownfield first, before they look at green-belt land. The noble Baroness also talked about how we are looking to transfer some responsibility for delivery on to developers through the community infrastructure levy and Section 106—you bet we are. That exists at the moment, so I hope she is not suggesting we should take it away. We also have a policy of putting money in from the Government, through the housing infrastructure fund.

I do not want to indulge in the blame game. All the main parties in the Chamber have been in government since the war, including the Liberal Democrats, so blame can be fairly apportioned among political parties. This is about looking to the future and how we can deliver more houses in our country.

3.37 pm

Lord Naseby (Con): Is my noble friend aware that this is the first time for 25 years that we at least have a policy with hope for those who want to rent and those who want to buy? For those who want to rent, next to no council housing has been built in the United Kingdom for over 20 years—which covers the Labour Government, the Liberal-Conservative Government and the Conservative Government. On top of that, there has been no action on the ground on rogue landlords. Finally, every young couple wants to buy. They want their own home. My noble friend talked about a number of things that will be of enormous benefit, but missing from that list was a firm commitment on Help to Buy. Will that continue? Lastly, my noble friend knows that I take a particular interest in new towns and garden cities. I heard no mention of either of those two phrases. Will he confirm that they are firmly in the forefront of the Government's thinking?

Lord Bourne of Aberystwyth: My Lords, I thank my noble friend. To deal with that last issue first, new towns are central to our delivery of additional housing. I know he has taken a particular interest in this issue so he will be aware of the progress referred to by the noble Lord, Lord Kennedy, on Ebbsfleet, which is ongoing. He will know that we are committed to new towns and new villages in the corridor between Oxford and Cambridge, which he is particularly interested in. Within the foreseeable future we are talking about not just expanded towns such as Bicester, but at least five additional new towns as part of that delivery.

He referred to rogue landlords. We are doing work on that issue, as he will know, and some of the provisions of the Housing and Planning Act concerning registers of rogue landlords will be coming into force shortly, in April. Those who suffer at their hands will be comforted by that—I know it is an issue. Also, local authorities can levy civil fines on rogue landlords of up to £30,000.

The noble Lord referred to the importance of diversity of delivery, and to help for those who want to purchase their homes. That is important but we are committed to diversity. It is not just about buying a home of your own; many people do not want that but want to rent. We need—

Lord Campbell-Savours (Lab): My Lords—

Lord Shipley (LD): My Lords—

Lord Howarth of Newport (Lab): My Lords—

Lord Bourne of Aberystwyth: If I may just finish—it is good to know that this subject has excited so much interest—it is important that we recognise that there is diversity of supply, and that is central to what we are seeking to do.

Lord Campbell-Savours: My Lords, there are no real initiatives on the cost of land but we know that agricultural land fetching £15,000 to £20,000 an acre sells with planning permission for £2 million to £4 million an acre, making huge profits for landowners. Why are the Government not taking action on these excessive profits?

Lord Bourne of Aberystwyth: My Lords, I thank the noble Lord for that question because we are indeed taking action. The review of developers' contributions, which is open until 10 May, is very much looking at the issue. In addition, of course, the housing formula policy in relation to building authorities should build the price down in the areas of the greatest expense. This is very much about all parts of the housing issue, including developers, playing their part. That is why we have this review—it is about ensuring that developers contribute fairly in relation to the prices they are getting for land and the sales they make.

Lord Tebbit (Con): My Lords, does my noble friend have any answer to the dilemma posed by the fact that any measure that might reduce the price of new houses and help first-time buyers would of itself run the risk of putting existing mortgage holders into negative equity?

Lord Bourne of Aberystwyth: My Lords, my noble friend makes a very good point, the answer to which is, realistically, that we are reversing a process. The price increase process will slow and will halt over time, but I do not seriously think that we can expect large falls. We can see a levelling off over time.

Lord Shipley: My Lords, I remind the House of my interests in the register. I welcome the Government's proposal to get tough on viability assessments and to close the viability loophole. I thank the Minister for his letter yesterday to Members about the Statement. Why is there only an expectation that viability assessments will be publicly available? If the Government plan to increase accountability, surely there should be a requirement to make viability assessments publicly available.

I wish to ask also about the absence from the Statement of social housing for rent. There have been previous discussions about the publication date of the Green Paper on social housing. It seems to be repeatedly deferred, yet the only way 300,000 new homes, net, can

be built each year is through empowering councils to build more homes—and that implies building more homes for social rent.

Lord Bourne of Aberystwyth: My Lords, I thank the noble Lord for what were essentially two questions. The most important point is the assessment of viability but, if I may, I will get back to him on the transparency issue; it seems a fair point but I would like to have a look at it.

There are two specific reasons why we do not tackle the issue of social housing in the Statement. The Statement is talking about the housing need and housing delivery across the board; it does not seek to apportion it between different types of housing. However, as the noble Lord will know and I have repeated many times, we are committed to more social housing. As he has rightly said, a review is coming up. It has not been postponed: it is due in the spring—that is what I can offer him—and obviously, there will be more detail in it.

Lord Bassam of Brighton (Lab): My Lords, the Minister referred to the need for a diverse mix of housing forms, and that is obviously a very good thing. He is very good at putting a gloss on government policy, but the fact is that since 2010 something like 60,000 social houses—council, local authority and housing association—have been sold off under right to buy, and only 10,000 new council houses have been built. When will we see a reversal of that policy and the expansion of a sector that is speediest in delivering new homes for rent at prices that people can afford?

Lord Bourne of Aberystwyth: My Lords, first, I thank the noble Lord very much for the praise, if it was such, which I am sure has done me a lot of damage on my Benches. He will know that the lowest delivery of social houses since the war was under the Labour Party. That said, we have committed to making more money available for social houses. It is about diversity, but I certainly will not make any apologies for the right to buy: it is a policy we have rightly championed because many people, possibly most, want to purchase their own homes, and anything we can do in that regard as a political party we should. I am sorry his party does not want to do the same. Yes, we need to deliver more social houses and we will do so: he can expect announcements on that.

The Countess of Mar (CB): My Lords, is the Minister aware of the unforeseen consequences of the right to buy on rural exception sites? These are small patches of land that landowners either donate or sell at a cheap price for housing and which they understood, when they gave it, was in perpetuity. The right to buy overrides that right. This means that young people in villages who cannot afford current prices are being forced into towns. They cannot work in their home locality and villages are now becoming dormitory towns for commuters, who can afford the high prices, or for elderly people. What is happening there? Because many of these village developments are fewer than 10 houses, what will the Minister do about the loophole through which builders can get away with not building affordable housing—housing at rents or prices that people can afford, as opposed to the rather euphemistic use of the word "affordable"—in future?

Lord Bourne of Aberystwyth: My Lords, I thank the noble Countess. The issue here is affordability for people in villages and rural areas. She will know that it was addressed, I think, in the Statement, but certainly in a previous answer I gave on the need to help people in farming communities to purchase homes in rural areas. It is something the Prime Minister gave voice to when she launched the policy and to which the Secretary of State, my right honourable friend Sajid Javid, is very much committed. We are looking at that issue but, again, I make no apology for the right to buy.

Baroness Gardner of Parkes (Con): My Lords, my interest is already declared. Although everyone thinks—or most of us do—that it is marvellous that housing will be available, there is a hole in the bottom of the bucket where all existing leasehold properties are so much at risk and so fast being converted into tourist activities, that we have to more than counterbalance that. Why are the Government so unwilling to involve local authorities in some scheme to police that and keep such housing available for people to live in?

Lord Bourne of Aberystwyth: My Lords, without going into that issue in too much detail—not because I do not want to but because I know my noble friend has a specific Question on tourist activity tomorrow—it is possible to overstate the significance of tourist activity in encroaching on housing. If my noble friend will forgive me, I think she sometimes does that. There is an issue with compliance with the law, which is quite separate, but I have not seen evidence of such effects from tourist activity. We encourage people to take advantage of the sharing economy so that families are able to benefit from competitive prices. I think that is a good thing.

Baroness Young of Old Scone (Lab): I thank the Minister for the Statement and for the very welcome increased protection for ancient woodland that has resulted from the useful dialogue we have had over the last year. I also welcome the toughening up of the viability assessment process. It is true that those developers and local authorities that insisted on transparency have done a great service to local people, who can understand some of the commitments included in those assessments. However, we must be very careful that the housing delivery test for local authorities does not bear down on them to the point where they are so desperate not to lose their planning powers that they simply abandon the prospect of the right home in the right place and focus instead on homes anywhere, at any cost to the environment. There is increasing evidence that local authorities feel that they simply must produce viable land commitments and local plans that deliver the housing target at the expense of environmental considerations. May I press the Minister to tell us what safeguards will be put in place to make sure that the housing delivery test does not become overbearing?

Lord Bourne of Aberystwyth: My Lords, I thank the noble Baroness once again for the work she did in championing the cause of ancient woodlands, including organising a visit for the two of us to somewhere east of Newark-on-Trent. That sounds like an Alistair MacLean novel. It was a very useful visit, and I am glad we have been able to do something in that regard.

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The noble Baroness welcomed the viability test. On the housing targets that she talked about, so that housing authorities do not feel that they have to deliver homes of substandard quality, let us say, because of having to reach the numbers, we have made the importance of design integral to the NPPF. As a nation, we have not been imaginative enough on this but, of course, we need to be realistic about the demands placed on local authorities. They can work on common ground with neighbouring authorities, for example, to deliver. They are obliged to look at brownfield first; we do not want them to use green-belt land, except as very much a last resort, and that has to be justified, just as it does now. All the safeguards are there, but it is something we will watch like hawks.

Lord Stunell (LD): My Lords, quality is important and has perhaps been somewhat set aside in the Statement made so far. The homes that we build next year will still be here in 2030 and 2050, when the Climate Change Act and the sustainable development goals kick in. Is the apparent weakening of the new-build sustainability criteria in the draft NPPF just infelicitous, accidental wording, or does it represent a change in government policy?

Lord Bourne of Aberystwyth: My Lords, the noble Lord will be reassured to hear that quality is very much central to our thinking; it is one of the things that we are very proud of in the NPPF—that we have got that there. It is something that, as a nation, as I say, we have fallen down on before. We have quite separately from the Statement, as he will know, promoted self-build, which is normally associated with higher quality by its very nature. In the Chancellor's recent Statement, made before Christmas, we provided help for smaller builders, which again is often associated with better quality. We are also doing what we can to promote pre-build modular design, which used to be called prefabs and are now of a very significant design quality. Those things will help to ensure that we deliver far better quality and consistent quality, knowing, as the noble Lord said, that these homes are here for generations and more.

Viscount Waverley (CB): My Lords, on the point that the Minister touched on, would it not be part of a seamless solution to make commitment and delivery central to the terms for developers being awarded licences and emulate, for example, the hydrocarbon industry in following the mantra, "use it or lose it", with strict timing criteria agreed by all parties at the start of the whole process?

Lord Bourne of Aberystwyth: I am grateful to the noble Viscount. The "use it or lose it" mantra is a very good one. As I have indicated, this is being looked at by my right honourable friend Oliver Letwin, MP for West Dorset. He is leading this review and, I know, working hard on it. I am sure he will regard this as important and come up with some radical solutions on the work that we have given him.

Earl Cathcart (Con): My Lords, I remind noble Lords of my interests given in the register, especially as a landlord. Given that timber-framed homes can be built quicker than, and at half the cost of, traditional ones, and being carbon neutral they are better for the environment, what are the Government doing to encourage developers to build these homes, which are cheaper, more affordable and better for the environment?

Lord Bourne of Aberystwyth: My Lords, I am grateful to my noble friend for a very constructive suggestion, which builds on our discussion of the question asked by the noble Lord, Lord Stunell. He is absolutely right that it is important to learn the benefit of timber-framed homes. This type is used a lot in Scotland and many other countries. It is sometimes appropriate to look elsewhere, and this may be so for housing design. As he rightly said, they are carbon neutral, which helps with climate change issues. Giving help for self-build and encouraging smaller builders is also part of it. I thank the noble Lord and will take his points back to the department.

Lord Howarth of Newport: Is the Minister aware that, according to Oxford Economics, the number of dwellings in London rose faster than the number of households in the period 2001 to 2015, yet house prices continued to inflate? Does he accept that encouraging more housebuilding, necessary as it is, will not be sufficient to create a market that works for everyone, not just those who are asset rich? Will he discuss with the Treasury ways to reduce the attractiveness of housing as a speculative investment, working gradually and purposefully towards the removal of subsidies and tax breaks, taxing speculative foreign investment entering the UK housing market and penalising owners of empty homes, while doing more to increase the relative attractiveness of investments that actually increase productivity in the real economy?

Lord Bourne of Aberystwyth: My Lords, I thank the noble Lord for that question. I am certainly aware of some of the problems relating to London. The noble Lord, Lord Kennedy, referred to money going back to the Treasury, and I think I am right in saying that £64 million was handed back to the Treasury by the GLA and the mayor. The noble Lord might not have been aware of that. In the recent Budget, we raised the cap on borrowing by councils by £1 billion in 2019, which will help. The noble Lord is right that these things cannot be done without finance, but I think he would accept that, in a market system, ensuring that we are building more in the areas of greatest need and highest prices will have a market effect and should deliver over a period of time, though not overnight.

Baroness Janke (LD): What plans do the Government have on the holding of vacant sites and land banking? Would they consider enabling local authorities to levy a tax on unused sites, as part of the Government's proposals?

Lord Bourne of Aberystwyth: My Lords, the noble Baroness raises an issue of some importance. As I indicated, the issue of land banking is being looked at by a review by Sir Oliver Letwin that predated yesterday's Statement. We want to see what his conclusions and recommendations are and then carry it forward. I know that this issue concerns noble Lords around the House. We will obviously look at it in the round when we see what Sir Oliver's proposals are.

Secure Tenancies (Victims of Domestic Abuse) Bill [HL]

Report

3.58 pm

Clause 1: Duty to grant old-style secure tenancies: victims of domestic abuse

Amendment 1

Moved by ***Lord Bourne of Aberystwyth***

1: Clause 1, page 1, line 7, leave out "already" and insert "or was"

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, before I speak to the amendments in my name, and with the permission of the House, I will say a few words about a number of issues which arose during debates in Committee, and which I undertook to speak to again on Report.

During the debate, I said that I would like to come back on Report and say something in relation to housing associations. I appreciate that noble Lords desire to see parity for tenants of local authorities and housing associations, but it is important to be clear that the organisations are very different. They are subject to different drivers and challenges. Local authorities are public sector organisations, and in future they will generally be required by law to give fixed-term tenancies. Housing associations, on the other hand, are private, not-for-profit bodies and will continue to have the freedom to offer lifetime tenancies where they think them appropriate. The vast majority of housing associations are charities whose charitable objectives require the organisation to put tenants at the heart of everything that they do. Their purpose is to provide and manage homes for people in housing need.

Many associations take their responsibilities for people fleeing domestic violence very seriously. For example, two leading housing associations, Peabody and Gentoo, have set up the Domestic Abuse Housing Alliance together with Standing Together Against Domestic Violence, a UK charity bringing communities together to end domestic abuse. Their mission is to improve the housing sector's response to domestic abuse through the introduction and adoption of an established set of standards and an accreditation process.

Housing associations play a critical role in delivering the homes that we need. They can help provide a home for people fleeing domestic abuse only if they have the homes to put them in. This means ensuring they remain in the private sector able to borrow funding free of public sector spending guidelines. Unnecessary control risks reversing the ONS classification of housing associations as private sector organisations.

On the issue of doctors' fees, which I know the noble Lord, Lord Kennedy, will also return to later, the noble Lord raised the issue of letters of evidence of domestic abuse. In my response I said that as data subjects, which we all are under the Data Protection Act, individuals can lawfully ask to be provided with their medical records without charge, thus obviating the need for a letter altogether. As I said at the time, I had not had very long to look at the issue and would like to take the opportunity to clarify the statement.

It is true that, as a data subject, an individual can ask to be provided with a copy of their medical records. From 25 May this year, when the General Data Protection Regulation becomes directly applicable, a data subject—that is, an individual—cannot be charged a fee except where a request is manifestly unfounded or excessive, or where requests are made for further copies of the same information, in which case the fee must be reasonable and based on the administrative cost of providing the information. Therefore, the law as it will stand when this Bill comes into force will allow a victim to make a request for their records and not to be charged. However, the law on data protection as it stands at present allows an administrative charge to be made. Currently, the *Subject Access Code of Practice* states that a GP may charge a maximum fee of up to £10 if the information is held electronically, or up to £50 if it is held either wholly or partly in non-electronic form.

I thank the House for letting me put the record straight on this point. I think many of us feel that it is a very germane issue. I am sure that many GPs do not charge for this service—I should imagine that very few do. However, as a result of the exchange that we had and the general feeling that was evident, after looking at the issue I raised the matter with the Department of Health and Social Care in relation to a review of the doctors' contract, because this issue is part of the doctors' contract and I can understand that it would not want to look at this on its own. Successive Governments have looked at doctors' contracts and obviously grouped issues together, but I know that the department will look at this. I have raised it with the department. The House will want to know that the process of looking at representations about the doctors' contract commences in April this year, as I understand it, so the department will be able to take that issue on board very shortly.

During both Second Reading and Committee, we discussed co-operation between England and the devolved Administrations where victims of domestic abuse need to move from one country to another within the United Kingdom. I said that I intended to raise this at the next meeting of the devolved Administrations round table, which is to be held in Cardiff on 19 April. I can tell the House that I have written to my opposite numbers in the devolved Administrations to ask that this issue is put on the agenda for the April meeting in Cardiff. In particular, I have let them know that I would like to explore whether we could develop a joint concordat or memorandum of understanding between the four countries of the United Kingdom on our approach to social housing and cases of domestic abuse. I will be very happy to report back on that issue after the meeting on 19 April.

The next issue that I undertook to look at during Report was in relation to training. During Committee, noble Lords discussed training of local authority officials who will be responsible for the exercise of the duties contained in the Bill. I accepted the points raised by the noble Baronesses, Lady Lister and Lady Hamwee, and the noble Lord, Lord Shipley, regarding the need

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for consistency in training to ensure that victims of abuse get the support they need from front-line staff, which I shared with officials responsible for the homelessness code of guidance consultation. I also set out the numerous ways in which the Government are supporting local authorities to train their front-line staff to ensure consistency, including the funding we provided to the National Practitioner Support Service for domestic abuse awareness training in 2016, which resulted in the training of 232 front-line housing staff across nine English regions and the production of an online toolkit, and to the National Homelessness Advice Service—the NHAS—to provide training, which included courses covering domestic abuse and homelessness. This NHAS training is being updated to reflect the Homelessness Reduction Act, and we will ensure that the revised material draws attention to the strengthened guidance on domestic abuse contained in the new code of guidance.

I add that we have since published the updated statutory homeless guidance on 22 February. In case noble Lords are unaware of that, I will circulate it to noble Lords who participated in the debate and will place a copy in the Library. This will come into force at the same time as the Homelessness Reduction Act comes into force, on 3 April this year, so within a month. The guidance provides extensive advice to help local authorities handle cases that involve domestic abuse, including having appropriate policies and training in place to identify and respond to domestic abuse.

Amendments 1 to 4 are in my name and in the names of the noble Baronesses, Lady Lister and Lady Hamwee; I am grateful for the support. The Bill provides that local authority landlords must grant a lifetime tenancy if they decide to rehouse an existing lifetime tenant who needs to move because of domestic abuse or who has fled to escape domestic abuse. It delivers on the commitment made during the passage of the Housing and Planning Act 2016 to ensure that, where lifetime tenants move to escape domestic abuse, they will retain their security of tenure in their new social home. Where victims are still in their property and apply to move, they will also be covered by the Bill. However, we recognise that, where a victim has fled the property, she—it will generally be she, although it need not be—will be more vulnerable, first, because there may be situations in which she may be considered to have lost her security of tenure and, secondly, because she may have lost her lifetime tenancy altogether before she is rehoused.

To give examples of this, in the first case, where the victim has a sole tenancy the local authority may consider that the tenancy is no longer secure on the basis that, having fled, she no longer occupies the property as her sole and principal home and has no intention to return. In the second case, where the victim has a joint tenancy, the joint tenant who remains in the property may have brought the joint tenancy to an end, for example, because he—it will usually be he, although it need not be—can no longer cover the rent. This is likely to be most problematic for victims who spend a lengthy period elsewhere—for example, in a refuge or temporary accommodation—before they are rehoused, or where victims move to another local authority area.

As currently drafted, the Bill would not apply in these situations. That struck me as wrong. As I said previously, the Government's aim in bringing forward the Bill is to remove an impediment that could prevent a victim leaving their abusive situation. However, it is not right that someone who takes the difficult decision to flee their home should by so doing risk losing the protection afforded by the Bill.

Amendment 1 will address this issue by extending the Bill to those who were previously lifetime tenants, as well as those who currently are lifetime tenants. Amendment 2 removes the requirement for the tenant to have applied to move, which is no longer necessary, consequent to Amendment 1, which recognises that the tenant may have left the previous tenancy some time ago.

Amendments 3 and 4 align the existing provisions in the Bill, which relate to victims moving to a new home, with the new provisions in Amendments 5, 7 and 8, which the noble Baroness, Lady Lister, has tabled, and which relate to victims who remain in their home. This will ensure a consistent approach across the piece.

Amendment 3 makes clear that the domestic abuse must have been perpetrated by another person. This is included to prevent a perpetrator seeking to profit from the provisions in the Bill by asking for a new tenancy on the basis that someone in their household was abused by them. It is necessary to provide a link between the abuse and the granting of the new tenancy to avoid local authorities having to grant a lifetime tenancy with regard to historic domestic abuse that has no relevance to the current housing circumstances.

Amendment 4 brings the wording of the existing provision in line with that of the new provision to be introduced by Amendments 5, 7 and 8. This will ensure consistency across the Bill while retaining the necessary link between the new tenancy and the abuse. We think that this will make it easier for those who have to interpret the legislation—local authorities, victims of domestic abuse and their advisers. I hope that noble Lords will welcome these changes. I beg to move.

Baroness Lister of Burtersett (Lab): My Lords, I am very pleased to be able to support these amendments. I shall speak briefly to Amendment 4 but will say a bit more about it when we come to the next group of amendments. The key issue here is to remove the notion of risk. Talking to Women's Aid, it is clear that, in practice, having to prove risk creates unnecessary hurdles, and I can do no better than quote what it says in the briefing that it has provided for us:

> "Women's Aid has reported widely on the issues with a 'risk-based' approach to domestic abuse; static risk assessments fail to capture the changing risk and harm in these cases, and a risk based approach fails to provide appropriate support or meet the needs of victims assessed as 'low' or 'medium' risk".

It makes the point that it places an even greater premium on good specialised training to be able to adequately assess risk in these circumstances. Therefore, I am delighted that the Minister was willing to make that change. As well as creating equivalence with the next amendment, I think that it improves the Bill overall.

Baroness Hamwee (LD): My Lords, my name is added to these amendments. I congratulate the noble Baroness, Lady Lister, and thank the Minister for all the work that they have done.

I have just written a short piece on scrutiny and have written mostly about the need to engage with stakeholders and practitioners—people who know what they are talking about. Although I take great delight in asking whether "and" should be "or" and so on, that is not really the purpose of scrutiny. However, this seems to be a very good example of those who have experience of real situations working together to anticipate where there might be problems if the legislation is not changed, as it has been. Therefore, I congratulate them and feel rather privileged to have been able to tack my name on to these amendments.

Lord Kennedy of Southwark (Lab Co-op): My Lords, as this is my first contribution to the proceedings on the Bill today, I draw the attention of the House to my interests listed in the register—in particular, the fact that I am a councillor in the London Borough of Lewisham and a vice-president of the Local Government Association.

Amendments 1 to 4, proposed by the noble Lord, Lord Bourne of Aberystwyth, and supported by my noble friend Lady Lister of Burtersett and the noble Baroness, Lady Hamwee, have my full support. The amendments in themselves might look quite small but they provide a clarity that is needed following examination of the Bill by noble Lords. A number of conversations have been held outside the Chamber to get the wording right.

I thank the noble Lord, Lord Bourne, for the clarification at the start of his contribution and for the information that he has provided to the House today. Generally, his remarks are very welcome and I thank him for them. I also thank him for his personal support in getting the Bill on to the statute book to correct an error in the Housing and Planning Act 2016. As I have said before, it is not a good piece of legislation—I think it is an example of "act in haste and repent at leisure". There have been one or two other problems with that legislation, as the noble Lord knows. I am very happy to support these amendments.

Lord Bourne of Aberystwyth: My Lords, I thank the noble Baronesses, Lady Lister and Lady Hamwee, and the noble Lord, Lord Kennedy, and will pick up on just a couple of points. I agree very much with the noble Baroness, Lady Lister, about the key point being to remove the notion of risk. Through her and through this contribution, I thank Women's Aid for the positive engagement that we have had with it. As an organisation, it is exemplary in many ways and I thank them. I accept, and not grudgingly, the need for good, specialised training—that is central to this.

I thank the noble Baroness, Lady Hamwee, for generously adding her name to this amendment and for her positive contributions during the course of the Bill. I agree that, once again, working together, not just outside the House but within it, has engaged many people on the importance of tackling this issue and has been central to the passage of the Bill.

I thank the noble Lord, Lord Kennedy, for his characteristic generosity and his full support as we have taken the Bill through the House. It is very helpful to be able to engage with an opponent who is certainly not a political enemy—far from it—and who wants to engage positively. That has certainly helped with this Bill.

Amendment 1 agreed.

Amendments 2 to 4 agreed.

4.15 pm

Amendment 5

Moved by ***Baroness Lister of Burtersett***

5: Clause 1, page 1, line 15, at end insert—

"(2AA) A local housing authority that grants a secure tenancy of a dwelling-house in England must grant an old-style secure tenancy if—

(a) the tenancy is offered to a person who was a joint tenant of that dwelling-house under an old-style secure tenancy, and

(b) the authority is satisfied that—

(i) the person or a member of the person's household is or has been a victim of domestic abuse carried out by another person, and

(ii) the new tenancy is granted for reasons connected with that abuse."

Baroness Lister of Burtersett: My Lords, in moving Amendment 5, I will speak also to Amendments 7 and 8, in my name and those of the noble Lord, Lord Bourne of Aberystwyth, and the noble Baroness, Lady Hamwee. Their support underlines the fact that this is a genuinely cross-party amendment made possible by the willingness of the Minister to take on board the one substantive concern that we and the Liberal Democrat Benches have about the Bill: namely, that it did not afford protection to survivors of domestic violence who remain in their home and who are granted a new tenancy in place of an existing joint tenancy. It was extremely helpful that the Bill team was willing to engage with the lawyers advising me—Andrew Arden QC and Justin Bates; I am very grateful for their assistance—in reaching a form of wording for the amendment that was mutually satisfactory.

For the record, I want to note that the amendment I tabled in Committee was not technically deficient in the way that the Minister described. However, it did, as he pointed out, maintain an unintended link to removing the risk of further abuse. Happily, in doing so, it led me to question why that link was there at all because, as noted in relation to Amendment 4, there are problems with it. Women's Aid then advised me that the inclusion of a reference to such a risk relies on housing officers being trained to recognise the potential ongoing risk a perpetrator may pose, which, as I said, can cause problems. I will return to the question of training in a moment, and I am grateful to the Minister for updating us on his thinking on it.

At this point, I too pay tribute to Women's Aid, not just for the support it has provided on this Bill but for the vital work it does helping survivors of domestic abuse. It was good to hear the tribute from the Minister, and I am sure that Women's Aid will very much appreciate it.

I will repeat briefly the case for the amendment. We tend to talk about women fleeing domestic violence, because that is the most common scenario: the woman

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escapes a harmful and dangerous situation and tries to find a place of safety, often in a refuge and often in another local authority area. But there are cases where the perpetrator is removed by the local authority or the police. Indeed, it would appear to be government policy to encourage this where it is safe for the woman to remain in the home and she does not want to leave it. This is partly to avoid the upheaval involved in moving home, for the women themselves and for their children, and, even under the old legislation, partly a desire not to lose the security of an existing secure tenancy. But the policy to encourage the removal of the perpetrator where safe to do so is also motivated by a desire to prevent him—we have noted at an early stage that it is usually "him"—from benefiting from the abuse by driving his partner from the home, as spelled out in the recent consultation document, *Improving Access to Social Housing for Victims of Domestic Abuse*.

I suspect it is a situation that might become more common, although we are talking very much about a small minority now. But even if it is a small minority, minorities matter. Where it is the perpetrator who leaves the home and there is a joint tenancy, I am advised that it is usual practice for a new sole tenancy to be granted in the name of the survivor. This amendment is crucial to protecting the rights of a survivor granted a sole tenancy in such circumstances, in line with the rights it affords to those who flee the home.

A theme running through our debate hitherto has been that in order to ensure that this very welcome legislation is effective, there needs to be adequate guidance to housing authorities and training for the officers who will be implementing it, as the Minister acknowledged earlier. At the outset he seemed to indicate that this was unnecessary because guidance and training already exist but, as is his wont, he listened and has taken on board the fact that there is considerable room for improvement in both, given the gap that exists between the theory of what is supposed to happen in local authorities and the practice of what actually happens when it comes to meeting the housing needs of domestic abuse survivors in a consistent and effective way. As a consequence, housing authorities' responses can present barriers to survivors' access to safety.

I was heartened when the Minister at an earlier stage said he would be taking a close personal interest in the development of the code and would consider the various submissions made by Women's Aid and others. Officials have now had a constructive meeting with Women's Aid to discuss this and its helpful note on training needs. Women's Aid has emphasised to me the importance of consistency, and that requires good guidance and high-quality, comprehensive specialist training. A few examples of good practice, such as those highlighted by the Minister in Committee—welcome as they are—are not enough. Specialist training, it argues, needs to cover, among other things, the nature and impact of domestic abuse and coercive control; the links between domestic abuse and homelessness; identification of those subjected to it; recognition of the insidious effects of victim-blaming beliefs and attitudes; effective and safe practice, including risk assessment, multi-agency working and the importance of treating survivors with dignity and respect, which are crucial to a human rights culture.

On attitudes and appropriate treatment, I have learned from colleagues working in the area of poverty that the involvement of service users in training can be beneficial. A project involving people with experience of poverty in the training of social workers helped social workers understand much better what poverty means and how it can affect the people with whom they work and their behaviour. I was heartened by what the Home Secretary said in her recent *Times* article on the proposed domestic abuse strategy consultation. She said that,

"survivors and their children are at the heart of this consultation",

and that,

"we will keep listening to experts and survivors".

It is good to know that not all Ministers believe we have heard enough from experts.

However, my point is that survivors bring their own expertise to the table—expertise by experience. That expertise is invaluable both to the Government in developing their strategy—I hope that when they are developing their strategy, survivors of domestic abuse will be involved in the consultation—and to those being trained to assess the housing needs of survivors.

In Committee I raised the question of how the Government may monitor the effectiveness of this and other legislation in relation to the housing needs of domestic abuse survivors as part of the wider domestic abuse strategy. Perhaps the Minister can comment on that now.

Finally, I remind noble Lords that at Second Reading colleagues from around the House expressed concern about plans to change the funding base of refuges. In response to the opposition expressed by NGOs to the proposal for devolution of funding to local authorities—ring-fenced but, along with all short-term supported housing services, we do not know how long for—the Government have committed to considering all options. This is welcome, although it is disappointing that there was no mention of this in the Home Secretary's *Times* article, which referred to the proposal in terms all too reminiscent of those used to justify the devolution of funds from the national social fund to the new local welfare assistance schemes, many of which are now being closed or drastically cut back. I do not expect the Minister to say anything about this at this stage but I hope he will take the message back to his colleagues both in his Ministry and the Home Office.

I have said more than enough, given the broad agreement on this amendment and the need to back it up with adequate guidance and training. I beg to move.

Lord Shipley (LD): My Lords, I remind the House of my interest in the register as a vice-president of the Local Government Association and I pay tribute to the work of the noble Baroness, Lady Lister of Burtersett, and of my noble friend Lady Hamwee. They have done a great deal to secure what seems to be an agreed and agreeable outcome. The process in this Bill so far has been a good example of the House working at its best. I also want to pay tribute to Women's Aid, in part because of the quality of its briefings and in particular for reminding us of the funding issues which

still remain. I hope very much that the Minister will bear in mind the points that have been made by Women's Aid.

I want to add only one or two points. In Committee I said that training is very important for this to work, and I was glad to hear the Minister refer to it in his opening remarks. To be effective, staff really will have to understand in great detail the processes that they should be following. I cite in particular the example of where a victim moves between local authorities with possibly a significant distance between the two. We need effective systems and networks in place for that to function properly. I have two suggestions to make as to how it might be done.

The first is one that I think I mentioned in our last debate. The training should be sub-regional; in other words, it is very important that the people in different local authorities who deal with these matters should know each other so that they know who to contact if there is an issue, and they should be trained together. Secondly, because the training is sub-regional, it would help if there were named contacts in every local authority who would be seen as the point of expertise not only within the authority concerned but also more generally. They are the people who should be contacted and they would maintain the files, particularly on difficult cases such as those requiring confirmatory evidence and so on.

With those two suggestions, I should like to thank the Minister very much indeed for getting us to this point. It is a positive outcome to our discussions over recent weeks.

Lord Kennedy of Southwark: My Lords, Amendment 5, proposed by my noble friend Lady Lister of Burtersett, is one that I fully support. She must be congratulated on pursuing this issue. As we have heard, the amendment puts into the Bill provisions to ensure that the protections set out in it apply to a victim of domestic violence who is living in a secure joint tenancy and stays in their home when the perpetrator leaves or is removed, as well as to victims who leave their homes.

This anomaly was first raised by my noble friend during the Second Reading debate on the Bill and she deserves much credit for persuading the Government that there was a real issue here and getting them to accept the amendment, as indeed the noble Lord, Lord Bourne, has done. He has shown himself to be prepared to listen carefully and look at the very real issues raised by my noble friend. I join others in paying tribute to the important work being done by Women's Aid and I think that we all recognise the great job it does. Representatives of Women's Aid have also engaged very positively with me during the passage of the Bill and I thank them for that.

I will not detain the House any further other than to say that I am very pleased that this amendment is going to be agreed shortly.

Lord Bourne of Aberystwyth: My Lords, as is indicated by my name being on the amendment, the Government are more than happy to accept it and the related amendments. The noble Baroness, Lady Lister, and I have worked together on them and therefore I have put my name down in support of them. As others have done, I pay tribute to her for working openly, determinedly and always pleasantly with me and my officials to ensure that these amendments are fit for purpose and improve the Bill. I also thank other noble Lords for their positive engagement.

The Government's aim in bringing forward the Bill was to address a narrow but important issue; specifically, to remove an impediment that could prevent the victims of domestic abuse from leaving their abusive situation for fear that they might lose their security of tenure if they moved to another social home—an issue that was brought to the attention of the House by the noble Baroness, Lady Lister. We recognise that there is a strong case for extending the same level of protection to those lifetime tenants who have suffered domestic abuse but wish to remain in their home after the perpetrator has left or, having taken temporary refuge elsewhere, wish to return to their home once the perpetrator has been removed. These amendments will ensure that where local authorities offer a new tenancy to a lifetime tenant in their own home, this must be for a further lifetime tenancy where the tenant is a victim of domestic abuse.

The amendments have been drawn widely. They will protect victims of domestic abuse where the perpetrator has moved out of the property and either tenant has terminated the joint tenancy. They will also cover the situation where the landlord has sought a court order to terminate the tenancy after the victim has fled but agrees that the victim can move back into the property once the perpetrator has been evicted. The new provision applies to those who had a joint tenancy, rather than to existing joint tenants—that is to say, it requires that the previous tenancy must have come to an end before a new tenancy can be granted. I agree that this is the right approach as it will obviate the risk that there could be two concurrent tenancies of the same property. These amendments, together with Amendments 1 to 4, which we have just addressed, will ensure that the Bill covers the circumstances in which a victim of domestic abuse who has or had a lifetime tenancy seeks a new tenancy as a consequence of that abuse.

4.30 pm

I turn to some of the points that have been made. I agree about the importance of the consistency of training across England, and indeed more widely, although here we are concerned just with England. I will keep noble Lords abreast of what is happening with that. As I said, some important information was published on 22 February, which I will get to noble Lords, as I am not sure that they have it at the moment, and place a copy in Library.

On the monitoring of the impact of the Bill, we will be watching this like hawks. I will be talking to officials as to how we ensure that the data we collect—we collect data on all social housing lettings through CORE, which collects data in this area—will enable us to see precisely what is happening nationally on this to provide a consistent approach. Again, I will update noble Lords on that as we go forward.

On the broader points made about the commitment of the Home Secretary and the Prime Minister to domestic abuse legislation, it is total. They are both very committed to this. The Prime Minister was previously Home Secretary, of course. This was very much central

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to the thrust of what she wanted to do when she became Prime Minister. It was very high, if not number one, on her agenda. It is important that noble Lords are aware of that. That will help progress in that area.

On the point that the noble Baroness, Lady Lister, raised on being open about and looking at funding, she is absolutely right. It is important that we recognise that there is a national dimension to the funding of refuges, not least because people very often are fleeing from the area where they live, understandably, to another area. Also, specialist services could not necessarily be provided on a local basis. There is an important local dimension as well. We are trying to square those things. I will pass this on to my honourable friend Heather Wheeler, the Minister in the department responsible for this policy area. I am sure she will be keen to look at it.

I turn to the suggestions from the noble Lord, Lord Shipley. I think he raised them previously and they seemed to me attractive proposals that training be conducted in a sub-regional way so that people know each other. I will pass them on. I will also pick up a point made about the importance of including survivors in the development of all this. That is absolutely right. When I have visited domestic abuse services, one of the key factors is where you see survivors helping with fresh victims, as it were, coming in. That has a tremendous impact on morale. They obviously have detailed knowledge. It is central to what we are seeking to do. I fully agree with and support it. The idea of a named contact for all authorities is again a very good one. When we deliver services it is important that we do not do so in an anonymised way. Having a go-to person with a name that is known is important. I will take those back.

Additionally, I thank the noble Lord, Lord Kennedy, once again and echo what he said about Women's Aid and other key deliverers of domestic abuse services, such as Refuge and many others that are doing a great job, which Women's Aid certainly is. I thank him again for his positive contribution and commitment to this area. I also thank the noble Baroness, Lady Hamwee, for her engagement. I know that she did not speak on these issues, but I know that they are close to her heart and I very much value her engagement.

Baroness Lister of Burtersett: I thank all noble Lords who have spoken, particularly the Minister for his helpful engagement with a number of points that have been raised, including the very useful suggestion on training from the noble Lord, Lord Shipley. I am pleased that he acknowledged the national dimension of funding; I realise that there is a local dimension as well, but the national is important, particularly when survivors are moving great distances. I am delighted that he will be watching like a hawk how this works, obviously in the context of other provisions, and I welcome his commitment to keeping noble Lords updated on what is happening, which I think we all want.

At Second Reading, I said that this was a first for me in that I more or less unequivocally welcomed a Bill in your Lordships' House. I am happy that I can now say that I totally unequivocally welcome this Bill with the addition of this amendment. That is thanks to a number of people: to noble Lords across the House who have supported me in pressing for the inclusion of such an amendment—I am thinking particularly of colleagues on the Liberal Democrat Benches, as well as my noble friend—and the Bill team and lawyers, who were willing to engage with what I call my informal legal advisers. Together, they agreed wording that we are all happy with. I thank once again Women's Aid, which has been supportive to all of us with its briefings, and, last but very much not least, the Minister, because if he had not been willing to listen and engage I do not think that any of this would have happened. Clearly, officials have to take their lead from the Minister. His openness and willingness to listen to what we have said and to see where changes needed to be made, have made this possible. I am very grateful. It seems odd to say "with" as opposed to "against", but it has been a pleasure to work with him in this situation.

Amendment 5 agreed.

Amendment 6

Moved by ***Lord Kennedy of Southwark***

6: Clause 1, page 1, line 15, at end insert—

"(2AA) The person making the application for an old-style secure tenancy under subsection (2A) must not be charged for obtaining any evidence of domestic abuse if this evidence is required to make the application."

Lord Kennedy of Southwark: My Lords, Amendment 6 raises the issue of victims of domestic violence being charged a fee to provide evidence by way of a letter or some other acceptable form of confirmation to the authorities that they are a victim of domestic violence. That fee can range from £75 to £100 or even more. I think that it is completely wrong.

Certainly some GPs charge this fee. I accept that it is a minority of GPs, but it is wrong for any GP to charge it. I raised the issue both at Second Reading and in Committee, and I do so again today.

When the amendment was discussed in Committee, I had support from noble Lords around the House, and I am grateful to all noble Lords who spoke in that debate. I read again yesterday the response of the noble Lord, Lord Bourne of Aberystwyth, to the debate in Committee. He agreed with me that charging a fee to a victim of abuse who is seeking evidence of their abuse to access a service is,

"far from an ideal situation".—[*Official Report*, 24/1/18; col. 1058.]

I would go further than that and say that, in 2018, when domestic violence is centre stage—no longer an issue not talked about but out in the open, with perpetrators rightly condemned and brought to justice for the disgusting crime that it is—to charge victims a fee to provide evidence to prove that they are a victim so that they can get help is unacceptable.

The good news that the Minister gave the House the last time he spoke on the issue just does not go far enough. I note that the noble Baroness, Lady Bertin, has tabled a Question on domestic violence that will be answered in the next day or two. I will raise the issue again if I can get in at that Question Time.

If you have been a victim of a crime and been beaten, distressed or frightened, it is not good enough to say that you can get around the issue of a fee by putting in a subject access request for your medical records. I have no idea what you would do with your medical records: I assume that you get a big pile of papers giving all your medical history and stuff. So for me it would be my blood pressure, and I am a diabetic so there would be issues about my feet, but I am not sure that medical records would say that you had been beaten, that you have a cut or that you have been bruised. Would they actually say that you had been a victim of domestic violence? If not, we are again in the situation where you might hand your medical records to the authority who might say, "Yes, it says you have a bruise to the head; it does not say that you have been a victim of domestic violence. You might have fallen over". So there are some issues even with using the records. Will they actually deliver what the noble Lord says?

I think we should be very clear that no victim should ever be charged for a letter or any other form of evidence to say that they are a victim of domestic violence. We need to ensure that that happens. I accept that it is about the doctors' contract and I am pleased that that is going to be reviewed in April, because it is certainly an issue. I accept that it is the Department of Health, not the noble Lord's department, but this is an issue that we cannot let go: it is totally wrong that anyone is charged a fee to prove that they are a victim of a crime.

Baroness Hamwee: My Lords, the Minister spoke at the outset of this afternoon's proceedings about the Data Protection Bill—the Act as it will soon be—and data subjects' rights of access to information. I share the concerns of the noble Lord, Lord Kennedy, about the extent of notes that doctors may keep. I have no expertise in this area but I know that I can sit in a doctor's surgery and witter on for seven or eight minutes and it comes out, perhaps, as a reference to a consultant in two lines. I assume that the two lines are much closer to what is kept in the notes than my seven minutes of semi-articulate complaints.

I am also concerned about whether doctors, GPs particularly, will feel able to keep notes about their assessment, which might be just a guess, as to the reason for the injuries which they are considering. Some may, some may not, and some may be concerned about the implications for them if they get it wrong. Again, it is not something that I have come across, but in other walks of life, such as universities, where teachers may keep notes about students' attainments or otherwise, I understand that there are concerns not to say anything that might come back to bite the writer of those notes. I certainly do not think it is something we can assume will be covered by the data protection provisions that will shortly be coming into effect.

Lord Bourne of Aberystwyth: My Lords, I thank the noble Lord, Lord Kennedy, for bringing this amendment forward and the noble Baroness, Lady Hamwee, for her contribution on Amendment 6, which deals with the subject of GP letters. In fact, noble Lords will appreciate that the amendment is drawn much more widely—it refers, I think, to other professionals as well. I am sure that the noble Lord did this quite deliberately; it would apply, for example, to solicitors' letters and accountants' letters as well, where there are obviously rather different considerations, because we have a more direct route in relation to GPs' contracts.

As I said previously and I am very happy to repeat, the noble Lord is quite right to say that the wording is far from ideal; that is absolutely right. I accept the point that the noble Baroness has just made, and was made by the noble Lord as well, about the data. It is hard to know without seeing doctors' notes: sometimes it may cover the case very well, sometimes it may not. I also take the noble Baroness's point that doctors may be reluctant to commit to writing something relating to domestic abuse, but I suppose that that could also apply in relation to the letter itself. It is certainly a consideration, I accept that. The early sounding I had when I raised this matter with the Department of Health was that it has the same view that we do. It considers that this issue needs looking at. I have not yet had a detailed response to the points I made but I am very happy to share the general thrust of that as soon as I do, because this is a very reasonable point and one that I am sure the vast majority of GPs would go along with.

On the basis that I undertake to update the House on the discussions that we are having with the Department of Health—recognising, as the noble Lord indicated, that it is the lead department on this—I ask the noble Lord to withdraw his amendment.

Lord Kennedy of Southwark: I thank the noble Lord for that response. I am happy to withdraw the amendment—I am not going to push it to a vote today—but this is a really important issue. I accept that the Minister's department is not responsible, but it is just wrong. It is a minority, although a pretty large one, who will charge for these letters. It is unacceptable that that happens in today's world.

The issue about the medical records—what is the point of a medical record? Is it being able to use it for other things or is it accurately recording the treatment that has been given? I do not think it is as simple as the record itself will necessarily be helpful enough. People may be reluctant to do that anyway. I do not know what the Department of Health intends to do.

I am happy to withdraw the amendment today but I am certainly going to keep raising this issue. If I get a Question later in the week I will raise it then. We have to get this changed. I accept that that involves the GP contract. At this stage, I am happy to withdraw the amendment.

Amendment 6 withdrawn.

Amendments 7 and 8

Moved by ***Baroness Lister of Burtersett***

7: Clause 1, page 1, line 16, leave out "subsection (2A)" and insert "subsections (2A) and (2AA)"

8: Clause 1, page 2, line 8, leave out "or (2A)" and insert ", (2A) or (2AA)"

Amendments 7 and 8 agreed.

Water Supply Disruption
Statement

4.46 pm

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, with the leave of the House I will now repeat a Statement made by my honourable friend the Parliamentary Under-Secretary of State for the Environment in the other place. The Statement is as follows:

"I would like to take this opportunity to update the House on the water supply situation following the severe weather experienced last week. The exceptionally cold weather and the rapid thaw that followed have caused widespread water supply issues in the country. Over the weekend and at the start of this week, tens of thousands of people across southern England have experienced loss of water supply in their homes, and even more have had to cope with low water pressure following leaks from burst pipes. I entirely recognise that this has been a stressful and difficult time for many residents and businesses.

The immediate priority is to get water back up and running for those people who have been affected—in particular, vulnerable people—and businesses, hospitals and care homes. Water companies have been following standard practice, including isolating bursts and redirecting water, to mitigate this problem. Bottled water has been provided in the areas most badly affected and water has been provided by tanker to keep hospitals open.

This morning I chaired a meeting with water company chief executives, Ofwat and Water UK to make sure that water companies in England are working to restore supplies as quickly as possible and that water companies in other parts of the country are preparing for the thaw as it spreads across the country. This will include learning any lessons from places that have already experienced the thaw due to higher temperatures.

The challenge that the sector faces is the sheer number of bursts following the rapid change in weather across multiple companies' networks. Many of these have been relatively small and difficult to detect, and some of the loss of pressure is due to leaks in private homes and businesses. As of 10.30 am today, based on the information provided by the chief executives on the call, we are aware of 5,000 properties still affected in Streatham. The principal source of this problem is air locks in the water network, which Thames Water is acting to remove. We expect that to be completed today. Southern Water reconnected supply to more than 10,000 properties overnight, but 867 properties in Hastings are still experiencing problems. We expect everyone there to be reconnected this afternoon. South East Water has identified approximately 2,000 properties spread across Kent and Sussex that are still without supply. Again, we expect that they will be reconnected today. South West Water has approximately 1,500 properties affected, but this is changing on a rolling basis as the thaw progresses west. Yorkshire Water has identified 13 affected properties.

That said, some water companies have identified higher demand than usual on service reservoirs, which indicates that burst pipes need to be dealt with. I want to encourage householders and businesses to report leaks and burst pipes, including those on their property and not just on public highways.

Water companies have been working hard to address the issues for customers, though I recognise the frustration that many have had in contacting their water companies. I have been assured that companies have increased their staff on the ground who are out identifying where bursts have occurred and repairing them, as well as moving water across their networks to balance supply across the areas they serve. We should recognise the efforts of the hard-working engineers and all involved in working through the night to fix these problems.

Once the situation is restored to normal, we expect Ofwat to formally review the performance of the companies during this period. This will be a thorough review and, as well as identifying problems, I want to see excellent examples of practice and preparation shared across the sector. The Government will consider any recommendations from the review and act decisively to address any shortcomings exposed. As part of the review, Ofwat will decide whether statutory compensation should be paid. Of course, water companies will want to consider—I have already discussed this with chief executives this morning—how they compensate customers on a discretionary basis.

This Government actively support a properly regulated water sector. We have high expectations of water companies increasing their investment in their water and sewerage networks. This was laid out clearly in the strategic policy statement we issued to Ofwat last September, and reinforced by my right honourable friend the Environment Secretary when he addressed the water industry last week. He said that he expected the industry to increase investment and improve services by maintaining a resilient network, fixing leaks promptly where they occur and preparing for severe weather. As my right honourable friend said, we want a water industry that works for everyone, is fit for the future, improves performance and makes sure that bill payers are getting the best possible value for money. Ofwat will be given any powers it needs and we will back any action it needs to take to ensure that water companies up their game".

My Lords, that concludes the Statement.

4.52 pm

Baroness Jones of Whitchurch (Lab): My Lords, I thank the Minister for repeating the Statement and I pay tribute to the emergency services, who once again made us proud of their dedication and humanity when struggling in the worst of weather to provide healthcare and reach out to people cut off by the snow. I also thank many of the staff in the utilities—the engineers and the linesmen who worked in atrocious conditions to try to repair services, so that supplies of heating and water were retained. But the individual commitment of the staff cannot disguise the huge failings in the response of the water companies themselves in the recent bad weather.

I appreciate the update that the Minister has given today but as of yesterday, 5,000 homes were still without water in Kent and thousands of properties across Wales, parts of the Midlands and Scotland

were waiting to have their supplies reconnected. In London, 12,000 households were still without water last night and relying on bottled water, but even supplies of bottled water were running out at some of the distribution points. This really is a very poor response. It is not as if the bad weather was a freak occurrence. The Met Office was warning of the predicted freeze weeks in advance. Yes, of course pipes are liable to freeze when the temperature drops but, equally, we should measure water companies' success by the speed of their response and the interim help and support they provide to their customers.

I absolutely agree with Rachel Fletcher, Ofwat's chief executive, who is quoted in the *Financial Times* today as saying:

> "While the recent severe weather conditions have undoubtedly had an impact on pipes and infrastructure, water companies have been warned time and again that they need to be better at planning ahead to deal with these sorts of situations, including proactively communicating with customers when they anticipate issues".

I really struggle to understand why the water companies are so poor at this. Anyone with any business involvement knows that risk assessments and the mitigating actions that follow are fundamental to the planning process, as is having in place a proper disaster recovery system. This should be ingrained in the systems of utilities because, for example, water companies are inevitably at risk of extremes of weather, whether flood, drought or snow. I hope when the Minister met Ofwat and Water UK today they were able to reassure her that supplies will have been reconnected to all affected homes by the end of the day and that, despite the review the Minister referred to, compensation will be provided to individuals and businesses affected by the loss of supply on this occasion.

There is a wider challenge here. It is not just about the aftermath of one week of bad weather. The performance of the water companies has been under criticism for some time. Six companies missed their leakage targets for 2016-17, with Thames Water's performance data showing that 670 million litres are being lost to leakages every single day. This total works out at an average of 180 litres per day being lost for each property the company supplies. Despite these failings on leakages, water bills have increased by more than 40% since privatisation, with many consumers set to have another rise in a few weeks' time. Meanwhile, rather than fix the problems the private water companies are paying out huge dividends to investors. For example, the owners of the top nine water companies paid out more than £18 billion in dividends in the 10 years to 2016, and their CEOs are being paid huge salaries and bonuses. Clearly, these companies have got their priorities wrong.

I therefore have to say that the Secretary of State was quite right to criticise the water companies in his speech last week, including their tendency to avoid paying tax and to hide their earnings offshore, but like many of his speeches it lacked a follow-up action plan. These problems have been known about for some time. I hope the Minister can also confirm that as part of the review, Ofwat will be given new powers to tackle excessive pay in this sector and to require a greater proportion of profits to be reinvested in service delivery and resilience. I hope he can also confirm that Ofwat will be instructed to use its existing powers more actively to ensure that water companies plan effectively for adverse weather events in future, as we all expect of them. Finally, can the Minister confirm that Ofwat will take a more active role in overseeing companies' delivery of leakage repairs, intervening where necessary and increasing fines for missed deadlines so that real incentives are put in place to deliver the change that we should all expect? I look forward to his response.

Baroness Bakewell of Hardington Mandeville (LD): My Lords, I thank the Minister for repeating the Statement and the noble Baroness, Lady Jones of Whitchurch, for her comments. I agree with everything she said. The freezing weather at the end of last week was not a surprise—it had been well trailed and advertised for some time. It is therefore extremely disappointing that some water companies did not appear to respond quickly to the demand on their services by identifying and correcting burst pipes and leaks. This has caused great distress and inconvenience to thousands of households. It is unacceptable that water bill payers have been left without running water while schools and businesses across the UK are being forced to close because of water shortages. While this is a period of extreme short-term pressure, the vast amount of water that leaks from companies' pipes every day has not decreased for the past four years. Data from the water industry regulator Ofwat shows that more than 3 billion litres leaks every day. What are the Government going to do to ensure this problem is addressed in the long term?

While expressing disappointment at the response of the water companies, I pay tribute and express the thanks of these Benches to the engineers who have worked long hours, often through the night, to reconnect households to their water supplies and to mend burst pipes and leaks. Their efforts should be recognised.

There is a real gap in the market when it comes to providing capital for critical infrastructure. A housing investment bank is needed to provide long-term capital for major new developments, to guarantee proper infrastructure and services. Locally led housing delivery must be integrated into infrastructure delivery to ensure vital utilities such as water are available at all times.

A public awareness campaign is needed to help residents insulate pipes to prevent bursting in extreme weather conditions. Can the Minister give a commitment that such a campaign will receive priority before we suffer another freezing spell from Siberia?

Lord Gardiner of Kimble: My Lords, I entirely agree with the noble Baronesses about the courage and fortitude of the emergency services, often in very difficult circumstances, and I begin by thanking them. I was on the conference call with the chief executives of the water companies, Ofwat and Water UK, and from the update that I have received during the course of the day it is very clear that the priority is to restore the water supply, particularly for vulnerable people and for hospitals and other institutions in the care sector. I think we are all in agreement—which may be an inconvenience—that the water companies clearly need to do better. Some are better than others. It is very important that Ofwat conducts a review and looks at the issues of preparedness and lack of preparedness. We are expecting an interim report on that by the end

[Lord Gardiner of Kimble]
of the month so that we are clear about this. I emphasise "interim"—obviously we want a thorough report but we want early consideration of those matters. There have undoubtedly been some failings, and I think some of the water companies have acknowledged that as well.

The noble Baroness, Lady Jones of Whitchurch, in particular asked for some reassurances. I have outlined the numbers of households that were without supply this morning and the intelligence that we got from the water companies at the 10.30 am meeting as to their plans for restoration of supply during the day. I will obviously get constant reports on that, as will my honourable friend.

I think there has been general reflection on this—indeed, my right honourable friend reflected on it in his speech last week at the Water UK City Conference. He called on the boards of water companies to address urgently pay, terms and conditions and so forth, to demonstrate value for money, to up their game and to lower bills. Ofwat will report to the Secretary of State on corporate behaviour by the beginning of April. If Ofwat needs further powers, it should include that in that report.

Ofwat is taking enforcement action. For instance, a large fine was imposed on Thames Water for missing the leakage target and it has set the lowest cost of capital ever for the 2019 price review. I should say that water bills have in fact fallen in real terms over the last five years by 5%, and since 1994 bills are 3% higher. Since privatisation, £140 billion has been invested in infrastructure, but we need to do more. Simply put, in a country like ours we need to invest more, and we are going to look to the water companies to do so.

I was quite shocked by some of the leakage figures and tried to imagine what they meant in terms of millions of litres per day; it is really extraordinary. Ofwat has set a challenging target of 15% by 2025, and the 25-year environment plan also set out that leakages should be minimised and go down year on year. We will ask Ofwat to consider the campaign on insulating pipes, which was mentioned by the noble Baroness, Lady Bakewell, as part of its review. That is something else that we need to work on.

The points that the noble Baroness has made have been absolutely fair. I thought it was very interesting to see different chief executives' reports into the issues that they were facing. One of the things that we are continually assessing is the situation with the thaw. As we all know, the pipes burst on the thaw, and of course the rapid thaw has probably precipitated some considerable bursts in smaller pipes rather than in the mains. This has been one of the practical issues; there have been many small bursts as the thaw has been so rapid. I think we all look forward to hearing more about what Ofwat reports on preparedness, and on what better work needs to be done in preparing should we have a similar occurrence in future, as undoubtedly we will with the climate as it is.

5.06 pm

Lord Berkeley (Lab): My Lords, I am grateful to the Minister for repeating the Statement and for his explanation of all the work that the water companies and their engineers are doing to reinstate supplies. It must have been a very hard job, day and night in pretty horrible conditions, and the engineers deserve all our thanks. Whether the water companies deserve our thanks is a completely different issue. It is obvious that when the temperature gets cold, the freezing depth goes down and eventually will probably hit a pipe; whether it is a quick or a slow thaw probably does not matter very much. I was cycling through Trafalgar Square this morning and there were two enormous floods coming out of manhole covers that looked to be nothing like water company manholes, so God knows what is happening to the rest of the services in Trafalgar Square. Not that that matters—it is just that it is near here.

My worry is that while Ministers are quite rightly saying that they are going to get a grip on Ofwat and the water companies—I was pleased that the Minister talked about the strategic policy statement and ended up by saying that the water industry works for everyone—that is not what has happened in the last five years. Ofwat, and to some extent the Ministers, have been asleep on the job. I have been saying for the last five years that Thames Water needed looking at because Macquarie bank has managed to reduce its level of assets to about 25% of what they were when it started, and then promptly went after the money to somewhere more attractive and sold Thames Water to the extent that it could not fund the Thames Tideway tunnel on its own and had to seek a government guarantee. That investment could have gone into improving the quality of the pipes, reducing leakages and so on. As the noble Baroness, Lady Bakewell, said, it needs more capital, but there really needs to be a massive change of attitude on the part of Ofwat to do what the Minister said and hold the water companies to account so that we never have this again. The companies should have enough assets to invest so that they can produce a much better system where the leakages are less; the charges, hopefully, are less; and it is about what the customer wants rather than what suits the companies in making the most massive amount of money in salaries and so on in the City. I look forward to the Minister's comments.

Lord Gardiner of Kimble: My Lords, again, so many of the noble Lord's comments are in line with what I said and what the Secretary of State was very clear about last week. Some water authorities are, in my candid view, better than others. I have a list of some of the many projects that certain water companies are undertaking, whether investment or dramatically improving water on beaches. There are some very good examples of where that investment of £140 billion since privatisation has undoubtedly borne fruit, whether it is in sewers, flooding, pollution or reduction in nitrates. But there is no doubt that the game needs to be upped, and that improvements in certain water companies need to be considered.

As I said, Ofwat has already given Thames Water a substantial fine for missing leakage targets. When one thinks of water shortages in the south-east and other places with large populations, it is imperative to bear down on continuing leaks very strongly. We need to ensure that water companies are investing properly. In fairness, I have to say that leakage levels are down by

a third since privatisation and bills since 1994 are but 3% higher—but there is room for considerable improvement. That is what my right honourable friend the Secretary of State is looking for. We are clear that if Ofwat needs any further powers, we will actively look at them.

Baroness Pinnock (LD): My Lords, I draw attention to my entry in the register of interests as a non-executive director on the board of Yorkshire Water until September last year.

My understanding is that water companies have to agree a five-year plan for investment in water infrastructure with Ofwat, which is a balance between investment, priorities for improvement such as those to which the Minister referred—sewage systems, clean bathing water, the freshwater river directive and all the rest of it—and cost to the consumer. That is the balance that has to be reached, and those plans are agreed with Ofwat. I am not saying that there ought not to be significant improvements, because there always ought to be, but we need to look at the reality, which is that it is a three-way balance between national government priorities, consumer cost and Ofwat agreeing to the cost of capital.

When I was on the board of Yorkshire Water, I was always going on about leakage, on which I think it is now one of the better companies at about 19%. Water is actually quite cheap—it costs about a penny a litre out of the tap—so the cost of repairing Victorian pipes in many of our towns and across the country is not economic for the water saved, certainly in the north of England where we have plenty of water. It is probably different in the south. Perhaps the Minister could comment on that.

Lord Gardiner of Kimble: I am tempted to say that Yorkshire Water is planting millions of trees to help reduce the risk of flooding and control surges in the flow of water. On leakage, the target was 297 million litres per day, which sounds a lot, but the actual was 295 million, so Yorkshire Water, under the previous custodianship of the noble Baroness, is obviously working extremely hard on some of the issues that she rightly outlined as a balance with other work, working with natural capital and so forth, that water companies are doing.

The first thing to say on the five-year business plans agreed with Ofwat is that they have tough performance commitments, and we agree that they should balance resilience and affordability in the priorities in the strategic policy statement .

On the point about leakage and the cost of the leakage, the noble Baroness may be right that water is cheap, but it is also very precious. I am thinking about the ways in which I would feel very uncomfortable about taking the foot off the pedal in bearing down on leakages and the targets, as we all ought to be doing—and, indeed, upgrading our infrastructure. In previous years, all the streets of London were up because Victorian main drains were being replaced, and so forth. The investment of £140 billion since privatisation has gone on upgrading the infrastructure, and we undoubtedly need to do more.

Government Policy towards Russia

Statement

5.16 pm

The Earl of Courtown (Con): I shall with the leave of the House repeat in the form of a Statement the Answer given to an Urgent Question in another place. The Statement is as follows:

"I am grateful to my honourable friend the Member for Tonbridge and Malling for raising this important matter. Although he asks a general question about Russia, let me immediately say that there is much speculation about the disturbing incident in Salisbury, where a 66 year-old man, Sergei Skripal, and his 33 year-old daughter, Yulia, were found unconscious outside the Maltings shopping centre on Sunday afternoon. Police, together with partner agencies, are now investigating.

Honourable Members will note the echoes of the death of Alexander Litvinenko in 2006. Although it would be wrong to prejudge the investigation, I can reassure the House that, should evidence emerge that implies state responsibility, Her Majesty's Government will respond appropriately and robustly, although I hope that honourable Members on both sides of the House will appreciate that it would not be right for me to give further details of the investigation now, for fear of prejudicing the outcome.

This House has profound differences with Russia, which I outlined in the clearest terms when I visited Moscow in December. By annexing Crimea in 2014, igniting the flames of conflict in eastern Ukraine and threatening western democracies, including by interfering in their elections, Russia has challenged the fundamental basis of international order. The United Kingdom, under successive Governments, has responded with strength and determination, first by taking unilateral measures after the death of Litvinenko, expelling four Russian diplomats in 2007 and suspending security co-operation between our respective agencies, and then by leading the EU's response to the annexation of Crimea and the aggression in Ukraine by securing tough sanctions, co-ordinated with the United States and other allies, targeting Russian state-owned banks and defence companies, restricting the energy industry that serves as the central pillar of the Russian economy, and constraining the export of oil exploration and production equipment.

Whenever those sanctions have come up for renewal, Britain has consistently argued for their extension, and we shall continue to do so until and unless the cause for them is removed. These measures have inflicted significant damage on the Russian economy. Indeed, they help to explain why it endured two years of recession in 2015 and 2016.

As the House has heard repeatedly, the UK Government have been in the lead at the UN in holding the Russians to account for their support of the barbaric regime of Bashar al-Assad. The UK has been instrumental in supporting Montenegro's accession to NATO and in helping that country to identify the perpetrators of the Russian-backed attempted coup. This country has exposed the Russian military as cybercriminals in its attacks on Ukraine and elsewhere.

[The Earl of Courtown]

As I said, it is too early to speculate about the precise nature of the crime or attempted crime that took place in Salisbury on Sunday, but Members will have their suspicions. If those suspicions prove to be well founded, this Government will take whatever measures we deem necessary to protect the lives of the people in this country, our values and our freedoms. Although I am not now pointing fingers, because we cannot do so, I say to Governments around the world that no attempt to take innocent life on UK soil will go either unsanctioned or unpunished. It may be that this country will continue to pay a price for our continued principles in standing up to Russia, but I hope that the Government will have the support of Members on both sides of the House in continuing to do so. We must await the outcome of the investigation, but in the meantime I should like to express my deep gratitude to the emergency services for the professionalism of their response to the incident in Salisbury".

5.20 pm

Lord Collins of Highbury (Lab): I thank the Minister for repeating that response to the Urgent Question. All noble Lords will share his extreme concern about the incident in Salisbury and our hope is for a full recovery for the victims. The investigation is urgent and must be thorough, but speculation today will not help the authorities to do their job. Despite these horrific events, we share the view of the Commons Foreign Affairs Committee that some interaction with Russia is preferable to none. Theresa May said, "Engage but beware". However, we need to hear from the Minister just what impact our engagement has had. Rather than the off-the-cuff remarks made today by Boris Johnson, we need to hear just how robust he was on human rights when he met the Russian Foreign Secretary in Moscow in December.

One way to show real strength would be to address this issue in the Sanctions and Anti-Money Laundering Bill, currently in Committee in the other place. Despite the opposition of the Government, this House inserted human rights as a principal objective of the sanctions regime in the Bill. Why, therefore, are the Government still resisting an amendment which would enable Britain to sanction individuals who perpetrate gross human rights abuses, like those who tortured Sergei Magnitsky to death in a Moscow jail in 2009? I hope the Minister and the Government will support the principle of a Magnitsky amendment to the Sanctions and Anti-Money Laundering Bill.

In a speech yesterday, President Putin boasted about the proficiency of Russia's nuclear weapons systems. I hope this Government's response will be robust and that the Minister will be able to tell the House just what we have said to the Russian Government about their need to comply with the non-proliferation treaty.

The Earl of Courtown: I thank the noble Lord, Lord Collins, for his questions. He is quite right that this investigation is urgent; it must be thorough, and speculation does not help at this moment. The noble Lord also made the point that some interaction is important and he is right on that too. We have to remain open to dialogue to reduce risk, talk about our differences and co-operate for the security of the international community. The noble Lord also raised the subject of the meeting in December. It is important that two P5 countries have these conversations. It is vital for international security that we continue to talk to each other and work together on important international security issues.

The noble Lord mentioned the Sanctions and Anti-Money Laundering Bill. We also amended the Criminal Finances Bill during its passage, receiving cross-party support. It allows law enforcement agencies to use civil recovery powers to recover the proceeds of human rights abuses or violations, wherever they take place, if property is held in the UK. The Sanctions and Anti-Money Laundering Bill will provide the power for the UK to impose sanctions regimes after the UK has left the EU, including against a person involved in gross human rights abuses. Where a person has been designated under the Bill, they may also be defined as an exclusive person for the purposes of Section 8(b) of the Immigration Act 1971 and subject to a travel ban, preventing them being granted leave to enter or remain in the UK.

Baroness Northover (LD): My Lords, I too thank the noble Earl for repeating the Answer to the Urgent Question. We share the concerns expressed regarding the two victims. I also pay tribute to the emergency services for their work in what may be an extremely dangerous situation. Although we do not know for sure what has happened, there are clearly concerns, so will the noble Earl tell us why last summer's report that 14 people may have been murdered here by the Russians has not yet been investigated? Given the importance of London as a financial centre, does he agree that the Government can do much more to tackle money laundering and the evasion of sanctions by Russia? Will he clarify the comments of his right honourable friend the Foreign Secretary in relation to participation in the World Cup? What assistance will be given to the Intelligence and Security Committee, which wishes to instigate an inquiry into Russia's covert activities?

The Earl of Courtown: I thank the noble Baroness for her questions. On her point about my right honourable friend's comments on the World Cup, the hosting of sporting events is principally a matter for the relevant sporting authorities. A boycott by England is not in the Government's gift. The noble Baroness also referred to money laundering. Of course, the Sanctions and Anti-Money Laundering Bill is at the forefront of any future sanctions and actions concerning money laundering and is completing its passage through both Houses. I note what the noble Baroness said about the Intelligence and Security Committee. I will pass her comments to the department and see what action we are taking.

Lord Elystan-Morgan (CB): My Lords, I invite the Minister to revisit very thoroughly the public inquiry conducted in 2016 into the case of Litvinenko, which sat for some five months and surprisingly came to the conclusion that in all probability this assassination had been carried out under the direct order of Mr Putin—a very unique condemnation of a head of state or Government. Will the Government do that?

The Earl of Courtown: My Lords, the noble Lord brings up the case of Alexander Litvinenko and the subsequent report. As he will be aware, we have demanded, and will continue to demand, that the Russian Government account for the role of the FSB in the murder of Alexander Litvinenko. We have taken a series of significant steps in response to Litvinenko's death: expelling four Russian officials from the UK; tighter visa controls on Russian officials in the UK; suspending discussions on the development of a bilateral visa facilitation scheme; and putting in place international arrangements so that the main subjects can be extradited to the UK if they travel abroad. We have demanded, and continue to demand, that the Russian Government account for the role of the FSB in the murder. The findings of the Litvinenko inquiry, although not surprising, have raised serious concerns and inevitably caused tension in the bilateral relationship.

Lord Robathan (Con): My Lords, I commend the Government for their position on Russian sanctions. I particularly commend the Foreign Secretary for the robust attitude that he took with Lavrov back in December, for which he was much criticised in the media. I urge the Government and my noble friend to be absolutely resolute. Should it be the case that this attack has been sanctioned—not even sanctioned but carried out by Russian agents—it is essential that we ramp up the sanctions in whatever way we can. On this occasion I support the Labour Front Bench, which has asked for exactly that.

The Earl of Courtown: My Lords, as my noble friend will be aware, investigations are continuing on the recent case and it would be inappropriate to comment further at this time. As the noble Lord, Lord Collins, said, the investigations must be thorough but urgent. Once they have been completed, Her Majesty's Government will decide on our actions.

The Lord Bishop of Leeds: My Lords, it is clearly important, as has already been observed, that speculation is not always helpful. One of the important questions to be asked in this case is what the Russian Government and Putin himself might have to gain from this. It is not clear. Was it vengeance? If so, why wait till now? Is it deterrence? Any beans these guys have to spill have already been spilled. Is it to exploit the UK's apparent weakness or our distraction because of Brexit? I am not speculating but asking some questions that need to be asked before we come to conclusions. A phenomenological comparison with Litvenenko may be convenient, but a correlation is not a cause. It will be helpful if we could have some response on the caution that needs to be exercised before proof is brought.

The Earl of Courtown: I thank the right reverend Prelate for his points and his questions. As other noble Lords have said, the results of the investigation, which is urgent, have to come out before any actions can be decided on. However, he raises a good point about why that happened. I do not have the answer. It is understood that the Russian Government have got involved with projects overseas, but I do not have the answers to why on earth they would do this.

Renewable Transport Fuels and Greenhouse Gas Emissions Regulations 2018

Motion to Approve

5.31 pm

Moved by ***Baroness Sugg***

That the draft Regulations laid before the House on 15 January be approved.

Relevant document: 17th Report from the Secondary Legislation Scrutiny Committee

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Sugg) (Con): My Lords, I ask that the draft Renewable Transport Fuels and Greenhouse Gas Emissions Regulations be considered.

Lord Tunnicliffe (Lab): I believe that the Minister does not want them considered but approved. The Minister's civil servants are always right for the Moses Room, but we are in the Chamber rather than there.

Baroness Sugg: I thank the noble Lord for that correction. I therefore ask that the draft Renewable Transport Fuels and Greenhouse Gas Emissions Regulations be approved. These regulations will amend two pieces of legislation relevant to suppliers of fuels: the Renewable Transport Fuel Obligations Order 2007—the RTFO Order; and the Motor Fuel (Road Vehicle and Mobile Machinery) Greenhouse Gas Emissions Reporting Regulations 2012—the greenhouse gas reporting regulations. In September, the Government set out a 15-year strategy for renewable transport fuels. This is an ambitious strategy to support investment in sustainable advanced fuels of importance to the UK and to help meet our carbon budget commitments. These regulations are the product of that strategy and are key to its implementation.

It may be helpful at this stage for me to provide an overview of the current regulatory framework. Under the Renewable Transport Fuel Obligations Order, suppliers of fossil fuel have an obligation to demonstrate that the equivalent of 4.75% of their fuel supply is from renewable sources. Suppliers of biofuel that meet sustainability criteria are rewarded with renewable transport fuels certificates, which can be traded on the open market. The greenhouse gas reporting regulations operate in parallel with the renewable transport fuel obligations scheme, and require fuel suppliers to report the amount and type of fuel they supply and its greenhouse gas intensity.

Under the Renewable Transport Fuel Obligations Order, the greenhouse gas emissions savings from renewable fuels have improved year on year. Last year, the average greenhouse gas saving of a litre of renewable fuel was 71% compared to petrol and diesel. The draft regulations build on that success. They would amend the Renewable Transport Fuel Obligations Order to increase the targets for renewable fuels to 9.75% of fuel supplied in 2020 and 12.4% by 2032, providing investment certainty; increase incentives for new fuels of strategic future importance to the UK, known as "development fuels"; make certain renewable aviation

[BARONESS SUGG]
fuels and make renewable hydrogen eligible for reward; and place a limit on the contribution that biofuels produced from food crops can make to meeting targets.

The draft regulations will amend the greenhouse gas reporting regulation to create a new greenhouse gas credit trading scheme. Key features of this new scheme are an obligation on fuel suppliers to reduce the overall greenhouse gas emissions of the fuels they supply by 6% compared to 2010 levels, and incentives to suppliers through rewarding with greenhouse gas credits for fuels with lower greenhouse gas emissions than petrol and diesel, electricity used in vehicles and reductions in emissions from the extraction of crude oils.

The serious groundwork for these amendments began in 2014 and there has been input from industry and NGO experts throughout. The department has, rightly, taken time to build consensus in a controversial and complex policy area. In 2014, there was no final agreement in the UK or at EU level over how best to address negative indirect land use change impacts associated with some crop biofuels, no broad agreement on how to increase renewable transport fuel targets or on what the long-term strategy should be, and no firm proposals on how to incentivise novel renewable fuels or advanced development fuels of strategic importance to the UK.

These regulations set a 15-year strategy, mitigate indirect land use change risks and promote advanced development fuels, and they are the most ambitious in this area to date. They also strike a balance between maintaining support for an established UK biofuel industry which faces challenging market conditions and setting ambitious, stretching targets to support new development fuels.

The Government recognise both the environmental and the wider economic benefits of established UK biofuel production. The department has listened to suppliers and is now proposing that the Renewable Transport Fuel Obligations Order obligation level will reach 12.4% in 2032, providing longer-term certainty. Rather than set a 2% crop cap in 2018, that cap should reduce gradually from 4% in 2018 to 2% in 2032.

The department is aware that the UK bioethanol industry and its partners would have preferred a different approach on the crop cap and are seeking support for a rollout of E10 fuel. These regulations will not contract the market for UK bioethanol made from crops and will provide space for a market for E10, should suppliers choose to deploy it. Moving to E10 fuel could make achieving our renewable energy targets easier and provide an economic boost to domestic producers of bioethanol and UK farmers in the supply chain. The department therefore remains committed to working with industry to ensure that any future introduction of E10 is managed carefully and that E5 remains available for vehicles not compatible with E10.

In conclusion, the regulations before your Lordships will accelerate the delivery of sustainable development fuels, enabling the UK to lead in developing and deploying those fuels. They also take into account the wider economic importance of existing UK biofuel production and seek to maintain that market. I beg to move.

Baroness Randerson (LD): My Lords, I think you could sum up what I feel about these regulations by saying, "At last!"—because this legislation has been delayed for many years. It goes back to the 2013 directive and we are now in something of a race against time to get it approved before next month, I believe, when a new year of target implementation comes into force. So it is very welcome, because the uncertainty has had a significant economic impact on the renewable transport fuel industry.

Interestingly, the aviation industry has also been asking for this for a long time and has warned that we are being left behind by a number of other countries. So I am pleased to see aviation included here, but I would ask the Minister for more detail on the Government's plans for aviation. Sustainable Aviation has also called for government to de-risk investment in sustainable fuels by underwriting the risk and prioritising research into sustainable fuels to bring the UK into line with our competitors. What other measures are the Government taking to encourage sustainable aviation fuels?

My general comment is that, although the legislation is welcome, as ever it lacks ambition in its targets and timings. For instance, paragraph 8.9 of the Explanatory Memorandum explains the Government's amended targets. There will no longer be a 2% interim target for greenhouse emissions in 2018, and the interim target will be left at 4% for 2019. Is that because the Government have run out of time to do it in 2018 or is it because, as the Explanatory Memorandum suggests, we are already at 2%? I would like some clarity on that, please, from the Minister.

As the Minister has just told us, the proposals include a crop cap, which the industry is of course unhappy with. Does the Minister believe that the proposal to put that cap at 4%, reducing to 2%, is stretching enough, and at the same time reasonable?

Throughout Europe, the United States and Australia, E10 is commonly used, and it is more environmentally friendly. Will the Government be introducing it later this year when the new regulations on fuel pump labelling come into force? I remind your Lordships that, in the past, British Governments have led the way—for example, on the introduction of unleaded petrol. Those were difficult decisions to make, but they were of huge importance for human health. This is a similar decision that needs to be made.

Behind all this is the force of EU law and requirements. I regret to say that the Government can no longer pretend to be at the forefront of EU policy on this, so I am anxious to get the Minister's commitment that this is one area of EU environmental regulations where we as a nation will continue to shadow the leadership of the EU.

Finally, it is quite possible that the Minister will not be able to answer this now and might wish to write to me, but I would like a little information from her. In point 15 there is a reference to reporting on electricity usage by a supplier for the charging of electric vehicles. With the AEV Bill also before us, I am keen to see how exactly this requirement will work with that and how the data requirement in the Bill fits with these regulations. In asking this question I bear in mind, of course, that an electric car is really only as clean as the electricity

that goes into it. The question of how electricity is generated is key, and in due course I would be grateful for further information on that.

Lord Berkeley (Lab): My Lords, I follow the noble Baroness with a similar question. I was at a meeting this morning about electric cars, which was a sort of precursor to the Committee stage of the Automated and Electric Vehicles Bill. My question is about the addition of biofuels. Obviously I support the percentage increase up to 9.75% by 2020, but can the Minister tell me whether there are any types of motor that use this fuel that are adversely affected by it? The noble Baroness mentioned the aerospace sector. I understand that, among some parts of our large boating industry, which obviously uses lots of engines, there is a big worry about even the existing proportion of biofuels in the fuel because it adversely affects the engines. I do not know—if the Minister cannot answer this, perhaps she will write to me—whether it is because of the type of engine or because many boat engines spend most of the year doing nothing: it may be something to do with that. Manufacturers did not like the previous fuel and were even asking for two sets of fuel pumps, one with the biofuel addition and one without, which of course would cost an enormous amount of extra money.

I do not know whether this applies to any other type of motor. The railways are probably all right, as I suspect are most of the road transport and car industries, but it is important to know which type of motor and which type of use is adversely affected by this and what the manufacturers can do about it. Obviously it is good to increase the percentage, but if it is going to wreck engines in the process we will have to find a solution. I look forward to the Minister's response.

5.45 pm

Lord Tunnicliffe: My Lords, I, too, support the instrument—indeed, as has been pointed out, we should be celebrating it, given how long it has taken to achieve.

I have worked hard to understand the instrument and its accompanying memorandum and I would probably have had many questions to ask. However, the Secondary Legislation Scrutiny Committee's report rather effectively had that debate for us in some depth. At the end of the day I agree with its general conclusion, despite the industry intervention, that the balance is about right.

However, the instrument is directive driven and the targets are only made by the dependence on non-crop double incentive—and by the time I had got to a non-crop double incentive I thought perhaps it was time to retire. I say it is directive driven because I would have valued seeing somewhere the department's long-term vision for biofuel. Most forms of transport have credible non-hydrocarbon solutions, at least in embryonic form, but aviation, with its requirement for very high fuel density, needs to look forward hopefully to biofuel, which can be 100%. So I would be grateful if the Minister could set out the department's thinking about the long-term use of biofuels, particularly in aviation.

From reading the Explanatory Memorandum and the correspondence with the sub-committee, it seemed to me that one problem was with the potential feedstocks for non-crop biofuels. Asked for examples, we were given cooking oil and tallow—but there are only so many fish and chip shops generating used cooking oil. Is there a viable long-term source of feedstocks for non-crop biofuels that could start to contemplate meeting the volumes of fuel that would be needed if biofuels, particularly non-crop biofuels, became the preponderant fuel for aviation?

Baroness Sugg: My Lords, I thank all noble Lords for their contributions and for their broad welcome and support for these regulations. The noble Baroness, Lady Randerson, mentioned the delay in passing them, and I acknowledge that there has been a slight delay. The regulations have been informed by extensive consultation with industry experts and NGOs and they represent a complex set of changes. We felt that it was right to build consensus wherever we could in this area.

The noble Baroness asked how we can help new suppliers, particularly to aviation, get from the demonstration scale to the commercial one. Under our second competition, up to £22 million of government funding will be matched by private sector investment to construct a first-of-a-kind fuel production facility in the UK which will enable the demonstration of technical and commercial viability, including for aviation fuel. She also asked why we did not propose a target in 2018. Time would have been tight for a 2018 target. During the consultation there was little support for targets before 2020 and we therefore decided not to introduce one for this year.

The noble Baroness raised the point about the crop cap and asked whether the percentage we have set is correct. It is different from that in other member states. We have taken into account the consultation responses to the regulations and we have set the cap at 4% in 2018; it will be reduced gradually from 2021 to 2032. To put the figures into perspective, total UK bioethanol production capacity at the moment is equivalent to a little more than 1% of the transport energy requirement, and the current proportion of crops being used to produce biofuels is equivalent to less than 2% of the UK fuel supply. As I say, I acknowledge that the cap is lower than that set in some member states, but they are already using more crop-derived biofuels. The changes proposed in the regulations continue to support our existing bioethanol industry by encouraging future investment in waste-derived fuels. We think that a higher crop cap in the UK could result in more fuels being supplied that can cause an increase in greenhouse gas emissions.

The noble Baroness asked whether we will deploy E10 fuel. I hope that the Government have been clear that deploying E10 fuel is an option for suppliers in meeting their obligations and it may well be the best and most cost-effective option, but at this stage the regulations do not mandate E10 fuel in the sense of requiring that petrol should be blended with 10% bioethanol. The regulations provide the flexibility for fuel suppliers to determine how best to meet their obligations, and we think that flexibility will enable the costs to be kept down and allow suppliers to react to changes that impact on the market.

[Baroness Sugg]

On exiting the European Union, I can confirm that the Government have no plans to change their policy in this area and the amendments have been designed to achieve our domestic carbon budget commitments and provide UK industry with the long-term investment certainty it needs, but as with any policy, we will keep it under review to ensure cost-effectiveness. On the question raised by the noble Baroness on the generation of electricity for electric vehicles, with her permission I would like to consider further how we can address this in the AEV Bill, and I will write to her on the issue.

The noble Lord, Lord Berkeley, raised the issue of compatibility of the various different engine types with this new fuel. We recognise that the owners of vehicles, be they regular cars, vintage cars or indeed boats, will ask whether they will be compatible with E10 and indeed E5 fuel. We are committed to working with industry to ensure that any rollout of E10 is carefully managed and that information on compatibility is made available to vehicle owners. We intend to consult very soon on proposals that will require that E5 fuel remains available to motorists, and how best to provide information on it. I am not aware of the detail concerning boat engines, so I will write to the noble Lord.

The noble Lord, Lord Tunnicliffe, talked about the long-term proposal. Obviously, as we transition to ultra-low emission vehicles, we will continue to need low-carbon liquid and gaseous fuels for decades to come, particularly in the aviation sector. In the absence of new measures and given the expected growth in the aviation sector, emissions are likely to increase, so low-carbon fuels such as biofuels are considered the only viable source of energy available to significantly limit aviation emissions by 2050. Electric airplanes are in development, but I think they are some years off. The UK aviation industry has for some time advocated its eligibility for an award under the RTFO because it would help to provide the support needed, as the noble Baroness, Lady Randerson, also mentioned, to kick-start the use of aviation biofuels which at present are not produced or supplied in the UK. The regulations before us will enable renewable aviation fuels to receive RTFO incentives for the first time, and we hope very much that that will encourage the industry to grow.

The noble Lord asked about the availability of waste feedstocks and the number of fish and chip shops both in this country and abroad, given that we import some of our feedstocks. We have carried out scenario testing to look at different waste supply potentials. Stakeholders have been helpful in confirming that the volume of waste feedstocks we think we will need to meet the higher targets is likely to be available, and we therefore continue to assume that the waste feedstocks can be supplied. There is some uncertainty over exactly which feedstocks will be supplied—noble Lords have mentioned cooking oil and tallow—but we anticipate that much of the increase will come from the waste already being used to make biodiesel. Furthermore, given the post-consultation changes to the crop cap, which, as I said, will start at a high percentage and gradually reduce towards 2032, we consider that the risk of waste biofuels becoming more expensive than the buyout is reduced. The development fuels sub-target is also designed to increase the diversity of feedstocks used to produce fuels.

I hope I have answered all noble Lords' questions; if not, I will follow up in writing. I thank noble Lords for their contributions to the debate. The regulations are needed to support investment in sustainable advanced fuels for automotive, aviation, road freight and maritime; to provide certainty to UK producers and the farms that will supply them that existing bioethanol capacity will be fully utilised; and to help us meet our climate change commitments. In meeting our commitments, low-carbon fuels will be needed for decades to come, not least in the sectors that are harder to decarbonise through electrification, such as heavy goods vehicles and aviation. We feel that the targets in these regulations are ambitious and will provide an important contribution to UK carbon budgets. The amendments build on the success of the RTFO to date in delivering significant greenhouse gas emissions reductions. I hope your Lordships will agree that the regulations are the best way to proceed with our renewable transport fuels strategy. I beg to move.

Motion agreed.

Seafarers (Insolvency, Collective Redundancies and Information and Consultation Miscellaneous Amendments) Regulations 2018

Motion to Approve

5.56 pm

Moved by ***Baroness Sugg***

That the draft Regulations laid before the House on 15 January be approved.

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Sugg) (Con): My Lords, these regulations will amend the Employment Rights Act 1996, the Trade Union and Labour Relations (Consolidation) Act 1992 and the Information and Consultation of Employees Regulations 2004. Together with the Seafarers (Transnational Information and Consultation, Collective Redundancies and Insolvency Miscellaneous Amendments) Regulations 2018, they will transpose the requirements of the seafarers directive into Great Britain and UK law. Northern Ireland is making provisions to transpose those elements for which it has devolved responsibility.

In simple terms, the purpose of both sets of regulations is to ensure that seafarers and share fishermen, where employed, are provided the same level of employment protection as those working on UK soil with regard to insolvency, collective redundancies, transfers of undertakings, information and consultation, and works councils. They further demonstrate our commitment to ensure that employment rights are protected in the UK.

The European Commission, through a special task force, identified five employment directives that contained derogations for seafarers and therefore allowed land-based workers greater employment rights than those at sea if

member states chose to apply them. The purpose of the seafarers directive was to remove these derogations and address the anomaly that land-based workers may enjoy greater employment rights than those at sea. Member states have been able to apply derogations on an ad hoc basis. The result has been that businesses in one member state have been able to comply with less favourable social protection for seafarers than those in another member state, such as the UK.

The Government have been fully supportive of the seafarers directive and have engaged with UK social partners, such as Nautilus International, which is the officers' union, the RMT, which is the ratings' union, and the UK Chamber of Shipping. UK social partners were at the forefront of the discussions with the European social partners and were instrumental in steering the discussion in those fora.

I will not detail all of the amendments as most of them simply omit previous clauses. I will instead draw attention to the reason for some of them. The UK had previously made use of the derogations relating to share fishermen as it considers them to be self-employed. Share fishermen are fiercely protective of their status, and I should be clear that these regulations do not amend their employment status. However, it is recognised that in certain circumstances a share fisherman may be considered to be employed and, in such circumstances, should have the same rights as those who are employed in other forms of work. These regulations amend the Employment Rights Act 1996 and the Trade Union and Labour Relations (Consolidation) Act 1992 to include share fishermen, where employed, in matters relating to insolvency and collective redundancies.

Part XI of the Employment Rights Act 1996 provides protection for employees in the event of a redundancy, which may, among other things, arise in the context of the insolvency of an employer. Regulation 2(2) removes the exclusion relating to Part XI in relation to employed share fishermen. Part XII of the Employment Rights Act 1996 provides protection for employees in the event of insolvency in Great Britain. This had previously excluded employed share fishermen, but Regulation 2(2) will amend Section 199(2) of the Act by removing the exclusion relating to employed share fishermen. Regulation 2(3) corrects a previous omission and brings merchant seamen within the scope of Part XII of the Act.

The UK had not relied on the derogation for the crews of sea-going vessels in relation to procedures for handling collective redundancies, and this was removed by the seafarers directive. However, an amendment is made to Section 284 of the Trade Union and Labour Relations (Consolidation) Act 1992 to bring employed share fishermen within scope of the collective redundancy requirements.

6 pm

Government has also made very limited use of the derogations for seafarers with regard to information and consultation. However, an employer was permitted to exclude merchant navy crew engaged on voyages of 48 hours or more and long-haul crew from being a negotiating representative or an information and consultation representative. Those derogations will be removed by the regulations.

These regulations do not implement the other provisions of the seafarers directive in relation to participation in European works councils and notification of collective redundancies. Those requirements will be provided for by the Seafarers (Transnational Information and Consultation, Collective Redundancies and Insolvency Miscellaneous Amendments) Regulations 2018, which were made under the negative resolution procedure and are in force.

With regard to amendments to the transfer of undertakings directive, no further implementation into domestic law has been required, and guidance on the provisions in the directive has been published by BEIS.

The regulations before the House are intended to ensure that seafarers and share fishermen, where employed, have the same employment rights and protections as those who work in land-based roles. The measure is fully supported by UK social partners and by the Government. I beg to move.

Baroness Randerson (LD): My Lords, we should congratulate the Minister on bringing this legislation here. Since she took up her role as Minister, it is clear that she has looked into the dark corners of the Department for Transport's cupboards, dusted off some badly overdue legislation and brought it into the strong light of day. I regret having to say this, but I have to ask again: why is it so late? I understand that this measure is based on the seafarers directive of 2013. It should have been transposed into UK law by October last year. So we are now six months overdue. I know that the Government are distracted by Brexit, but it is a bad symptom of a situation where a Government are really struggling to cope.

Of course, I support the proposals here; on these Benches, there is strong support for the principle behind the regulations. The big issue is whether they really equalise rights for seafarers, bringing them fully into line with those who work on land. We all realise that it is a much more complex issue, because if you work at sea national boundaries are crossed less obviously and supervision of terms and conditions of employment is probably much more complex. There are also complex employment patterns, as the Minister has pointed out.

One can therefore do nothing other than welcome the increased job security that there will be for seafarers as a result of these regulations—and perhaps dwell for the moment on the fact that it is quite ironic they have been introduced as a result of an EU directive at a time when many fishing and coastal communities are among those in the UK where support for leaving the EU was strongest. I fully support the regulations and thank the Minister for her explanation.

Lord Tunnicliffe (Lab): My Lords, I come to these regulations still intellectually exhausted from biofuels and have set myself the minimum objective of trying to understand them. My few questions for the Minister are therefore just to understand them better.

The regulations and their accompanying Explanatory Memorandum seem, as far as I can see, to talk solely about share fishermen, where employed, and I am not clear whether the regulations affect anybody else. I thought that the easiest way to understand this might

[Lord Tunnicliffe]
be to turn it on its head. The objective, we are told, is to turn the rights of seamen into the same rights that land-based workers have. Paragraph 7.3 of the Explanatory Memorandum identifies five directives, which are set out, covering five areas where in the present situation there is a difference between seamen and land-based workers. I was not clear whether all five were covered by the regulations. In simple terms, asking the obverse question, following the approval of the measure, what differences remain between seamen and land-based workers? If there are any differences, why have they been retained?

Lord Hylton (CB): My Lords, these regulations are, no doubt, narrowly drawn and seek to improve protection for at least some seafarers using our ports. There are, however, some wider problems. Foreign owners and companies bring fishing vessels to British ports. They are often largely crewed by people from south-east Asia and the Indian subcontinent. When, from time to time, the owners become insolvent or the vessels break down, the crews can be left in very difficult situations. Their wages may be unpaid for long periods. They may or may not receive the redundancy payments that should be due. They may be asked to work on land or may choose to do so, even illegally, because of the threat of destitution. They may have serious difficulties in communicating with their families and their Governments.

I therefore ask the Minister: what representations have HMG received on these issues from voluntary organisations working with fishermen and seafarers? Do the Government now have proposals, other than those included in these limited regulations, for dealing with the very real, human problems—for example, over repatriation of crews? Do foreign Governments help with this, and what provision do our Government make for meeting the costs, particularly of repatriation in cases of bankruptcy when crews are stranded here through no fault of their own? The people who are affected by the problems I have mentioned are, by themselves, almost voiceless. They therefore deserve better protection than they have now.

Baroness Sugg: My Lords, I thank all noble Lords for their contributions this afternoon.

Again, I can only apologise to the noble Baroness, Lady Randerson, for the late transposition: it is always regrettable when transposition is late. Although the changes are minor, they impact a number of complex areas of employment legislation, and we felt it was necessary to ensure that the changes made did not have unintended consequences in other areas. I thank the noble Baroness for her comments, and I assure her that I, along with the department, will continue to look into dark corners and ensure that we bring secondary legislation before the House as soon as we can.

The noble Lord, Lord Tunnicliffe, turned the question on its head and asked whether any difference between rights remains. The seafarers directive, this regulation and the accompanying negative SI remove the derogations for merchant seamen and/or share fishermen from the protection afforded by the five European directives. We have already covered what those rights are. The aim of the EU review of the employment of seafarers was to identify just those areas where there were differences between the rights of seafarers and those of land-based workers, and those were the five directives it came up with. Removing those derogations was the main aim—to remedy those differences—and now the employment rights of seafarers match those of land-based workers, as far as we know.

The noble Lord, Lord Hylton, asked about the insolvency of foreign vessels coming to our shores. We are in the process of implementing the 2014 amendments to the Maritime Labour Convention, which ensures that ship owners have financial security to meet seafarers' entitlements. If the ship owner abandons the seafarers, they have the right to make a claim to the financial security provider. These regulations are expected to come into force in July 2018. Obviously, it can be a very distressing situation, and the MCA and the Department for Transport are in regular contact with the maritime charities, which form an important part of the dialogue we undertake in this area. If the ship owner and flag state of a non-UK ship in a UK port both fail to repatriate seafarers, the UK, as the port state, can indeed step in, and this is often done in conjunction with the welfare organisations. We are working on ratification of the International Labour Organization's Work in Fishing Convention, which is expected to be completed, and we are also working on amendments to the ILO's Maritime Labour Convention. Both conventions set minimum international standards with regard to welfare and social conditions. I hope that that addresses the noble Lord's points.

I hope that I have answered fully the questions raised today. I hope your Lordships will agree that the objective of these regulations—to bring employment standards for seafarers to the same level as those in other areas of employment—is desirable. Given the long and important role that maritime, and in particular seafarers have played in this country's prosperity and standing on the global stage, it is absolutely right that they are given the same employment standards as those on land. I beg to move.

Motion agreed.

Enhanced Partnership Plans and Schemes (Objections) Regulations 2018

Motion to Approve

6.12 pm

Moved by ***Baroness Sugg***

That the draft Regulations laid before the House on 17 January be approved.

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Sugg) (Con): My Lords, the Bus Services Act 2017 contains a range of options to improve local bus services in England. In addition to franchising, there are new and improved options to allow local transport authorities to enter into partnership with their local bus operators to improve services for passengers.

One of these, the enhanced partnership regime, allows local authorities to define a geographical area in which they provide new facilities such as bus priority

measures or take other measures that would make buses more attractive, such as reducing car-parking provision or increasing its cost. In return, local bus operators are required to meet service standards that are specified as part of the scheme. This can include a multi-operator smart-ticketing scheme or a requirement to operate cleaner vehicles or provide comprehensive timetable and fares information. The partnership can also limit the number of vehicles that operate along specific corridors to reduce congestion or improve air quality, or require the buses to co-ordinate their timetables with other modes, such as rail services.

The draft regulations, which were laid before the House on 17 January, set out the mechanism by which bus operators can formally object to the package of proposals during the development of an enhanced partnership scheme. A key element of enhanced partnerships is that only the majority of bus operators need to agree to the proposals for them to go ahead. This means that improvements to bus services that are supported by the local authority and the majority of bus operators cannot be prevented from being introduced by a "blocking minority" of operators which, for whatever reason, do not wish the partnership to be introduced.

The 2017 Act provides a mechanism allowing individual operators the opportunity to object to the proposals to make an enhanced partnership plan or scheme at two key stages. The first opportunity to object arises when the proposal for an enhanced partnership is subjected to a formal public consultation, and the second arises if the plan or scheme is modified following the consultation.

The regulations set out the process for determining if the number of operators objecting to the enhanced partnership plan or scheme, as proposed or modified, is sufficient to stop it proceeding any further. If this happens, the partnership would need to renegotiate the package until the objections fell below the statutory thresholds.

The regulations provide two criteria that need to be satisfied to determine whether there are a sufficient number of objecting operators to stop the partnership proposals. Both criteria need to be considered and either one, if met, would be enough on its own to stop further progress. The first criterion is that, for objections to be sufficient, the objecting operators together must represent 25% of operated bus mileage in the partnership area and at least three bus operators must be objecting. If there are fewer than three operators running bus services in the area, the regulations require them to object for this criterion to be satisfied. This ensures that objections are raised by operators with a significant stake in the local bus market while preventing a single operator, or pair of dominant operators, from exercising an effective veto.

The second criterion is that objections are received from 50% of local bus operators that, together, operate at least 4% of operated mileage in the partnership area. This prevents a large number of operators that together have only a relatively small stake in the bus market from objecting to a partnership that is supported by the local authority and the operators with the largest stake in that bus market.

I will now explain how those thresholds were arrived at. The bus market in England has been deregulated since 1986 and the number and size of bus operators in individual areas varies greatly. The objection thresholds in the draft instrument cater for this and were arrived at following detailed analysis of real-world bus markets by officials in the Department for Transport, and discussions with key stakeholders such as bus operators and local authority stakeholder groups. This objection mechanism was then subject to a full public consultation between 8 February and 21 March last year. While some respondents suggested alternative figures for the thresholds, there was no consensus on what they should be and it did not convince us to alter our proposed figures.

Following our detailed analysis and the results of the consultation, we believe these figures are the right ones to use for the objection mechanism. However, the mix of bus operators varies hugely up and down the country, as I said, and it would not be possible for any statutory criteria adequately to cater for all the ones where enhanced partnerships may develop. That is why the 2017 Act also allows for further flexibility. The statutory objection thresholds in this instrument are required to apply only when a plan or scheme is introduced. An enhanced partnership can also include a bespoke objection mechanism for use when an existing scheme is varied or discontinued. This allows individual partnerships to adopt an objection mechanism that better suits their needs.

The draft instrument also sets out those services that are not eligible to take part in the objection mechanism. The first is community bus services which, under the 2017 Act, are not required to meet the requirements of an enhanced partnership scheme. It also includes tour buses, services that operate less than 10% of their mileage in the partnership area and services paid for under subsidy by the local transport authority.

Since the Bus Services Act came into force in June last year, nearly 30 local authorities up and down the country have either expressed an interest in, or are actively pursuing, an enhanced partnership with their local bus operators. However, there will inevitably be some operators that seek to block progress, perhaps because the improvements proposed are not in their commercial interest or because they prefer the freedom to operate in a fully deregulated market. These regulations seek to strike a balance between ensuring that the partnership has broad support from local operators and not allowing a minority to block vital improvements that will make local bus services better for passengers. I ask the House to approve the regulations and I beg to move.

Baroness Randerson (LD): My Lords, I thank the Minister for her introductory comments. One of the big questions when we debated the Bus Services Bill last year was exactly how the Government were going to devise a scheme that allowed existing operators to object to a proposed partnership without allowing them to act as a complete block on progress towards improved bus services. We all hope that the enhanced partnerships will provide those improvements, so I strongly welcome the Minister's realistic analysis of what the regulations seek to do. It seems that the scheme as outlined here is quite a cunning plan, which is well balanced between the operators and the local authorities.

[Baroness Randerson]

However, we will see how well it works in practice. I am delighted to hear that 30 local authorities are already working on this. One hopes that they are successful because the others, the less adventurous ones, might perhaps follow suit. Given that the Government declare in the Explanatory Memorandum that a review is not appropriate, will the Minister assure us that there will be an element of informal review to assess how well this is working after a couple of years? There might be some unintended consequences or the need for some adjustment, so it is only sensible to allow for review—although I understand the Government not wanting to commit to a formal review process.

The plans set out five stages in the life cycle of an enhanced partnership. The first is when the local authority proposes a plan, the second is when it makes a plan and the third is when it proposes to vary a plan. How will that work in practice? Suppose at stage 1, when the local authority proposes an enhanced bus partnership, the bus operators object. Is there sufficient flexibility in the process for the local authority and the bus operators to meet and discuss the plan, for the local authority to amend it and for the bus operators to withdraw their objections without having to go back to square one? I fear that in practice some local authorities might look at a plan and, if the bus operators object, they might just retire from the field and say that they will not bother with enhanced partnerships again. I am concerned that we have a system that is sufficiently simple and flexible to allow both sides to address issues and concerns and to move on through the process without having to go back to the start.

I hope the system is flexible and that this is a successful way ahead, because the decline in the number of bus services, particularly in rural areas, indicates that for many areas this is the last opportunity for decent bus services to survive—and we know that when a bus service goes, it strikes at the heart of a rural area.

Lord Tunnicliffe (Lab): My Lords, I am afraid that the Minister has not really made my day since she has answered all the questions in my original speech. I shall not waste the time of the House by repeating them. Suffice it to say that I commend the realistic attitude that the Government have taken to how bus companies might behave. I shall press the point made by the noble Baroness, Lady Randerson, about a review. I am not pressing the Government to commit to a review, but should the carefully researched numbers in these regulations prove not to achieve the Government's objectives, what complexity would there be in changing the numbers? Would it be possible within the parent legislation to bring forward new orders if the reaction of bus companies was excessively to veto apparently viable schemes?

Baroness Sugg: My Lords, I again thank the noble Baroness, Lady Randerson, and the noble Lord, Lord Tunnicliffe, for their broad support for these proposals. On the flexibility point, the legislation allows operators and local authorities to negotiate a deal through the objection system. They can reach this agreement in advance of a formal objection—so we think there is enough flexibility there. As to the review, yes, we absolutely will keep the thresholds under review and will bring forward amendments if necessary.

Enhanced partnerships are a new type of partnership agreement that did not exist prior to the 2017 Act, and we are encouraged by the interest and progress that has already been shown by local authorities and bus operators. The objection mechanism is a key part of the regime, and it is important that we strike the right balance between allowing operators a fair say on what should go into the schemes while at the same time preventing a minority from blocking improvements.

As the noble Baroness, Lady Randerson, said, we will need to see how these work in practice. The fact that this mechanism is in secondary rather than primary legislation gives us flexibility to amend and further debate the rules in future. My department will not hesitate to do so if that is required to ensure the ongoing success of the schemes. I beg to move.

Motion agreed.

Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2018

Tax Credits and Guardian's Allowance Up-rating etc. Regulations 2018

Motions to Approve

6.26 pm

Moved by ***Lord Young of Cookham***

That the draft Regulations laid before the House on 15 January be approved.

Lord Young of Cookham (Con): My Lords, these draft regulations, which have passed in the other place, make no changes to the structures of the national insurance and benefits systems, and are a routine annual exercise to account for the rise in prices. As noble Lords know, this Government are committed to a welfare system that is fair to the taxpayer while also protecting Britain's most vulnerable.

To put the regulations in context, the Welfare Reform and Work Act 2016 legislated to freeze the majority of working-age benefits, including child tax credit and working tax credit, for four years—in other words, up to 2020. The Act helped to put our welfare system on a sustainable long-term path. Exempt from the freeze are the disability elements of the child tax credit and working tax credit. The guardian's allowance is also exempt. As in previous years, we are now legislating to ensure that the guardian's allowance and the disability elements of child tax credit and working tax credit increase in line with the consumer price index, which had inflation at 3% in the year to September 2017. Alongside our commitment to fiscal discipline, the Government, through the draft regulations, are exercising their demonstrable commitment to protecting those who need protection the most.

What the regulations mean in practice is that we will maintain the level of support for families with disabled children in receipt of child tax credit and for disabled workers in receipt of working tax credit. The regulations also sustain the level of support for children whose parents are absent or deceased. To add further

context to these regulations, universal credit is replacing a number of means-tested working-age benefits, including tax credits. Once all tax credit claimants have migrated on to universal credit, the uprating of tax credit elements will no longer be necessary.

The social security regulations make changes to the rates, limits and thresholds for national insurance contributions and make provision for a Treasury grant to be paid into the National Insurance Fund if required. These changes will take effect from 6 April 2018. Re-rating increases these figures by inflation to protect taxpayers from rising prices and increases to the costs of living.

These regulations will result in around £130 billion of national insurance contributions to the Exchequer, working directly to support the NHS, pensioners and the bereaved. On class 1 national insurance contributions, the lower earnings limit is the level of earnings at which employees start to gain access to contributory benefits. These include the state pension, contributory employment and support allowance and contribution-based jobseeker's allowance. The lower earnings limit will rise in line with inflation from £113 to £116 a week, or £6,032 on an annual basis.

Employees have to pay class 1 NICs at 12%. The primary threshold is a level of earnings—£8,424 on an annual basis—above which class 1 NICs have to be paid. The threshold will rise with inflation to £162 a week. The upper earnings limit is the level at which employees start to pay class 1 NICs at 2% instead of 12%. The Government have committed to align this threshold limit with the UK's higher income tax threshold of £46,350 on an annual basis.

Employers have to pay national insurance at a rate of 13.8% from an earnings level called a "secondary threshold". This threshold will also rise with inflation to £162 a week, as it has been aligned with the primary threshold for employees since April 2017. The Government are also committed to reducing the cost to businesses of employing young apprentices and young people. The level at which employers of people under 21 and of apprentices under 25 start to pay employer's contributions will therefore rise from £866 to £892 a week.

Class 2 NICs provide access to contributory benefits for the self-employed—in other words, the state pension. The weekly rate of class 2 NICs that has to be paid will rise in line with inflation to £2.95—a flat rate for all the self-employed. The small profits threshold is the level of profits above which the self-employed have to pay class 2 NICs. This threshold will rise with inflation to £6,205 a year.

The self-employed also have to pay class 4 NICs, at a rate of 9% on profits above £8,164 a year. That limit will now rise with inflation to £8,424. The self-employed then pay 2% instead of 9% above what is termed an upper profits limit. That limit will rise from £45,000 to £46,350 a year. Finally, class 3 contributions allow people to voluntarily top up their national insurance record. This allows access to the state pension. The rate for class 3 will increase in line with inflation from £14.25 to £14.65 a week.

The regulations also make provision for a Treasury grant of up to 5% of forecasted annual benefit expenditure to be paid into the National Insurance Fund, if needed, during 2018-19. This would be a routine transfer with no wider fiscal impact. A similar provision will be made in respect of the Northern Ireland national insurance fund.

I trust that this has been a useful overview for noble Lords of the changes that we are making, and I commend the draft regulations to the House. I beg to move.

Baroness Primarolo (Lab): My Lords, I do not wish to detain the House for long today but I want to ask the Minister some questions specifically about the tax credits and guardian's allowance regulations. I should say that I asked a Minister similar questions in a debate last week on social security. I had asked her some questions about the freeze on tax credits, child benefits and child tax credits, and she responded by saying:

> "I respond by simply saying that the Treasury is responsible for these benefits and it announced the 2018-19 rates",—[*Official Report*, 27/2/18; col. GC 13.]

and so on. I decided that as a former Treasury Minister it was a good idea to come today to ask a former Treasury Minister, and a current Treasury Minister in this place, some questions about child benefit.

I am grateful for the noble Lord's introduction of the orders, but I want to focus on the question of rising inequality and poverty among children in our country. According to the Resolution Foundation, inequality is projected to rise to record highs by 2022-23, and it says that this is a sad,

> "story of the poorest working-age households being left behind".

The driver of this is the freeze in most working-age benefits. According to the Resolution Foundation, by 2020, child benefit beyond the first child will be worth less than 32 years ago and child benefit for the first child will be at its lowest level in real terms in the past 20 years.

Child poverty is on the increase, and absolute child poverty, in particular, is rising. Yet we see the shocking prospect, in a country which has the sixth-largest economy in the world, of more and more children's and families' lives being blighted by poverty. The Child Poverty Action Group says that as a result of the cumulative cuts to social security, we are pushing more children into poverty. Its analysis is that 1 million more will be in poverty, two-thirds of them in working households.

Does the Minister accept those figures as correct? Does he accept that as a result of the freeze, 10.5 million households will see their average yearly income cut against a backdrop of rising food prices, now standing at 4.1%, at exactly the same time as the Treasury is saving £4.7 billion, more than originally estimated, by the freeze in those benefits?

I am sure that the Minister will say, and I would not disagree, that the best way out of poverty is work, but he knows as well as I do that families face precarious work situations, zero-hours contracts and rising inflation. It is a heady cocktail that they cannot fight by themselves, and the Government need to step in.

The Explanatory Memorandum which accompanies the orders makes it clear that the Treasury was not required to review the impact of the freeze on child benefit, as the decision had been taken before. I ask the Minister three simple questions. How will the

[Baroness Primarolo]
Government stop the rise in child poverty? Will he agree to publish an assessment of the benefit freeze and its impact on child poverty? Finally, will he go back to the Treasury to persuade it that it needs to reconsider the decision to freeze child benefit, bearing in mind the vast amount of money that it has saved, to share some of it with mothers by giving it to them as an increase in their child benefit so that they can spend it on their children in times of desperate challenge for families?

Lord Kirkwood of Kirkhope (LD): My Lords, it is a pleasure to follow the noble Baroness, Lady Primarolo, who has a lot of experience, having been a Treasury Minister. I agree largely with her plea for a better context in which to consider these orders. Like her, I was in the Grand Committee last week when we looked at the social security uprating order, which is a sister order. In the normal annual review that we have had in the past, they are normally considered, pari passu, together, in a way that enables a more joined-up debate to take place. I absolutely agree with what has just been said about the importance of the context of what we are considering.

The Minister, in his usual efficient way, explained exactly what these orders are doing, and he is right. I am perfectly prepared to believe that the orders are legal and accurate and what is required by law. But if we are talking about £130 billion of contributions through the national insurance fund, £24 billion of which is allocated now to the National Health Service, I think we deserve a better context in which to discuss these things.

This is a procedural point rather than anything else, but I am getting more and more worried about how the deregulation provisions that we passed in the Act some years aback are now being used more and more to deflect some of the routine things that Parliament needs to be consulted about. It is called "ambulatory provision", for those who are students of these things. I am getting frightened that the consideration of these important orders, including the social security uprating orders that we considered last week, is being pushed further and further into the long grass. I do not need to tell the Minister, because he was there at the time but, in the old days, when we were all in the House of Commons, these were big debates. It was understood that it was a significant sum of money. The biggest spending department in the Government by a mile was under examination and scrutiny in Parliament. We now do that through these restricted orders, which, stricto sensu, as the noble Baroness, Lady Primarolo, said, is technically out of order. I agree with her—and in a moment I shall indulge in the same kind of latitude that she took.

My point is that the Minister is a very experienced hand in this. Will he go away and reflect how we can, particularly at the beginning of a Parliament—and this is a new Parliament, with its first Budget—think about sustainability and affordability and about the adequacy of benefits, child benefit being principal among them, as well as about the social change that surrounds that? The world of work has changed quite dramatically in a number of respects, particularly in relation to self-employment. I want to talk about class 2 and class 4 contributions in a moment.

The Minister understands these things perfectly well. There should be some occasion, maybe a day in government time, to which these uprating orders are appended, when we can have a proper discussion on the context in which these contributions are being raised and the benefit spend is being agreed. That would give some of us more confidence, at least once at the beginning of every Parliament, that the Government were willing to open themselves and be transparent about their longer term aims and ambitions. Basically, I guess that they would say that they were doing their best with universal credit and doing their best to try to understand the challenges when disability costs are increasing. But we should have a grown-up discussion about that—it is not for now, but I hope that he will go away and reflect on that carefully.

6.45 pm

I turn to the kind of stuff that we get in the Explanatory Memorandum about, for example, the contributions order. Paragraphs 8, 9 10 and 11 talk about the kind of things that the Government are doing in these orders. They give the impression that nothing at all has happened. There is no consultation; the guidance on the regulations poses no new obligations. Paragraph 10 states that there is no impact on business or the public sector and that a,

"Tax Information and Impact Note has not been prepared".

Against the background of a spend of £130 billion, that is not right. Nor is it right to talk about class 2 and class 4 national insurance contributions without understanding the significant change there has been in self-employment in this country. It is not just the extent to which people are engaged in it, but how it relates to universal credit and the minimum income floor, and all the problems attendant on those who try to act in good faith by getting into some kind of gainful employment through a self-employed route. Just looking at the contributions does not begin to address some of the problems that they face. That is just one example; I could think of others under the social security contributions order.

On the tax credits and guardian's allowance, the Government will need to return to the four-year freeze in the course of this Parliament. It is not just child benefit; a whole range of benefits is subject to the freeze and will need to be looked at. If we do not make some alterations, that will have counterintuitive effects in terms of family breakdown and increase the likelihood of household debt and homelessness. None of these is an intended consequence. It was all done when we were looking at austerity in the days of Chancellor Osborne. He was predicting inflation at rates that we now know were underestimates. We are now looking at interest rate changes and a whole range of different circumstances that were not known when the Act imposing the freezes was put in place. It is perfectly reasonable for Parliament to say that, in the course of the four-year benefit freeze, we should have a long, hard look at the consequences.

I warmly welcome the disability and guardian's allowance exemptions, but we will need to come back to them as well. The intelligence I am getting from the disability pressure group community is that there are

still serious problems that need to be addressed. At least the CPI inflation of the elements that deal with disability is welcome so far as it goes.

In conclusion, these orders need to be improved. We are lucky to have a Government Actuary who is so assiduous in setting this all out. I read the quinquennial review, based on 2015 but published in 2017. There are some serious challenges for Treasury grants, not in the short term, but in the longer term where the actuary identified some serious problems about the increasing dependency ratio that the country is facing. That is not a forecast: we are facing it come what may, because it is based on demographics that we can make estimates of now. The increase in the new state pension has a lot of variables. The National Insurance Fund is very sensitive to how the cost of that works out. Speaking for myself—this is not my party's policy—I do not think we can afford a triple lock any more. Pensions should be linked to earnings in the future because we cannot afford the triple lock in perpetuity.

Finally, I agree very strongly with the Minister's colleague, the noble Lord, Lord Willetts, who made an excellent speech at a Resolution Foundation event earlier this week. He pointed out that we need to find new sources of resources in the middle to longer term. That probably means looking more at wealth than income from which to derive extra resources to deal with some of these problems. It probably also means that people of my generation and, indeed, the Minister's might be asked to pay a little more to cover the benefits that we have experienced in our life journey and to pay for some of the social care charges that will pose challenges in the future. These regulations, so far as they go, are legal and I am happy to allow them to pass. However, politically, they are inadequate and not fit for purpose.

Lord Tunnicliffe (Lab): My Lords, I am not having a good afternoon. The Minister stole my speech on the previous set of regulations and my noble friend on the Back Benches has stolen most of my speech on these regulations, so I will not repeat her remarks.

I largely agree with the general point made by the noble Lord, Lord Kirkwood, that these regulations, together with the measures we discussed last week, are part of a very big debate. We should have that debate. I shall certainly press through my channels for a day's debate in government time on the whole issue of the charges, the uprating and the overall problems. As the Minister well knows, there is not the slightest chance of this Front Bench opposing these regulations because, if we did so, we could win a vote. That would produce a constitutional crisis for which I would be drummed out of the House of Lords so, of course, we will not object. However, I have a technical question: to what extent are any of these regulations, and the parts thereof, anything more than a formality, because as far as I can see they simply approve measures that have already been announced and do not include any discretionary decisions that would alter previous government statements.

These regulations are, of course, a small part of the total picture and a small part of a massive and highly successful programme, to which I think the Minister referred as fiscal discipline and I refer to as a programme to take from the poor and give to the rich. As the noble Lord, Lord Kirkwood, said, the four-year freeze has not been debated: that is, the four-year freeze on child benefit, jobseeker's allowance, employment and support allowance, income support, housing benefit, women's state pension age, local housing allowance rates, child tax credit, working tax credit and universal credit. These regulations contain only one substantive element—namely, that CPI inflation is 3%, which is a great deal higher than the 1.7% figure which I believe was envisaged when the freeze was first introduced. Indeed, for the people concerned, for whom food is a very high proportion of their expenditure, food inflation was 4.1% over the period when CPI inflation was 3%. Therefore, the people in the freeze zone are getting substantially poorer. Indeed, the Resolution Foundation takes the view that the freeze will save the Government some £4.7 billion by 2020, and this saving will fund tax cuts for middle and higher-income earners. Austerity has not worked. The Government—be it the coalition Government or the present Conservative Government—have missed every fiscal target they have set. In fact, I am not quite sure where we are now; it is possible that the Government have given up setting targets, which at least aligns with reality. Our failure to oppose these regulations does not mean that we in any way support the evil policy of which they are part.

Lord Young of Cookham: My Lords, I am genuinely grateful to all noble Lords who have taken part. We have had a thoughtful debate, with no specific objections —on the contrary, with welcome for the measures in the regulations before us. However, noble Lords have pegged on to that some broader issues which deserve a response, and I will do my best to address them.

The noble Baroness, Lady Primarolo, and I have been debating these matters for over 20 years. Sometimes she has been the Minister and I have been in opposition, and sometimes the roles have been reversed. However, it is good to see that dialogue being maintained in this House, in the same cordial way that it was in the other place.

It may be helpful if I first put in the broader context the reasons for the freeze on certain benefits, because that is the backdrop, then address specifically the points that fall within that of the impact on child poverty, and then address some of the issues that have been raised during the debate.

First, I quite understand the points noble Lords made about the impact of the freeze of in-work benefits on families now that inflation is higher than it was, although I note that it is predicted to fall back to 2% next year, having peaked at 3% in the final quarter of last year. However, just to put that decision in context, spending on welfare had trebled in real terms between 1980 and 2014, and had contributed to a record level of debt: 83.7% of GDP in 2015-16. This was unsustainable. Also, in 2013, the UK had the highest spending on the family out of all OECD countries as a percentage of GDP. That is the backdrop.

Secondly, between 2008 and 2015, average earnings went up by 12%, whereas most working-age benefits, such as JSA, increased by 21%, and child tax credit rose by 33%. A four-year freeze helped to reverse that trend and reinforce the incentives to work.

[LORD YOUNG OF COOKHAM]

Thirdly—this has not been mentioned during the debate—the Government have taken steps elsewhere to help the incomes of those in work by raising the national living wage to £7.83 per hour and by making progress on the manifesto commitment to raise the personal allowance to £12,500. Put in that overall context, and with the exemptions we are debating today, the policy is defensible.

I will address some of the issues raised during our debate. Real household disposable income grew at its fastest rate in 2015 to reach its highest-ever level. On the specific issues around child poverty, the noble Baroness quoted the Resolution Foundation; other reports by the Institute for Fiscal Studies and the Child Poverty Action Group focused on the issues raised by the noble Baroness. Since 2010, there are 200,000 fewer children in absolute poverty, before housing costs, and 608,000 fewer children living in workless households, which is a record low. We are committed to taking action to help the most disadvantaged, with a focus on tackling the root causes of poverty in workless households. As the noble Baroness anticipated, it is indeed our view that work remains the best route out of poverty. In 2015-16, 9% of children were in households where all adults were working with relative low income before household costs, compared with 48% in workless households. Since 2010, there are over 3 million more people in work and 954,000 fewer workless households. Therefore we are taking action to ensure that work always pays.

The noble Baroness asked whether we could publish an assessment of the benefits freeze. I understand that it is quite difficult to isolate its impact but, when the freeze was announced, an impact assessment was published, and the Treasury publishes a wider distribution analysis at the Budget.

It seemed to me that some of the strategic issues that the noble Lord, Lord Kirkwood, raised could be dealt with by the Select Committee in the other place that he chaired so ably. In another place one could have Opposition day debates on the more strategic issues, but I take his point, which was raised by others in the debate, that there might be value in a broader debate about social security. I am more than happy to raise that issue with the business managers to see whether that might take place.

We do not consult on the specific measures. They are routine and everybody expects them. I am not sure that it would be a tremendously valuable exercise to consult on the rather narrow annual uprating each year.

The noble Lord, Lord Kirkwood, said that the whole range of benefits is subject to the freeze. However, I am sure that he knows that pensioner benefits and benefits for the additional costs of disability and care are exempt from the freeze and continue to be uprated as part of our commitment to protect the most vulnerable.

He mentioned the quinquennial GAD report, which estimates that the NIF will run out of money in the 2030s. Looking to the foreseeable future—to 2024-25—we expect the fund to have a surplus. However, in the long run he is right: life expectancy and other demographic trends will continue to pose a challenge for the public finances. He mentioned my noble friend Lord Willetts, who came up with his own solutions to how those challenges might be responded to. Again, that is the sort of issue that might be raised in the broader debate that he would like to get under way.

We are committed to the triple lock for the duration of this Parliament. It has been an invaluable element in addressing the issue of pensioners living in low-income households. That peaked in the late 1980s at over 40% but the proportion of pensioners living in low-income households is now down to 16%.

Finally, the noble Lord, Lord Tunnicliffe, complained that he had been robbed by the first-class speeches from those on the Opposition Benches. He asked whether there was an element of discretion in the measures before us. The Explanatory Memorandum says that Section 41 of the Tax Credits Act 2002 requires a review of certain monetary amounts in each tax year to determine whether they have retained their value in relation to prices. Therefore, we have to do that. We discovered that they have not retained their value, so the Government have taken the action that they have. In one year, we did not uprate because inflation at the time was negative. It is government policy to uprate in line with the regulations before us, and I suspect that if we did not, we would be before the courts.

I have tried to answer all the points raised and commend the regulations to the House.

Motions agreed.

House adjourned at 7.03 pm.