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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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

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House of Lords

Thursday 25 October 2018

11 am

Prayers—read by the Lord Bishop of Salisbury.

Public Sector Television Content Question

11.06 am

Asked by **Baroness Bonham-Carter of Yarnbury**

To ask Her Majesty's Government what steps they are taking to ensure that public sector television content is easily discoverable regardless of how viewers access such content.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, the Government recognise the value and importance of high-quality public service content and the need for it to be widely accessible to viewers. That is why, in the Digital Economy Act 2017, the Government required Ofcom to publish a report looking at the ease of finding PSB content across all platforms. Ofcom published its first report on the discoverability of PSB content in July and has consulted on proposed changes to the linear EPG code and the future of the prominence regime. The consultation closed on 5 October. We look forward to its findings in due course.

Baroness Bonham-Carter of Yarnbury (LD): I thank the Minister for his reply. Given Ofcom's clear support for a legislative update, does the Minister not agree that there is an urgent need to modernise the rules that help to guarantee prominence for PSB linear and associated on-demand services? Global technology players should not be the gatekeepers to what we watch. They have little interest in supporting UK content and culture or ensuring that the news they supply access to is accurate. Unless the Government act, they will bury public service TV.

Lord Ashton of Hyde: My Lords, I pretty much agree with that. The Secretary of State said last month that,

"the government will support PSBs to ensure they continue to thrive, and stay prominent, as part of a healthy, sustainable and dynamic media landscape".

If Ofcom, which is the expert on this, makes it clear that there is a problem that needs fixing by legislation, we will look to bring that forward.

Lord Griffiths of Burry Port (Lab): My Lords, I have the same quote from September 2018 in front of me, and I am delighted to hear that the Government are aware of the urgency of this. Three months before that report, Ofcom indicated that legislation would be necessary to achieve the objectives we have all agreed about. Post Brexit, where will such legislation figure in

the queue of legislation ganging up on us, in order to do justice to the sense of urgency that has already been accepted?

Lord Ashton of Hyde: My Lords, I would like to say that it will have prominence, but obviously I cannot give a guarantee today. Brexit will involve a lot of legislation. The fact is, we understand the urgency, that the media landscape is changing and how technology is changing. The old linear EPG is not fit for purpose. It is not for me to say where it will fit in the legislative programme because that is not my responsibility, but we understand the issues. We are waiting for the Ofcom report following its consultation, which has now finished; I believe it is due early in 2019.

Lord Wigley (PC): My Lords, will the Minister give an assurance to the tens of thousands of Welsh speakers living in England that the Welsh language channel S4C will be afforded reasonable prominence on the electronic programme guide?

Lord Ashton of Hyde: That is likely to be the case, but we are obviously waiting for Ofcom's report. However, I understand the point, and I think it will have suitable prominence.

Baroness Neville-Rolfe (Con): I refer to the register of interests. Is the Minister aware that the concerns reflected in the noble Baroness's Question are shared by many on these Benches as well? Can he send a strong message to Ofcom about the need for speed, given the pace of technological change, which is overtaking us every day? When does he think the Government will be able to announce concrete progress on this road?

Lord Ashton of Hyde: I have outlined that things are moving fast. The consultation finishes on 5 October. Ofcom has said it will report at the beginning of 2019. Then, as the noble Lord, Lord Griffiths, alluded to, it is up to the business managers—if Ofcom decides that legislation is necessary; you will have to look at the report. This is a complex area. The new technologies do not make it simple. It is not just like an old, linear EPG. But we understand the urgency and we know that the commercial interests do make it difficult for public service broadcasters. The key is that we support public service broadcasting.

Lord Clement-Jones (LD): My Lords, we have heard from my noble friend and other noble Lords about the urgent need to change the EPG regulations, but is there not another aspect? The chief executive of Channel 4 has pointed out that there is no regulation at all of so-called smart voice search controls, which are increasingly being introduced by the major television manufacturers. That aspect is barely covered by the Ofcom report. Will the Minister guarantee that it will be covered in any new regulations?

Lord Ashton of Hyde: I accept, as I said before, that this is a complex area. We are talking about not only linear, satellite and aggregators, but about TV and videos which are just on the internet. As noble Lords

[LORD ASHTON OF HYDE]
will know, as well as looking at the prominence regime, we are looking at online harms generally. We expect to publish a White Paper on that in the winter.

Lord Grocott (Lab): Should any further evidence be required, was not the powerful support for and huge importance of the five main channels demonstrated by the colossal viewing figures during the World Cup? Some 26.5 million people, 40% of the population, were watching this listed event. It is a long time since the last review. Is it not time for another review of the listed events, which have been steadily eroded over recent decades, because they are hugely important to and popular in the country as a whole, and very unifying, in that people talk about them?

Lord Ashton of Hyde: I completely agree about the unifying aspect of these events, and it is worth bearing in mind what the noble Lord has said. We should not be under the illusion that the PSB viewing figures are unimportant. Together, the PSBs command a 55% share of all TV viewing, and they spend £2.6 billion a year on original UK content.

Border Force: Heathrow Airport *Question*

11.13 am

Asked by Lord Blunkett

To ask Her Majesty's Government how often the Border Force failed to achieve service level agreement targets for the maximum waiting time for passengers at Heathrow Airport during the months of (1) July, (2) August, and (3) September; what was the percentage shortfall in each case; and what action they intend to take to improve its performance.

Lord Blunkett (Lab): My Lords, I beg leave to ask the Question standing in my name on the Order Paper. In doing so, I draw attention to a tangential interest on the register.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, Border Force is committed to ensuring that passengers arriving in the UK receive an excellent service, while it maintains our responsibility to border security of checking 100% of passports. The latest statistics available are for quarter 2 of 2018, when 95% of passengers were cleared within service standards. Border Force is taking a number of steps to ensure that passengers are dealt with quickly, including through investing in technology and maximising available staff during busy times.

Lord Blunkett: My Lords, I had intended to congratulate the Minister, first, on the delphic way in which she responded to my previous Question without giving me an Answer—she has managed to do that again today—and, secondly, on the fact that there was an improvement in August although then a catastrophic drop in September. Given the National Audit Office

report this week and the genuine concerns about retaliation post Brexit, never mind about the impact on our commerce and trading as well as our relations across the world, is it not time that the Home Office got a grip on this and ensured that we used real intelligence to pass people through passport control in less than two and a half hours?

Baroness Williams of Trafford: My Lords, the fact that the noble Lord did not congratulate me is no disappointment, because it is rare that anyone congratulates me on anything.

Noble Lords: Oh!

Baroness Williams of Trafford: It is the Home Office after all.

The noble Lord is absolutely right to point out that, given the passenger growth that we have seen during the past couple of years, we need to be ready to process people through the border. He will know that we had a surge in staff during the summer—200 staff equipped for the summer months—which is probably where the positive part of his question comes from. On the back of the growth that we are seeing, we will have to look at options for extending some eligibility through e-gates. We are actively exploring how we might achieve that in the shortest possible timeframe.

Lord Howell of Guildford (Con): As my noble friend knows, I have raised this matter with her previously; I think that she was going to write to me about it, but I have not yet received the letter. Given the worsening situation in some areas, could we not at least consider the kind of business fast-track visa that enables business card holders to zip around the whole Asian economic scene with great speed? They should be just as free to move around the areas which are of major concern to us commercially.

Baroness Williams of Trafford: I apologise to my noble friend for his not having received a reply. He previously talked about Japanese businessmen, if I recall correctly. There is of course the registered traveller service, by means of which passengers, particularly business passengers, can be expedited through the border. I will ensure that the letter that should have been sent to him is sent as soon as possible.

The Duke of Somerset (CB): My Lords, why are so many of the electronic gates often closed? Does she agree that the installation of more of them in good working order would go a long way to alleviating the queues?

Baroness Williams of Trafford: The opening of e-gates is designed specifically to ensure that predicted passenger numbers coming through are served by them. If flights are delayed, for example, that can mean that e-gates do not operate at full efficiency. On the back of the Question, it is important to look at the wider issue, which is to make sure that e-gates are available at those busy times and can operate at full efficiency.

Lord Rosser (Lab): My Lords, the figure that the Minister gave of 95%, I think, covers all terminals at Heathrow and the whole day. The biggest problem of delay is at terminals 4 and 5 during the peak summer months and at specific periods of the day. The figure then is nothing like 95%. Can the Government now give us relevant figures on the percentage of non-EEA passengers arriving at Heathrow terminals 4 and 5 in the peak summer months during the periods when those terminals are at their busiest who experience delays exceeding the service level agreement, which I think is the information that my noble friend Lord Blunkett would like?

Baroness Williams of Trafford: The reason I have not given the noble Lord those figures is because I cannot give them. We are certainly looking through the aviation strategy to provide improvements and looking at the service level agreements that we have made.

Lord Paddick (LD): My Lords, those entering the UK from outside the EU and the EEA are stopped at the border to check that they are not moving here permanently and that they are not going to work here illegally, hence the queues. What plans have the Government put in place, if we leave the EU, to ensure that EU citizens are not moving here permanently or moving here to work illegally, bearing in mind that the Government have promised that there will be no border between the EU and the UK on the island of Ireland?

Baroness Williams of Trafford: I am sure that the noble Lord will agree that, when passengers come into this country, Border Force ensures that this country maintains its safety and security for all. The arguments around the CTA are well trodden, with the Government not wanting a hard border between Ireland and the UK. Of course, the CTA existed before the EU itself, and will do after we leave.

Lord Cormack (Con): My Lords, in congratulating my noble friend on her impeccable good humour whenever she is answering Questions, may I ask whether we are likely to have a backstop or a stop-back arrangement for EU immigrants from 29 March next year?

Baroness Williams of Trafford: I thank my noble friend for that congratulation: it is probably the first I have ever had. All I can say at this point is that, as he knows, negotiations are ongoing and this will be determined in due course.

Trident Question

11.21 am

Asked by *Baroness Miller of Chilthorne Domer*

To ask Her Majesty's Government whether they will reassess their plans in relation to Trident in the light of the report by the British American Security Information Council, *Blowing up the Budget: the cost risk of Trident to UK defence*, published on 25 September.

The Minister of State, Ministry of Defence (Earl Howe) (Con): My Lords, Her Majesty's Government remain committed to maintaining a minimum credible nuclear deterrent and continuing with the programme for our new ballistic missile submarines. The first responsibility of government is the protection and defence of the United Kingdom and its citizens. Economic pressure is not sufficient rationale for taking long-term risks with our national security far into the future. Like any organisation, the Ministry of Defence assigns funds to those activities which are the highest priority.

Baroness Miller of Chilthorne Domer (LD): I thank the Minister for his reply. I am sure he is as worried as many of his colleagues by the Public Accounts Committee report which found that the nuclear deterrent is an enterprise that is already unaffordable. If this spend were making the UK, Europe and the world safer, it might be worthwhile—but it is quite clear that halting a renewed nuclear arms race, binding treaties and multilateral disarmament are the only ways to achieve that safer world. Given that the UK boycotted the UN talks and the Treaty on the Prohibition of Nuclear Weapons, can the Minister tell the House just how the Government intend to set an example, as a nuclear weapon state, in making a success of the forthcoming round of the nuclear non-proliferation treaty, and what steps they have already taken to ensure that positive progress towards disarmament will be achieved?

Earl Howe: My Lords, the unpredictable security environment we face today demands, in the very firm view of the Government, the maintenance of our nuclear deterrent for the foreseeable future. However, the Government are committed to a world without nuclear weapons, and we firmly believe that the best way to achieve that goal is through gradual, multilateral disarmament, negotiated using a step-by-step approach within the framework of the nuclear non-proliferation treaty. We have tried over the years to lead by example. Our nuclear warhead stock has been much reduced, as the noble Baroness is aware, and we will do our best to discuss and negotiate, with our partners, the best way to proceed from this point.

Lord Craig of Radley (CB): My Lords, does the noble Earl agree that the credibility of the nuclear deterrent is very much dependent on a strong conventional capability? Are the Government satisfied that the conventional capability today is adequate?

Earl Howe: My Lords, that is precisely why the Government are conducting the modernising of defence programme: to ensure that our defence budget is directed towards the capabilities that we need to deal with the threats that face us.

Lord West of Spithead (Lab): My Lords, the noble Earl is absolutely right. In the world environment we are in, it would be madness for us to give up our absolute minimum nuclear deterrent. We have set an example to everyone in the world. While I am delighted that £1 billion has been brought forward to speed up the programme, and that it came from central funds

[LORD WEST OF SPITHEAD]

and not from MoD funds, in the context of modernising defence could we go back to what Labour had planned: namely, that the capital costs of nuclear submarines would come from the centre and not from defence funds, with the implications that has for the defence vote?

Earl Howe: My Lords, we think we can achieve the same objective under the current arrangements because, in addition to the £31 billion estimated capital cost of the programme, the Treasury has allocated a potential contingency of £10 billion on top of that. We think that it is prudent and have no reason to believe that we will use it to the fullest extent, but it gives an assurance that, over the 30-year timescale of this programme, sufficient flexibility should be built in.

Lord Boyce (CB): My Lords, the BASIC report suggests in two or three places that the Government's commitment to the continuous at-sea deterrent may no longer have the same priority that it did. Will the Minister acknowledge the remarkable achievement of nearly 50 years of unbroken continuous at-sea deterrence, which is ongoing, and repeat to the House his unequivocal assurance that CASD will still have the Government's highest priority?

Earl Howe: I am happy to confirm to the noble and gallant Lord that that is the Government's policy. We reaffirmed the continuous at-sea deterrent posture in the 2015 strategic defence and security review and, as he rightly says, we have had a nuclear armed submarine on patrol for every minute of every day for nearly 50 years, including during the transition between the Resolution and Vanguard classes.

Lord Houghton of Richmond (CB): My Lords, I would never publicly question the utility to our defence of the nuclear deterrent, nor the carrier programme, nor the F-35 programme. But it is eminently clear to me that for several years now, the balance of the conventional forces has been used as the financial regulator in order to afford these programmes. Does the noble Earl not agree that, unless the whole of the defence programme is made affordable, we will be presented with decisions that so hollow out our conventional forces that the sense of affording the nuclear deterrent will be seriously questioned?

Earl Howe: My Lords, I understand the noble and gallant Lord's point. There is a £31 billion budget for the Dreadnought programme and we are currently confident that that estimate is robust. It is quite separate and distinct from other procurement budgets. We do not consider that it impacts upon them adversely—but we are conscious of the risks that he articulates.

Lord Tunnicliffe (Lab): My Lords, the BASIC report says that the Infrastructure and Projects Authority, which rates government projects, "has rated *Dreadnought* Amber/Red, meaning that the IPA assesses that: "Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas".

It goes on to say:

"Worse, the linked Core Production programme, which will produce a new submarine reactor core production facility ... is the ... only Red rated project",

in the Ministry of Defence. Given this sorry state of affairs, what faith can we have in anything the MoD says about these programmes?

Earl Howe: My Lords, the amber/red rating for the Dreadnought programme in 2016-17 recognised that the programme was unaffordable at that time against the required profile, and that there were significant risks in the design-to-build transition. Since 2016-17, funding has been approved for the second delivery phase, the design has matured and governance has improved. The red rating for the core production capability reflects scope changes and associated delays and cost increases. We have to recognise that this is a very complex programme—probably the most complex engineering programme that any Government have undertaken—hence the caution in those risk ratings.

Antimicrobial Resistance

Question

11.30 am

Asked by **Baroness Thornton**

To ask Her Majesty's Government what steps they are taking to reduce deaths from antimicrobial-resistant infections.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con): My Lords, antimicrobial resistance, or AMR, is a significant global threat and the Government are committed to tackling it domestically and internationally. Over the past five years, we have worked to deliver our strategy and ambitions as set out in response to my noble friend Lord O'Neill's review. However, we recognise that no country can tackle AMR in a single five-year strategy. That is why we will shortly be setting out our longer-term vision for tackling AMR and setting challenging ambitions for the next five years.

Baroness Thornton (Lab): I thank the Minister for that Answer. As he rightly said, AMR poses a grave threat to health. Quite simply, if action is not taken to address this growing threat, it is estimated that, by 2050, AMR will kill 10 million people a year, more than cancer and diabetes combined. This week we saw the publication of the Commons Health Select Committee report which outlined the gravity of this issue. It is of concern that the Chief Medical Officer said to that committee that she would like, "more visible and active Government leadership", on AMR. I think I need to press the Minister. When we will see more visible activity and what form will it take to deal with a huge threat to our nation's health?

Lord O'Shaughnessy: I agree with the noble Baroness about the grave long-term threat AMR poses, but it also poses a threat in the short term. Estimates vary, but between 2,500 and 5,000 people a year in England

die because of AMR. In relation to the seriousness with which the UK takes it, I mentioned the new strategy which will be published shortly. I should point out two things that have been a success. First, the UK has taken a very important global leadership role in making AMR a priority for the G20. Secondly, as a consequence of our action plan, we have seen reductions in the prescribing of antibiotics at GP level. That means that we are starting to drill down on the overprescribing and inappropriate prescribing which is driving AMR.

Earl Attlee (Con): My Lords, is it correct that last-resort antibiotics are being fed to pigs in order that they can be weaned at an earlier stage?

Lord O'Shaughnessy: I do not know specifically about pigs, although in my briefing there was a quote from *Pig World*, which is not a periodical I read very often. Antibiotic use in the veterinary environment has gone down by 40%. It is one of the big successes of the strategy.

Baroness Boycott (CB): My Lords, today the European Parliament is voting to ban all prophylactic use of antibiotics in farming, which will mean that they can no longer routinely be fed to groups. While British farmers have done magnificently in reducing antibiotics, I gather that the UK's Veterinary Medicine Directorate is not minded to adopt this ban. Can I have an assurance from the Government that, in any new legislation now and post Brexit, a total ban on prophylactic use will be installed and that food standards will be maintained so that, if we ever start taking American meat imports, we will not accept them because of their unacceptable use of antibiotics?

Lord O'Shaughnessy: I join the noble Baroness in congratulating farmers on fantastic action in reducing the use of antibiotics. The specific issue the noble Baroness asked about is in the competence of Defra, so I will have to speak to my colleagues in that department about their opinion on the prophylactic use of antibiotics. On food standards, we have some of the highest food standards and animal welfare standards in the world, as the noble Baroness knows, and we have no intention of lowering them in any trade deal.

Baroness McIntosh of Hudnall (Lab): My Lords, the Minister referred earlier to overprescribing. Will he tell the House what is being done to protect the future of scientific research in this area, particularly post Brexit? Although changing the behaviour of GPs and patients is important, long-term certainty will come from research which is yet to be completed.

Lord O'Shaughnessy: The noble Baroness is quite right. A key part of the strategy to date has been a £350 million investment in R&D specifically on AMR. On what will happen after Brexit, as she will know, our intention, as set out in the White Paper, is to be part of the successor programme to Horizon 2020, which you do not need to belong to the EU to be part of.

Baroness Jolly (LD): My Lords, in 2016 just under 250,000 people developed multidrug-resistant TB globally, and in 2015 a report found that one-third of London boroughs exceeded the World Health Organization's high-incidence threshold for TB. This poses a huge threat to public health. What action is being taken to get on top of this by the Department of Health, Public Health England and other agencies?

Lord O'Shaughnessy: The noble Baroness is quite right about the risk in London. We actually have a good TB story in this country—a 41% reduction between 2011 and 2016—but London has the highest rates in the UK. I can tell her that Public Health England and the GLA are working closely together to reduce TB. In fact there are innovative new approaches, such as UCLH's Find & Treat mobile unit, which I myself visited last year, which is going out and finding people at the highest risk, screening them and then taking them for treatment.

Lord Patel (CB): My Lords, accepting that the overprescribing or inappropriate prescribing of any drug is a bad idea, the issue of bacterial infections will remain with us. I hope the new strategy that the Minister mentioned will address the issue of how we might tackle bacterial infections in future. This could be by developing new antibiotics; developing drugs that deal with infections but do not produce resistance; developing therapies such as boosting the immune response to be able to cope with these infections; and even, if I may say so, developing drugs that might deal with so-called zombie cells that cause infections, which would be more appropriate for older people. I therefore hope his new strategy will address the necessary research.

Lord O'Shaughnessy: I can reassure the noble Lord on that front. We have made good progress in dealing with hospital-acquired infections such as MRSA and *C. difficile*, although unfortunately we have had less success with *E. coli*. Obviously, a big part of this is driving down infections completely. The other part is about drug discovery, and that is a big global action. It is part of the G20 work that we are taking forward with Argentina to ensure that we have new classes of antibiotics to deal with these problems.

Brexit: Preparedness for EU Exit

Private Notice Question

11.37 am

Asked by **Baroness Hayter of Kentish Town**

To ask Her Majesty's Government whether they will reassess their level of preparedness for not reaching a negotiated agreement with the EU in the light of the report by the National Audit Office, *The UK border: preparedness for EU exit*, published on 24 October.

Baroness Hayter of Kentish Town (Lab): My Lords, I beg leave to ask a Question of which I have given private notice.

The Minister of State, Department for Exiting the European Union (Lord Callanan) (Con): My Lords, extensive work to prepare for no deal has been under way for two years. Robust plans are in place to ensure that the border continues to operate from the day that we leave. We will always ensure that we have the necessary resources to keep the border secure. That is why we are recruiting over 600 Border Force officers to prepare for the day that we leave, in addition to the 300 officers who will be deployed by the end of 2018.

Baroness Hayter of Kentish Town: My Lords, the Prime Minister said no deal is better than a bad deal, but now the NAO says the border and HMRC systems needed under WTO rules simply cannot be implemented in time. Business cannot prepare; the car industry warns about the catastrophic impact that no deal would have on its manufacture; ports would be jammed, even without Mr Grayling's flotilla; and medicines would be in short supply—to say nothing of the urgent legislation required in this House. Is it not irresponsible, even reckless, to continue to threaten no deal? Having got to the cliff edge and looked over, should the Government not be saying, "Better not"?

Lord Callanan: I am not sure what the noble Baroness is asking us to do here. We do not want no deal, but as a responsible Government, we need to prepare for it. Is the Labour Party saying that it would accept any deal given to it? We want a deal, we are working for a deal, we are negotiating for a deal, but putting in place preparations in case there is no deal is the responsible thing to do. That is what a responsible Government should do.

Baroness Ludford (LD): My Lords, does not this damning report from the National Audit Office perfectly make the case for the people to have a people's vote, to have a final say on what happens next to this country? There is a myth that the Prime Minister stopped talking about no deal being better than a bad deal, but she repeated it just four weeks ago. In the light of that, it is highly irresponsible—I thank the noble Baroness, Lady Hayter, for her Question—to be in this state of unpreparedness when the Government say that they are determined, come what may, that we either exit with a deal or have no deal.

Is it true that the Government have been advised that ferries will have to be requisitioned because the capacity at Dover will be 15% to 25% more than normal for six months after no deal? Where will the Government find those ferries? Where will they find the alternative port capacity? What are people who depend on life-saving drugs going to do in the meantime?

Lord Callanan: As the noble Baroness is aware, we have already had the a people's vote and the people voted to leave, but we will be exploring this subject extensively in the next few hours in response to the Motion tabled by the noble Lord, Lord Campbell. As I said, we remain confident of reaching an agreement with the EU, but it is only sensible for government and industry to prepare for a range of scenarios. We continue to work closely with a range of partners on the appropriate

contingency plans to ensure that trade can continue to move as freely as possible between the UK and Europe in the event of no deal—which, I repeat, is not an outcome that we wish.

Lord Lamont of Lerwick (Con): Has my noble friend noted the statement this week by President Macron of France in which he said that although no deal was undesirable, no deal should not be a cause for panic? He specifically said that ferries would operate, trains would continue to run through the tunnel, planes would continue to serve as normal and business would go on.

Lord Callanan: My noble friend makes a very good point. We know that the French National Assembly and the French Government are putting in place preparations for no deal, as are many European countries. That is the responsible thing to do, and I am really not sure why the Opposition think it is such a bad thing to put in place sensible contingency plans.

Lord Butler of Brockwell (CB): My Lords, the NAO report states that the border systems cannot be ready in time for a no deal. Is the Minister saying that the NAO report is wrong?

Lord Callanan: We are putting in place the responses necessary in case of no deal. We have decided to prioritise safety and security, the flow of people and goods and then compliance activity, including the collection of revenue in the short term. Contingency plans are being prepared with the aim of managing all the potential issues, such as queues of traffic in Kent and continuing supplies of essential goods and medicines.

Lord Campbell-Savours (Lab): Is not the reality that with up to 500 box trailers per hour going through Dover alone—2.5 million last year—port clearance at Dover is now utterly impossible in the event that we proceed? The only answer now is inland or destination clearance. Are we actually ready for that? To avoid fraud, all inland clearance transportation would have to be customs sealed, as under the old TIR system, while travelling to destinations within the United Kingdom. Have the Government thought through the implications of that, because that is what will have to happen if we are to avoid fraud?

Lord Callanan: We are looking at all of the potential implications. We are discussing with partners such as ports and ferry operators all the potential implications of no deal. We continue to negotiate to get a deal—that is what we want—but we are putting in place the appropriate contingency plans, operations and processes in case of no deal, as are other European countries, because that is the responsible thing to do.

Lord Wigley (PC): My Lords, if the NAO's warnings are correct, is it not crass stupidity for the Government not to contemplate putting back the Article 50 day by enough time to accommodate the necessary provisions if we indeed crash out without a deal?

Lord Callanan: As the noble Lord is aware, that is not a decision that we can make ourselves. We would have to apply for and obtain the consent of the 27 other member states as set out under Article 50, but that is not something that we are going to do or are contemplating—we are leaving the European Union on 29 March next year.

Lord Lilley (Con): My Lords, can my noble friend confirm—since I am sure that, like me, he has in fact read the report, unlike many who are going on newspaper reports of the report—that it is about process and does not forecast any of these chaotic outcomes? It accepts that customs will prioritise flow over compliance, that there will not, therefore, be delays and that there will be no change in risks in its assessment, which the report accepts, and therefore no extra checks.

Lord Callanan: My noble friend makes some good points but I repeat the point that it is the responsible thing to do to make the appropriate contingency plans for an outcome that we do not want but which is possible. If noble Lords opposite think that we should make no preparations at all and just accept whatever deal is given to us by the European Union, then I am afraid that I do not agree.

Lord Brooke of Alverthorpe (Lab): My Lords, I am not sure if the Minister was present earlier at Question Time when my noble friend Lord Blunkett asked his Question. We cannot cope at the moment at the border. If noble Lords read this report—the Minister is not prepared to say whether he agrees with it—it indicates that we have severe problems facing us next year. Yes, it is prudent and responsible to take the appropriate action, but should we not be advising the British people that their holidays next year could be severely delayed, that there could be major problems at Dover and that people should be thinking well ahead about whether they should proceed? Have the Government had discussions with the insurance industry about the likely costs arising from delays?

Lord Callanan: I did not hear the response to the earlier Question. This Private Notice Question was tabled at relatively short notice and I was busy preparing, so I apologise that I did not hear the earlier Answer. We are having discussions about the potential outcomes with a range of partners, including the insurance industry, port operators and others, and we have published an extensive range of technical notices to inform businesses, people, citizens and others about travel plans in the event of no deal.

Baroness Randerson (LD): My Lords, the lack of preparedness that the report outlines will inevitably lead to delays and some chaos. That will clearly lead to an increase in cross-border crime, smuggling and other aspects of law-breaking. What are the Government doing to deal with that particular aspect of the risks that we face and what have they done to liaise with the people in the county of Kent, which is going to be turned into a lorry park?

Lord Callanan: We are undertaking extensive preparations, including discussions with local authorities and port operators in Kent. It is not true to say that we have not been making preparations. They have been ongoing for the past two years for the relevant legislation that is required, both primary and secondary, in the event of no deal, plus all the appropriate contingency plans and discussions with the various operators.

Business of the House

Motion on Standing Orders

11.48 am

Moved by **Baroness Evans of Bowes Park**

That, in the event of the Northern Ireland (Executive Formation and Exercise of Functions) Bill having been brought from the Commons, Standing Order 46 (*No two stages of a Bill to be taken on one day*) be dispensed with on Tuesday 30 October to allow the Bill to be taken through its remaining stages that day.

The Lord Privy Seal (Baroness Evans of Bowes Park): My Lords, I advise noble Lords that the Public Bill Office will accept amendments ahead of the Bill's Second Reading on Tuesday next week from the point at which the Bill is read a first time in this House. We expect First Reading to be after our first debate today. After First Reading, a message will appear on the annunciator.

Lord Foulkes of Cumnock (Lab): My Lords, the Leader of the House has given an explanation of the procedure, but not of why this is being proposed. It would be to the benefit of the House, and a courtesy, if she could explain why this Bill has to be rushed through.

Baroness Evans of Bowes Park: This Bill is necessary to allow the Government of Northern Ireland to function effectively in the light of the fact that there is not an Executive, as the noble Lord is aware. We have agreed through the usual channels that the House will take this Bill in a faster timeframe, but we are trying to ensure that noble Lords have the opportunity to debate the issues that they wish, which is why we are allowing amendments to be tabled early. We will obviously let noble Lords know as soon as possible when they can start to table amendments.

Motion agreed.

Business of the House

Timing of Debates

11.49 am

Moved by **Baroness Evans of Bowes Park**

That the debate on the motion in the name of Lord Campbell of Pittenweem set down for today shall be limited to 3 hours and that in the name of Lord Shipley to 2 hours.

Motion agreed.

Brexit: People's Vote

Motion to Take Note

11.50 am

Moved by **Lord Campbell of Pittenweem**

That this House takes note of the case for a People's Vote on the outcome of the negotiations between the United Kingdom Government and the European Union on the United Kingdom's withdrawal from the European Union.

Lord Campbell of Pittenweem (LD): My Lords, I begin by reminding noble Lords of some of the promises that have been made. On 9 April 2016, Mr Michael Gove said:

"The day after we leave we hold all the cards and we can choose the path we want".

On 10 October 2016, Mr David Davis said:

"There will be no downside to Brexit, only a considerable upside".

On 20 July 2017, Mr Liam Fox said:

"The free trade agreement that we will have to do with the European Union should be one of the easiest in human history". There are plenty of other Panglossian examples of how everything was to be, "the best in the best of all possible worlds".

But given what has happened since, a rather better literary reference might be,

"Never glad confident morning again",

because those statements display a facile misunderstanding of the nature of the European Union, its origins and its core values. They proceed on a simplistic assumption: "They need us more than we need them".

We are now commemorating the end of the First World War. Some of us are already wearing poppies. That war caused terrible loss of life to the United Kingdom. Mainland Europe suffered the same but also the humiliation of invasion and occupation. A short 21 years later there was more death and destruction, more humiliation and even more occupation. Is it any wonder, therefore, that the countries of mainland Europe sought to find another way? The way they chose was to rebuild the nations of the mainland not as rivals but as partners, so they created the European Coal and Steel Community in 1951 through the treaty of Paris. Its purpose was to provide the coal, the furnaces and the steel to rebuild their countries. But that success—I will not take noble Lords through every iteration of it—embraced and emboldened further co-operation until finally a single market and customs union was formed. It embodied the four freedoms, of goods, capital, services and labour; it is said that Lady Thatcher was a strong supporter of that proposal.

The creation of the four freedoms was as much about security as about economics. Countries that embrace these freedoms do not go to war with each other—they have too much to lose. These freedoms are an investment in stability; they are political as well as economic. To coin a phrase, "This whole issue is not just about the economy, stupid". It is because of these foundations that Barnier and Brussels cannot and will not make any concession that undermines these freedoms.

To do so would at the same time undermine the very stability that the European Union has been created to continue.

Lord Forsyth of Drumlean (Con): Would the noble Lord like to comment on how this has all worked out for Italy and Greece? The stability that he says has been created seems to be somewhat undermined by the behaviour of the people in both countries.

Lord Campbell of Pittenweem: In the case of Greece, membership of the European Union brought an end to the dictatorship. In the case of Italy, it allowed that country to embark upon reconstruction of its infrastructure, which might not otherwise have been available. In addition, so far as I know there are not yet many movements in either Greece or Italy to leave the European Union, nor indeed to give up the benefits which it allows.

The quotations to which I referred do not understand the fundamental emotion, if you like, which is to be found in the attitude of Germany. For a long time after 1945, Germany was influenced by a sense of guilt. It is perfectly clear from Mrs Merkel that Germany is now influenced by a strong sense of responsibility to protect the structures which stand in the way of the terrors of death and destruction which were seen in the first half of the 20th century. That has produced this attitude: if you want to leave the European Union, that is your prerogative, but you cannot pick and mix the advantages of membership once you have gone. Allow it once, and others may want to do the same, and there will be a break-up of the structure which has been of such importance to those countries who joined it. In the unlikely event that we left NATO, we would no longer expect to be able to rely on Article 5 of the North Atlantic Treaty—how could we? The simple fact is that as soon as you are outside the European Union, you become a third party, with which the European Union will be willing to co-operate but not to the prejudice of its core values. That is why I say that the Prime Minister's continuing optimism to the contrary is misplaced.

None of those who thought it was going to be easy ever understood the central obstacle of the constitutional values of the European Union and its determination to protect them. Nor indeed did anyone anticipate the viciousness of the battle for the soul of the Conservative Party, to a point where some commentators even say that its continued existence is at stake. Now we hear that the Prime Minister may have enjoyed a temporary and no doubt welcome respite following events yesterday evening, but none of that deals with the question of the 5% which she recently told us she still had to achieve. Since we have had Conservatives in government, they must take responsibility, first of all, for the determination to have the referendum and its consequences.

We should consider some of the mistakes made: first, Mr David Cameron's insistence on calling a referendum rather than toughing it out against UKIP and its fellow travellers in his own party, and then the lacklustre and complacent campaign against leaving, headed up by Mr George Osborne.

Lord Dykes (CB): I thank the Liberal Democrat group for being unequivocally in favour of our continuing membership of the EU. As the first referendum two years ago was an advisory and quite legitimate giving of an opinion, does the noble Lord agree that it is important that the people should be entitled to a second consideration of this important matter now, after the incredibly bewildering and complex negotiations?

Lord Campbell of Pittenweem: I am glad that I have so quickly persuaded the noble Lord.

The second matter that I wish to draw to the House's attention is the unremitting and, it must be admitted, highly successful campaign against the Liberal Democrats conducted by the Conservatives in the 2015 general election. However, the consequence of that was to remove the need for a further coalition, which could have been David Cameron's defence—as it was between 2010 and 2015—against Conservative MPs hell-bent on withdrawal. The consequence of that is that the credibility of the Government's position has been substantially undermined, as indeed it was by the assumption on the part of Mrs May that a general election would produce an increased government majority and strengthen her hand. All those weaken the negotiating strength of the Government, which has been further undermined by the civil war in the Conservative Party, where there is still open and reckless ambition and unrepentant revolt—notwithstanding what may be thought to be the temporary ceasefire of last night.

The Prime Minister—who would have believed it?—has found it embarrassingly necessary to use a threat to the European Union that if she were to be replaced because of a failure to reach an accommodation with the 27 leaders, then negotiations with a successor would be even more difficult. Baroness Thatcher would not have approved.

We do not know what the final package put before Parliament will be, but the chances of it being approved by the Commons melt by the hour, as bitterness and abuse replace loyalty and respect. Who will bet the farm that the Government will get any proposal brought back by the Prime Minister through the House of Commons?

What are those who oppose a second vote afraid of? If they are as confident as some of those quotations have suggested, what is there to be lost, so far as they are concerned? I understand those who take the view that in a parliamentary democracy we should not rely on a referendum, but that door was opened when the decision was taken to hold a referendum as to whether we should stay or leave. Some claim that it would be undemocratic to allow such a vote—that it is a novel and dangerous principle to give the people of the United Kingdom the chance to pass judgment on proposals which are a world away from what they were promised, and which will have an impact for decades to come.

Parliament, on the other hand, is sovereign; it can change its mind, and it frequently does. Sometimes we repeal legislation which has been passed earlier in the same Session. It is argued that the people of the United Kingdom cannot be given the same opportunity:

that, once cast, the vote to leave must be implemented, whatever the political, economic or social consequences; that the resulting, inevitable uncertainties must be accepted, whatever the financial cost; and perhaps—I speak as someone who comes from north of the border—that the risk of the break-up of the United Kingdom must be accepted, along with the risk of the destabilisation of the island of Ireland.

In the course of the referendum campaign, no one told the country that a decision to leave would result in the depreciation of the pound, an increase in inflation and a rise in the cost of living. No one told the country that we might have to stockpile medicine and food. No one told the country that the car industry would be beset by uncertainty. Where now is the letter of comfort given to Nissan, to which such great importance was attached? It has since been regarded as insufficient, so far as Nissan is concerned.

The people were assured that the vote to leave would be followed by a trouble-free and successful exit, and that the economy would prosper. What else was meant by the three unwise men to whom I have already referred? More than that, the people were given to believe that their Government would conduct the necessary negotiations in an effective and unified way. In all of these expectations, they have been failed. They have been failed by incoherence and incompetence. The people of Britain have a right to be allowed to pass judgment on any deal forged in such circumstances. They should be given that opportunity. I beg to move.

12.03 pm

Lord Lamont of Lerwick (Con): My Lords, it is a pleasure to follow the noble Lord, Lord Campbell, who spoke with authority, eloquence and transparent sincerity. None the less, I profoundly disagree with him. There are good reasons to argue against a second referendum—reasons that even remainers ought to think about extremely carefully. I was pleased that the noble Lord did not—except in his answer to the noble Lord, Lord Dykes—use the phrase “people's referendum”, which seems to me an Orwellian use of language, designed to conceal meaning. He knows as well as I do the arguments against the use of that phrase, and so I shall not weary the House by going on about them. However, it is, frankly, a dishonest use of language to say that this would be a people's referendum in some sense more democratic than the first.

In addition to other arguments, some practical questions have to be put about a second referendum. First, how long would it take to hold a second referendum? We have no standing law to permit the holding of referendums, so it would require legislation. People who have looked at it think that at best, if we were lucky, it might be a year before we could implement a referendum.

Lord Newby (LD): My Lords—

Lord Lamont of Lerwick: I am sorry, but I have only four minutes. The noble Lord will be able to speak later.

[LORD LAMONT OF LERWICK]

A second issue is: what would the question be? Some say it ought to be on the deal that has been negotiated; some say it ought to be on no deal. Would the choice on the ballot paper be between the existing deal and no deal, or for renegotiation on terms yet to be revealed? If the result was that we had to renegotiate the renegotiation, would we then have a third referendum to validate the second referendum? On what terms would we rejoin the EU—or could there be a fourth referendum to validate the third referendum?

The noble Lord did not really refer to the many assurances that were given in the referendum campaign, by all parties, that we would honour the result. The fundamental impression is that many people simply cannot accept the democratic result of the referendum. This, of course, is in the long tradition of the EU, which has in the past bulldozed through policies for integration, even when public opinion has been cautious or opposed to them. Since the EU was founded, there have been no fewer than 48 referendums held on integration measures and accession. Not once has a referendum been rerun when the vote was in favour of integration, even when it was by a narrower majority than that in the referendum we had. On two separate occasions and on two separate issues, Ireland had to run a referendum again; the Danes had to run another referendum; and the French and the Dutch were not allowed to have the result of their referendums on the constitution accepted.

Some EU spokesmen have been quite open about this. In 2005, Mr Barroso said:

“They must go on voting until they get it right”.

Mr Juncker, again in 2005, before the French referendum, said:

“If it is a Yes, we will say ‘on we go’, and if it’s a No, we will say ‘we continue’”.

Raymond Barre, the former Prime Minister of France, said he could not see why the public should be consulted at all about European integration. It was precisely because of this that many people voted to leave the EU. Tony Blair, who one would have thought could have used his experience and contacts to help the Government, has said that the result of a second referendum would have to be definitive and respected. Big deal—that is what he said last time about the referendum we had.

Some people say that a second referendum would be a healing process. That seems the most improbable argument of all. It would create a permanent division in our politics. People already feel great disillusionment and disdain for our system is widespread. I believe that a second referendum would be a disaster of the first order for democracy. It would undermine the very basis of democracy because it would suggest that a decision by a majority is insufficient to make that decision legitimate.

The noble Lord, Lord Campbell, referred to and dismissed people who say it would be undemocratic to have a second referendum. But it was the noble Lord, Lord Ashdown, himself—who has, I am sorry to see, left the Chamber; perhaps rather conveniently—who just before the referendum result said:

“When the British people have spoken, you do what they command. Either you believe in democracy or you don’t”.

Well, I believe in democracy.

12.09 pm

Lord Adonis (Lab): My Lords, I wish to set out the key issues for the conduct of the second referendum as I see them. In this, I take a different view on some issues from the UCL report on the subject published on 8 October.

First, we will need to secure an extension of Article 50 for the purposes of conducting such a referendum, probably a three-month extension so that the referendum can be held in May.

Secondly, the existing Political Parties, Elections and Referendums Act should be superseded by a dedicated EU referendum Act.

Thirdly, this dedicated referendum Act should set up an independent commission solely for the EU referendum. That commission should regulate impartiality, spending and the conduct of the referendum.

Fourthly, the question to be put to the people should be set out in the dedicated referendum Act. It should probably be a straight choice between the Government’s Brexit deal and staying in the European Union, but obviously that depends on whether there is a deal.

Fifthly, there should be no third, no-deal option, because “no deal” does not exist. None of those who are against Mrs May’s current negotiating position because they think it is too pro-EU in fact wants to leave the EU without a treaty that ensures the continuity of aviation, the ports, the movement of people and goods and so forth. Most of the radical Brexiters, including Boris Johnson, are in favour of a financial settlement with the European Union which involves us honouring debts. It must be a cardinal principle that no proposition is put to the people that is imprecise and/or cannot realistically be implemented.

Sixthly, one campaign should be recognised on each side and both campaigns should be fully responsible. There should be no repeat of 2016 when two leave campaigns existed and there was no clear and robust accountability.

Seventhly, social media should be regulated—both its content and its funding—and all foreign intervention in the campaign should be prohibited.

Eighthly, the franchise should be extended to 16 and 17 year-olds, as in the Scottish referendum.

Ninthly, the referendum should be held in university term, which is why I suggest it should be in May, so that students and young people can vote easily.

Brexit concerns the future of young people pre-eminently and we should encourage and facilitate their engagement to the maximum extent possible.

12.12 pm

Baroness Doocey (LD): My Lords, to put this debate in context, we need to understand the claims of those who say that further public consultation on Brexit is not needed because the public voted for Brexit, they knew exactly for what they were voting for and it

would be undemocratic to revisit the issue. The reality is that the public voted on the principle of leaving: they voted for a blank canvas on to which many different and contradictory hopes and aspirations were painted, and now that the picture is becoming clearer, it is obvious that what the leave campaign promised is simply not on offer. So it is not undemocratic to give people the opportunity to vote on the final deal, including the option to remain. Indeed, many of us know people who want that chance, such as those who saw that insidious, mendacious advert on the leave bus, which suggested that the NHS could be richer by an additional £350 million a week if people voted to leave.

One such person was my friend Jane, who voted to leave because of that advert. She felt she had no choice because her two daughters are doctors and she knew how desperately the NHS needed money. Of course, now it is clear that the NHS will not get any extra money—because of Brexit less money is available, because the economy has slowed down—she bitterly regrets the way that she voted.

That is not the only false claim that the Brexiteers made. There was also the wickedly dishonest argument that we needed to leave the EU to stop 80 million Turks arriving in the UK, and that free from the shackles of the EU, countries around the world would be queuing up to do trade deals with us. But the whole idea of finding new markets is a fantasy. Most countries already have special preferential deals with the EU, including Canada, Japan, Australia and New Zealand are already negotiating one, so Britain will start from a disadvantage once it leaves the EU. The only major country that will or may be interested in a special relationship with Britain is the United States—but crucially, it would be on the United States' terms, which could result in dilution of our food standards. President Trump has already been very clear that he is more interested in a Transatlantic Trade and Investment Partnership with the EU rather than the UK, because of the size of its market compared to ours.

But the failure of campaigners for Brexit to understand the complexities of the Irish border has been the single biggest failure of the whole process. As somebody who was born and brought up in Ireland, it just fills me with horror. The level of ignorance shown on this issue by key politicians is almost beyond belief. Arlene Foster's recent interview in the *Daily Telegraph*, in which she said that some parts of the Good Friday agreement could be changed in the light of Brexit, and that the agreement was not sacrosanct, was beyond irresponsible.

Just as the outrageous claim by Boris Johnson—

Lord Killelooney (CB): Give way, please—

Baroness Doocoy: Like the noble Lord, Lord Lamont, I only have four minutes, so you will forgive me if I do not; thank you.

Just as outrageous was Boris Johnson's comparison of the Irish border to two London boroughs—absolutely extraordinary. The Good Friday agreement, which ended 30 years of sectarian violence, must be protected at all costs. But while the Government and the country

are held to ransom by the DUP, too many voices are being ignored, and only a people's vote on the final deal can ensure that these voices are finally heard.

12.16 pm

Lord Kerr of Kinlochard (CB): Gold medal to the noble Lord, Lord Campbell, once the fastest man in Europe, for securing a debate on the issue of the hour—and would that we had an hour each to explore it. For those who have but 20 minutes, I commend *The Roadmap to a People's Vote*, published a month ago. In the short time I have, I will draw on it to make four quick points. First, why a people's vote? Because the people want it. Polls in the late summer showed clear backing, 45% to 35%, for a public vote on the outcome. The majority rose to two to one, 50% to 25%, in the event of no deal. These majorities are still rising. The people want to have their say.

Point two: why do they want to have their say? Because nobody voted for the Brexit we seem to be going to get. Fewer than one in five now believe that the Government will get a good deal; over 60% believe they will be worse off; and a larger majority believe the negotiations are going worse than they were led to expect. The quotations from the noble Lord, Lord Campbell, were very apposite. The policy was to have our cake and eat it. The people now know that is not possible—it is not working out as they were promised—so it seems right to ask them whether they nevertheless want to go ahead.

Point three: is that feasible? Is there enough time? The noble Lord, Lord Lamont, and I think on a previous occasion the noble Lord, Lord Callanan, have said that a referendum would take a year. I do not think so. The UCL Constitution Unit report the other day suggested 22 weeks; the *Roadmap* suggests it could be even faster. However, I acknowledge that it would be necessary to stop the Article 50 clock and obtain an extension of the two-year negotiating period. This would not be a problem. It is important to distinguish between two scenarios here, thinking about the position of the 27. The 27 might well cavil at the idea of an extension to permit the present UK negotiating team to carry on negotiating in the way they are. The EU has other priorities, and the Lithuanian lady got it right the other day when she said after the European Council that “this is a difficult negotiation; it is difficult to know what they want, because they don't know what they want”. If it is merely to carry on the process, I am not sure the necessary unanimity for an extension would be available. But I am quite sure that 27 democracies would never prevent our putting the outcome to a democratic decision in May, June or September. For that scenario, an extension could be instantly obtained.

A stronger objection is my point four: that a referendum would be socially divisive. I agree. A second referendum would be. However, it would not be nearly as divisive as Brexit without one. The polls now show a decisive majority wanting a second vote and an admittedly much smaller majority not wanting Brexit. If that persists, to drag the country out while denying it a vote would be bitterly and lastingly divisive. The economic and societal consequences of that for jobs, growth, investment and living standards would hit home over

[LORD KERR OF KINLOCHARD]

time and hit the poorest the hardest, as Sir John Major pointed out the other day. That is a recipe for deep and lasting resentment. It would not then be the people's Brexit; it would be the politicians' Brexit, the Government's Brexit, Parliament's Brexit. The most democratic course is also the least divisive: Parliament should seek the verdict of the people.

12.20 pm

Lord Sugar (CB): A people's vote on the outcome of the negotiations of the UK's withdrawal from the EU sounds like, "I don't like the outcome of the original vote, so I'd like another bite of the cherry to see whether it can be reversed". The result in June 2016, albeit by a small margin, was a decision to leave. It is my understanding that there is no turning back on a referendum. It would be a complete farce if you could have another crack of the whip. However, there is a good argument to void that vote, if it can be concluded that the public were totally misled. It is my belief that a large section of the British public were misled in forming their decision to vote to leave.

I have been the chair and major shareholder of public companies. As a board, we were obliged, when sending out a prospectus to shareholders and the public, to have all comments and forecasts made by us scrutinised line by line by auditors and lawyers in a very tough due diligence and verification process. No such process exists for the claims politicians make to convince the public—who, by the way, rely on and trust them—to place their vote. In some cases, misleading shareholders has resulted in prosecution and imprisonment. Applying the public company principle, it would follow that those people who will be responsible for putting this country into five to 10 years of post-Brexit turmoil based on lies—such as Boris Johnson and Michael Gove for the £350 million lie on the red bus—should be imprisoned, or at least prosecuted.

On the eve of the Brexit vote, on 22 June 2016, I was invited by David Cameron to take the lead for the remain camp in "The Great Debate", which took place on the BBC. To this day, I kick myself for turning it down. At the time, I felt that I was not qualified enough to stand up and discuss the various intricacies of leaving or remaining in the EU. Instead, the London Mayor, Sadiq Khan, took my position. He did the best he possibly could.

Noble Lords: Oh!

Lord Sugar: I am being polite. Having watched the debate, I was fuming that somebody did not ask Boris Johnson to put his hand on his heart, look down the lens and tell the British public that the £350 million was a truthful statement. One thing is for sure: I know that, in my forceful manner, I would have made him admit that he was lying. Who knows, perhaps that could have swung the vote.

Similarly, Gisela Stuart, a German immigrant who took advantage of our joining the EU in 1973 came here in 1974. She has flourished: she has become an MP, a mother of two and, I believe, a grandmother. She is an immigrant who flourished and contributed, yet that night she stood in the leave group criticising

immigration by implying that 80 million Turks were about to come running to our country—a total lie. She said, "It's simply a statement of fact that uncontrolled immigration puts pressure on services". I would say "Pot, kettle".

We have no understanding of the negotiations taking place between us and the EU. I hope and believe that a rabbit will be pulled out of the hat shortly. Common sense must prevail that we get at least a trade deal. I am a businessman and I sympathise in a way with the Prime Minister, who is possibly in a frustrating position of knowing how the negotiations are going but not being able to publicly disclose the status. The media, bless them, make up their own stories that everything is going to be a disaster when in fact they do not know what is going on at all. My experience in business when negotiating with another party is that you do not lay all your cards on the table; you have to keep your cards close to your chest. One cannot keep the public at large in touch blow by blow. This would effectively destroy our negotiating power.

I seriously believe that the public were misled. For that reason, I believe the public should be entitled to a vote on the final negotiated terms.

12.25 pm

Lord Higgins (Con): My Lords, it is a great pleasure to follow the noble Lord, Lord Sugar. I very much agree with what he said about the referendum, which has ended up in a Brexit situation. The plain and simple term that we might use is that the public were given a false prospectus. Lie after lie emerged. I am afraid the fact is that, if we have another referendum, we will find a similar situation where the public will be misled. It might, however, be helpful to discover what has happened to the Brexiteers' bus and plaster on the side of it the cost of withdrawal and the effect that is likely to have on the National Health Service.

I was very fortunate only a short time ago, on 19 July, to initiate a debate in this House on the overall case against referendums. I am anxious not to repeat what I said on that occasion, but I will repeat the essential point that I believe the use of referendums is not democratic. It is sold the whole time as being democratic. The reality is that referendums tend to undermine what we in this country have always meant by democracy—namely, the system of representative parliamentary democracy whereby people are elected to represent their constituents. They are representatives, not delegates. The trouble with the referendum is that, the moment we have a referendum result, we find a situation where Parliament and Members of Parliament are bound by that referendum. They are made to be delegates. That inevitably affects their position and does not enable them to exercise their judgment as they would wish.

I note with interest that the debate we are having is not simply, "Let's rerun the previous referendum"; it is saying that we should have a referendum on the result of the negotiations. That would again be open to the danger I have just said. The crucial thing is that Parliament should have the chance to have a vote that enables it to decide on the result of the negotiations. That will be a tremendously important task.

I was interested to see the enormous size of the march that took place in favour of the kind of proposition we have before us, but I do not think that there is the slightest doubt that the overwhelming majority of those who took part in it were really, in fact, against Brexit. They hoped that the chance of another referendum would enable them to overturn that result. As I say, that issue is separate from the result of the negotiations, but that is the way they felt. I think very strongly indeed that that would be an inappropriate way to do it.

Finally, I turn to the question of the way the referendum might be cast. The Bill for the last referendum—I took part at length in the debates—could not have been clearer in favour of an advisory referendum. It was not a mandatory referendum, but the moment the result was announced, everyone on the government side treated it as if it were. We hear time and again—indeed, some of us heard again last night—that the referendum was an instruction to Parliament. It was no such thing. We really cannot have a situation where the rights of Members of Parliament to govern this country are undermined by them being given instruction by referendum.

12.31 pm

Lord Hain (Lab): My Lords, continued Brexit negotiating crises cannot hide a blindingly obvious outcome facing this country. Even if the Prime Minister were to get absolutely everything she has demanded from the European Union under her Chequers plan—which, as Brussels has made clear, is highly unlikely—she would be abandoning the 80% of the economy in the services sector and lumbering taxpayers with a £50 billion divorce bill.

The difference between what was offered by Brexiteers in the June 2016 referendum and what is achievable has been widening into an unbridgeable gulf. As former Conservative Prime Minister John Major has said,

“no form of Brexit will remotely match up to the promises made by the leave campaign in the referendum: they were vote-gathering fantasies, not serious politics. ... those who ... persuaded a deceived population to vote to be weaker and poorer ... will never be forgotten—nor forgiven”.

How can even those who feel obligated by the referendum result justify backing an outcome that will make their constituents worse off, deepen poverty, trigger unemployment, damage the economy, leave us with much less control and less influence on the global stage, and torpedo the Good Friday peace process in Northern Ireland? How is that better than the deal we already have inside the European Union?

Meanwhile the no deal which dogmatic Brexiteers such as Jacob Rees-Mogg cheerfully trumpet would, the Government themselves report, include a series of disasters: customs barriers and tariffs; new visa and driver green cards; the reintroduction of mobile phone roaming charges; the grounding of flights; bans on British hauliers; the loss of existing trade agreements, via the EU, with 70 third countries; and the collapse of the port of Dover on day one.

Moreover, the Government will only guarantee the replacement of European Union regional development funds up to 2020. These have been critical for areas

such as Wales. They were worth fully £9.9 billion paid directly to the Welsh Government between 1999 and 2018, excluding substantial funds paid directly to Welsh businesses, universities, groups and individuals.

The Prime Minister is blackmailing MPs and the country by demanding either her terrible Chequers deal or a no-deal Brexit. When did a British Government last threaten Parliament with such an irresponsible choice?

It seems to me that there are now three possible alternatives to either Chequers or a no-deal Brexit. First, force an election to achieve a new Government with a different mandate, but few think that likely. Secondly, vote for a different Brexit model, such as Norway's alignment to the single market. But that is vigorously opposed by ardent Brexiteers and would, in any event, still mean queues at Dover and a hard border in Ireland, as it does not include a customs agreement. Thirdly, a people's vote. Parliament should amend the Chequers proposal as it sees fit then put that to the people, handing back to voters the choice between whatever the proposed terms of Brexit are and staying in the European Union.

We began this saga with a people's vote in 2016, which decided narrowly to leave. We should end it with a people's vote to decide whether any deal, or no deal, is really what voters wanted all along, or whether, given the chaos and damage that now beckon, they want to think again and remain within the European Union.

12.35 pm

Lord Taverne (LD): My Lords, it is a refrain constantly repeated by Brexiteers and Ministers that, somehow, a new referendum would be undemocratic because it shows contempt for the people's vote to leave. I wonder whether they have ever thought about what democracy means. It is the essence of democracy that people are allowed to change their mind; dictatorships forbid it. Democracies allow changes of Government, but according to Brexiteers it now seems that we are not allowed to change a referendum verdict. The people's will is sacrosanct once they have spoken, but then they may not change it even if they want to because the result turns out not to be what they voted for.

But, say Brexiteers, what they voted for was leave and we are leaving. They also voted to leave the customs union, say the Government, and the single market and the jurisdiction of the ECJ—so we are leaving all those. Really? Was that choice on the ballot paper?

As far as I am aware, there was only one, very widely based poll, taken on the eve of the referendum by YouGov, on what people expected from Brexit. There were general replies: “Taking back control, especially of immigration”. But, significantly, all respondents expected no downside from Brexit of any kind but sunny uplands instead. There was nothing about customs unions, the single market or the Irish border. I do not know whether there will be no deal, but I would not bet against it. If there is a deal, it means that the Irish border issue will be fudged or somehow postponed.

[LORD TAVERNE]

Whatever the outcome of the negotiations, if we leave, the country, and especially the most vulnerable, will be poorer according to the Government's own forecasts. The result will not be what the people voted for, but the so-called democrats in the Government will do their best to stop the people having a realistic choice. A realistic choice would be between the outcome and remain. It is increasingly clear, as the figures cited by the noble Lord, Lord Kerr, show, that that is what the people want. In their opposition to the idea of the people having the final say, Brexiteers show what they really mean about respect for the will of the people.

12.37 pm

Lord Russell of Liverpool (CB): My Lords, last Saturday, my younger son and I attended the first demonstration that I have ever taken part in. Its most memorable features were its sheer scale, the sunshine, the placards reading, "Conservatives against Brexit" and "Labour against Brexit", the patience and good nature of a crowd that was calm, quietly determined if clearly very worried, and the fact that for the vast majority, this demonstration was manifestly not party political. My favourite poster was, I assume, done for the benefit of our ex-Foreign Secretary; it read: "Testiculi ad Brexitam".

Our dilemma began more than 60 years ago, as the issue of our relationship with our continental European neighbours began to gnaw at our political consciousness and to fragment our changing sense of national identity. It has been a running sore within the Conservative Party and has now manifested itself around the leadership of Her Majesty's loyal Opposition. The political paralysis, the manifest lack of leadership and the growing sense of concern that we are going about this in the worst way possible as the clock relentlessly keeps ticking are some of the elements which impelled me to march on Saturday.

Franz Kafka would recognise the dilemma we have gotten ourselves into and he has wise words to guide us forward:

"Start with what is right rather than what is acceptable".

What I accept, and what I also think is the right interpretation of the 2016 referendum, is that it was argued and voted on predominantly not on party-political grounds. UKIP was a single-issue vanishing meteor; Conservative and Labour were, and remain, deeply split. I suspect that all of us in this House know a great many intelligent, thoughtful and deeply worried MPs from all parties, none of whom is standing on digital soap-boxes and playing to the gallery.

The reason that the last 28 months have been so chaotic, frustrating and unfocused is that Her Majesty's Government, and in particular our Prime Minister, have decided to try to manage the complex and highly delicate process of extrication from the EU on rigidly party-political lines, a direct and deeply unfortunate repudiation of the non-party-political referendum result. What is politically acceptable and expedient for the ERG is not right; it is manifestly wrong. How dare any narrow political grouping have the intellectual arrogance and narrowmindedness to claim that it alone knows how to interpret and enact the will of the British people.

How do we get out of jail? I think we have to return to what is right. We have to remember and recognise that the will of the British people on the subject of the EU is expressed neither clearly nor helpfully by interpreting it on party-political lines. Since our two largest parties lack the will and the courage to manage their own affairs competently, we should recognise that the non-party-political will of the crowd takes priority. I think we have to go back to them—back to ourselves—and frame the dilemma we face with brutal frankness, minimal spin and maximal content. Many may find this intolerable and unacceptable. In my view, it is the right thing to do.

12.42 pm

Lord Anderson of Swansea (Lab): My Lords, I recall with embarrassment that some 60 years ago in the final of the *Observer* debating tournament a judge said that he could not determine from my speech on which side of the motion I had spoken. I shall try to avoid that judgment today, although I accept that these are very difficult questions. The genesis, of course, was set out very clearly: it was a Prime Minister—incidentally because until that time he had blown on the flames of UKIP—who was seeking party unity and chose to have a referendum to end the debate.

The noble Lord, Lord Higgins, set out the problems of referendums: what do they decide? I think it was President Mitterrand who said that in referendums in France the French people always give the answer to the wrong question. There may be some element of that on this occasion. The case against was put very powerfully by the noble Lord, Lord Lamont, repeating much of what the noble Lord, Lord Hague, said in his article in the *Telegraph* on 1 October: namely, that there may be no majority for any other option; that it would take a long time; that it was unclear what question should be put; that there would be anger among some at a perceived betrayal of the people's verdict; and that it would not end the debate.

Having lived through the European debate for a very long time, since I joined the Foreign Office in 1960, I can see that the spectre of Europe has haunted our politics for a long time and will probably continue to do so. However, I believe that other considerations will trump—if that is a word one is allowed to use nowadays—the points made so well by the noble Lord, Lord Lamont. In the referendum, we are told that the people spoke—but nobody is quite sure what the people said. Since they did not speak clearly, what did they say? Did they favour the sort of outcome that Norway has, where effectively there would be no immigration controls and decisions would be made over which we have no control? Canada is another option: there are clearly many alternatives.

We are assured by the Government that the deal is now 95% certain. Well, even if that extra 5% were concluded, there would clearly be a case for a choice to be made clear between any deal, if one were to be agreed, no deal and the status quo.

One thing which I have been convinced of by sitting on one of this House's EU sub-committees is that the experts in the various areas we have tackled, be it in consumer protection or dispute resolution, or be it

now in intellectual property, are all convinced that any alternative is worse than the status quo. That has become clear to me and, I hope, to most of those on the committee. I believe firmly that, if we are confident that this decision is very detrimental to the national interest, we should seize any opportunity to reverse it. What are we otherwise to do? Are we to fold our arms, seeing that which is looming, and say, "We can do nothing about it—let it inexorably move on into the cul-de-sac"?

Finally, some noble Lords may recall from their schooldays that in classic Greek tragedy, when an impasse was reached they would have a god from a machine: a machine would be pulled on to the stage and an answer would be found from the *deus ex machina*. It may well be that this second referendum, which is in our national interest, is that god from the machine.

12.46 pm

Lord Ricketts (CB): My Lords, it is already abundantly clear that Brexit will harm Britain's economy and diminish our standing in the world. That is true even if the Prime Minister secures something like her Chequers plan. For all the professionalism of the Civil Service—I pay tribute to Sir Jeremy Heywood, who sadly had to announce his resignation as Cabinet Secretary yesterday, and to Olly Robbins, who has been disgracefully attacked in parts of the press—all it has been able to achieve in this chaotic period of negotiations, given all the splits in the Cabinet and the difficulty of coming to any kind of consensus, is a withdrawal agreement and the sketchiest possible outline of what might follow later. That is so far from what people were promised in the referendum that it is entirely reasonable that they should be asked whether that is indeed what they are now prepared to accept.

Given the state of our politics, it is entirely possible that even that outcome will not be achieved: either the Prime Minister will come back to the House of Commons without a deal, or she will come back with a deal that will then be rejected by that House. No deal would be catastrophic for this country. We are completely unprepared. No one voted for a situation where the Government have to charter ferries to bring in essential supplies, as if the UK were subject to some sort of UN sanctions. It will be a humiliating breakdown of our parliamentary system if the Commons votes down a deal brought back by the Prime Minister but does not then accept a general election to follow it.

In those circumstances, there is only one democratic option: to put the issue back to the people. It would be more democratic than the 2016 referendum because people have a real choice between an outcome—whatever it is—and retaining our membership of the European Union. It would be in the interests of leavers as well as remainers to secure a popular mandate for a decision of that gravity for the future of the country, for all the reasons that the noble Lord, Lord Kerr, and others have given. If it was legitimate for the Prime Minister to call an election less than two years after the previous one, surely it is entirely justifiable to have a referendum on the outcome of a negotiation more than two years after a referendum, on the prospectus described by the noble Lord, Lord Sugar. I agree that the EU would

grant an extension in those circumstances. It is not in the interests of any EU country to see a chaotic Brexit, given the many other issues the EU is having to cope with in this dangerous and turbulent world.

It is true that hundreds of thousands of young people will have come on to the voting register since 2016. Is that a problem? No, it is profoundly just to give them a vote. Their lives, and those of our grandchildren, will be affected far more deeply by what we decide in the coming months than the lives of any of us sitting in this Chamber today.

12.50 pm

Lord Balfe (Con): My Lords, I begin by quoting one of the greater Prime Ministers of this country, Clement Attlee. In the late 1940s, the UK drew up the constitution of what became the Federal Republic of Germany. Attlee had to decide whether there should be provision for referenda in the constitution of the federal republic. His reaction was that referenda are the tools of despots, demagogues and dictators and in no way should they be allowed into any constitution, let alone that of Germany.

I am sorry that the noble Lord, Lord Lamont, is no longer in his place because about a week before the referendum, I was debating it with Sir Bernard Jenkin in East Anglia. At that time, it looked fairly certain that the yes side was going to win. A questioner in the audience asked the panel, "If your side loses the referendum, will you accept the result?" Bernard Jenkin very clearly indicated that he would not. He said, "I've been campaigning for this for many years, so of course I would not accept the result. This is what I believe in, and this is what I believe the British people should do". Always being honest, when the same question was put to me, I said exactly the reverse, but the same thing. I said, "No. I strongly believe in Europe. I don't think we will lose the referendum—those are historic last words—but if we do, I will carry on campaigning for us to remain in the European Union".

The first thing we should do is to strip away all this nonsense. Many of us who campaigned to remain want to use this opportunity to remain. Of course, a lot of rubbishy things were said. You should never put anything to a referendum. If you remember, de Gaulle lost a referendum on regional government, which forced him to resign because the people of France were not voting about regional government in France but were thinking, "We've had enough of this man de Gaulle. He's been around for 10 years". Once Charles de Gaulle said, "I will resign if the referendum goes against me", he lost.

Having said that, I am prepared to argue for a confirming vote on this momentous decision. We have votes regularly in this country. It seems to me not unreasonable. Things have changed. I note that when the Scottish nationalists lost the referendum in Scotland, they immediately said that they were going to campaign for another one. They keep on campaigning. Incidentally, I seem to remember that there is a provision in the Ireland settlement for a referendum on a united Ireland. Maybe that is the way out of the hard border. Maybe we should ask them if they would like a referendum on it, just for Ireland.

[LORD BALFE]

The one thing I would counsel everybody against is believing that the result would be different. I think it is highly likely that the British people will say, “Sod those politicians. They’re trying to make us reverse our decision, and we’re not going to”. While I am very much in favour of another vote, I am in no way sanguine about the outcome.

Finally, the disaster of the referendum was that it was all based on fear, and all we are doing now is frightening people: “You’ll have no medicine”; “Your food will stop”; “You won’t be able to fly”. Europe has to be about hope. It has to be about the future. It has to be about those sunny uplands. It cannot be about terror, fear and dreadful things happening. Yes, let us have another referendum, but for goodness’ sake, let us stop campaigning all the time on fear and campaign on our moral duty and the future of Europe, of which we are a part and of which we should be proud.

12.54 pm

Baroness McDonagh (Lab): My Lords, “just in case” is enshrined in our culture, our legal system and our character. In home ownership, we put in an offer before we have a survey done and proceed to buy. In pay negotiations, we instruct trade union officials and then get a vote on the final deal. In consumer rights, we buy and then we have a cooling-off period. Tenancy rights are being scrutinised in this House now, and we are talking about allowing prospective tenants to have their deposits back should the tenancy not go ahead. When it comes to marriage, many get engaged and have their banns read before their wedding. In divorce, the decree nisi comes before the decree absolute. These are six straightforward examples to show that the British way of life is underpinned by “just in case”—that is, making a first decision and then having final approval when all the facts are known. There is nothing to fear from making a decision between whether to remain and the final deal now that all the facts are known—just in case.

In my belief, “just in case” is a better strategy than that adopted by the current and the previous Prime Minister, which I describe as a strategy of “making no decision at all and kicking the can down the road”. Rather than sort out the infighting in the Conservative Party over Europe, the former Prime Minister David Cameron adopted the “kick the can down the road” strategy and it ended in disaster. The current Prime Minister is on the brink of doing the same now. We now know that the most likely deal is not a final deal at all but a temporary one under which we will have a customs union for three to four years. It is another “kick the can down the road” strategy. It will allow Conservative leavers to believe that they can get fully out, it will allow Conservative remainers to believe that they can get further in, and everyone gets home for Christmas in the mistaken belief that it will all go away—but hostilities will commence again in January.

This matters because temporary deals bring uncertainty. Already over the last two years we have seen inward investment slump and domestic policy in crisis: apprenticeships have halved; violent crime is escalating; arrests are now down to one in 10—that is arrests, not convictions; universal credit is in chaos; social house

building has halved; elderly people are now being looked after in acute beds in hospitals because there is little care in homes; and record numbers of homeless people are living on our streets. I say to my side that not all of this is ideological; some of it is an inability to govern in an environment where there is no certainty. Please do not let this go on for another three or four years. Please stop kicking the can down the road. Let us get a deal and put it to the people so that they have the final say, just in case.

12.57 pm

Lord Marks of Henley-on-Thames (LD): My Lords, I say to those who take the view of the noble Lord, Lord Lamont, that to permit voters to change their minds in changed circumstances if they wish, or to stick to their guns if not, is an affirmation, not a denial, of democracy. Others have spoken of the lack of clarity of the leave campaign. I debated against Jacob Rees-Mogg, who promised the students of Sussex University—who were largely unimpressed—a global Britain, free trade deals and an end to free movement, while Daniel Hannan MEP courageously told a more reactionary Eastbourne audience that he favoured staying in the single market and continued freedom of movement.

The Government’s position is now clear, unachievable as it may be: leave the customs union, leave the single market, no hard border with the Republic, and one regulatory framework for Northern Ireland and the rest of the UK. Without all that, they say there will be no deal, with all that that means for jobs, travel, borders, food, medicines and so on, yet the Government will deny the people any further say. They say Parliament will have a meaningful vote, defined by the Minister as a vote between deal and no deal. But what if there is no deal? What would the meaningful vote be then—no deal or remain? Could Parliament alone legitimately overturn the 2016 result? It certainly could not insist on a return to the negotiating table; it is too late for that, and it would not achieve anything. Will the Minister give us the answers?

So what are the prospects? Will the EU back down on a backstop? I believe no. We agreed it in December, and for the EU, it is fundamental. Will an extension of the implementation period that is time-limited or terminable at the UK’s will make any difference to the EU? I think not. Will the Government back down on our remaining in the customs union indefinitely? Plainly not. Will the Government back down on a single regime for Northern Ireland and the rest of the UK? No, they would lose the support of the DUP if they did and could not govern.

If there is no deal, would not the Government’s best way out be a referendum between no deal and remain, rather than risk losing a confidence vote? The Fixed-term Parliaments Act is hardly relevant here, because no other Government could be formed within 14 days. Along with the noble Lord, Lord Kerr, I believe that we would get an extension to hold a referendum. It would also be in Labour’s interest, given its divisions, to commit to a people’s vote. Its favoured general election would inevitably and rightly be concerned with multiple issues facing our country, not just Brexit.

If we get a people's vote, may we talk about the issues with more respect than last time for the rules, the truth and each other—not just about the economy, but about peace and international co-operation, the environment and climate change, cross-border security, education and research and the value of freedom of movement to our young people? Let us be ambitious for our country and for our continent.

1.01 pm

Lord Trevethin and Oaksey (CB): My Lords, it is a pleasure to follow the noble Lord, Lord Marks. I do not wish to take one side or the other in this debate; I shall limit my remarks to a few short observations about the statutory and regulatory context in which a second referendum would take place, subject to major revising primary legislation. Very little has been said about that so far. The governing Act is the Political Parties Elections and Referendums Act 2000, which contains a set of provisions which are clearly designed to achieve fairness in the referendal process. It seems obvious to me that it would be unsafe to ignore those provisions in the course of any attempt to achieve a second referendum, because it would be very dangerous to give the impression that the process was in any way being accelerated or rigged to achieve the outcome which, it may be fair to say, the political class would, generally speaking, wish.

Along with the *Roadmap to a People's Vote*, which is an interesting document, I commend to your Lordships another document, which is quite bulky. That is the Electoral Commission's report on the 2016 referendum. It contains a lot of constructive material, which time does not permit me to refer to. It reminds one of the course of events in 2015-16. It took, give or take, about nine months for the referendum Bill to move from introduction in the Commons to completion. By completion, I do not mean Royal Assent, I mean the passing of three essential regulations before the referendum could take place. There was then a further three-month period in the spring of 2016 before the referendum could take place.

During that entire period, the Electoral Commission played a critical role, and it seems to me that it would have to play much the same role in any second referendum. First, it was under a statutory obligation to comment on the intelligibility of the referendum question. It did so in 2015 in a way which led to the question being changed from one in clearly leading form to one in an acceptably binary form. That task may well be much more demanding if there is to be a second referendum. I have not yet heard any clear formulation of the issue—or issues, perhaps—that would be presented to the voters at a second referendum. That would have to take place, and the Electoral Commission's role as an objective, non-party body, is clearly critical.

Following the completion of the legislation, the Electoral Commission played an important role in registering permitted participants and designating lead campaigners. All of that takes time. That has led the Electoral Commission to make what seems to me a significant recommendation. Recommendation 2 states:

“Referendum legislation should be clear at least six months before it is required to be implemented or complied with”.

By “should be clear”, it explains that that means that the legislation, including any secondary legislation, should be in place six months before the referendum is held.

It would be unwise and perhaps constitutionally improper to attempt to sweep aside those procedural protections if there is to be a second referendum. That would suggest that the suggested date for the second referendum of May next year is hopelessly optimistic. We are nowhere near a position in which we can begin to formulate the issues. Anyone who campaigns for a second referendum—I fully understand why that campaign is being undertaken—needs to address the matters to which I have referred.

1.06 pm

Lord Judd (Lab): My Lords, there have already been many important speeches in this debate. I found particularly significant the opening speech from the noble Lord, Lord Campbell, and the powerful way in which he portrayed the whole political initiative and purpose behind the work of the founders of the European Coal and Steel Community. Not for the first time, I regretted that the noble Lord, Lord Balfe, came to the past decision in his political life that he did, because he is right. If we are to have any future in Britain, we must start talking about hope, vision, a sense of dynamics, purpose, social commitment and international commitment: the recognition that we belong inescapably to the world and that history will judge us by how we get to grips with playing a constructive part in shaping, developing and strengthening that world community.

I am very unhappy about the concept of another referendum. I find it very difficult to reconcile the concept of referendums with that of representative parliamentary democracy. What the noble Lord, Lord Higgins, said is perfectly true: we have been told over and over again that the people have decided—I find that difficult because it seems to me that it was a small majority of those who voted who decided, not the British people—and that our job is therefore to get on with doing what they require. That is not representative parliamentary democracy. Our job in a representative parliamentary democracy is to deliberate on the great, challenging issues and come to conclusions within the parliamentary system on what needs to be done. It is crucial as this goes forward that there is a decision in Parliament. That should be immediately followed by a general election in which, because we want the widest possible support from the public as a whole, they are given the opportunity to vote for political parties, which will have to make plain their position on the outcome of the vote in Parliament. That is trying to make the best of a bad job, but it is the right way and the rational way to do it.

I just make one other point. It is naive to suppose that the issues that face us are just about membership or non-membership of the European Union. They are indeed, as we have been reminded already, about all the issues of security, economics, social policy, education, family law and the whole range of life. Therefore, the British people need to be in a position to make a decision. In the context of that wider debate, is this going to be enabling and helpful for what we want to

[LORD JUDD]
achieve or not? We were very foolish—and I count myself as guilty—to go down the road of referenda. They have no place within a representative democracy.

1.10 pm

Lord Bilimoria (CB): My Lords, in February 2016, when the referendum was called, the EU did not even feature in the top 10 things in the British people's minds. They had four months to make a decision about such a complex issue—I have been in the thick of it for two and a half years and I am still learning. For the previous two referenda that we had, the results were 67% conclusive; this result was 52:48. While 17.2 million people is a huge amount, what about the 16 million people—also a huge amount—who voted to remain? We have heard from the noble Lord, Lord Sugar, and others about the lies and the £350 million on the back of the bus. Nigel Farage himself said that if the result had been 52:48 to remain, he would fight for a second referendum. What a hypocrite.

Now we are told that this is the will and the instruction of the people and that we have to implement it. But the world has changed in two and a half years: Turkey is not going to join the EU; the migration crisis that scared so many people at its peak in 2015 has receded significantly, sad though it still is; Trump is President; there is a trade war with China; and we have seen in such an awful way what is happening with Russia's influence. Some 100 leave constituencies have now changed to remain constituencies, according to the polls and—this is the most important thing—there are youngsters, including two of my children who were not old enough to vote at the referendum, who are now old enough to vote and it is their future that we are talking about. When it comes to the youth, 90% want to remain. Is this democracy? A dynamic democracy moves along. In a normal electoral cycle of five years, what happens? By March 2019, we will be two-thirds of the way through a normal electoral cycle and we are being held to something that is two and a half years out of date already. In a normal electoral cycle, if you win by one vote or 0.1%, you have won. But then, in five years' time, if people do not like you, if you have lied or misled, they can just change their mind and chuck you out. Now we are being told by people like Jacob Rees-Mogg that, "It's the long term. It's 50 years". Well, as Keynes said:

"In the long run we are all dead".

This is all absolute nonsense. Some 700,000 have marched—the most since the march against the Iraq war. As the noble Lord, Lord Kerr, has pointed out, the polls are now 45:35 for a public vote on the outcome, which increases to 50:25 if there is no deal. The Prime Minister has said time and again that:

"No deal is better than a bad deal",

but that is rubbish. Chuck Chequers? You chuck rubbish. What about Canada-plus-plus-plus? Forget the fact that it took eight years to agree a deal with Canada—it does not work. And the backstop is a conundrum. Northern Ireland is the Brexit Achilles heel. Further, going global is a nonsense. Today, 45% of our trade is with the EU—it may be receding—and 20% on top of that is FTAs through the EU. So 65% of our trade

comes through the EU—do we want to give that up for the 35% that we do not have, including the Commonwealth, which makes up only 9% of our trade? That is £8 billion—and I would pay that for the peace that we have had in our decades in the European Union. People say, "But what about all the laws that are put on us by the European Union?" That is rubbish: the laws are made by us here in this Parliament; I have seen that for 12 years.

This is all absolutely ridiculous, with all the equivalence and trying to get as good as it gets—I thought that things were going to get better. As for parliamentary democracy, there is a lot wrong with the EU—I do not like the euro or the way that the European Parliament works—but, on balance, we are far better off remaining in the European Union for the sake of our citizens, our economy and our business. We have had our cake and we have been eating it too for 45 years. We now have the tyranny of the majority: Northern Ireland voted to remain; Scotland voted to remain; London voted to remain; business voted to remain; the youth voted to remain. Our union has been threatened. We have been sold a pup and now the Government want to bypass Parliament by not giving us a meaningful vote. The British people are being bulldozed into this train crash.

What saddens me most is that Britain is losing its standing in the world day by day. London has already lost its position as the number one financial centre in the world to New York. The truly democratic thing for us to do would be to go back to the people and say, "Now you have the facts—not the utopia, not the dream, but the reality. If we have a deal, do you prefer the deal or to remain? If there is no deal, would you rather remain?" That would respect the will of the people.

1.15 pm

Lord Finkelstein (Con): My Lords, it is a privilege to follow so many compelling speeches. I start by telling noble Lords about an article that I did not write in the *Times*. About two weeks before the referendum in Scotland, I consulted a friend who was working on the union campaign. "We're going to win," he said, "But I have one remaining worry. I'm concerned that Alex Salmond will offer voters a second referendum". If he does that, my friend said, "We will lose 65-35 or worse". The risk of supporting independence would have been removed. I realised that he was right, and the thought was powerful. I decided that I had better not write a column about it, because I did not want to help end the union by giving Mr Salmond any ideas.

If, during the European referendum, we had said that there was going to be a second chance to vote, it would have changed the result profoundly. Leave would have won a heavy victory and would have established a national consensus behind Brexit. Any second vote would have started in a fundamentally different place. But during all the debates in Parliament no one suggested two votes; no one proposed a second referendum. A second referendum might easily be even more divisive than the first. I respect the hopes of the noble Lord, Lord Marks, that it would be an urbane discussion on climate change—good luck with that. It would also

very likely produce an outcome that remains disputed. Let us be clear that this so-called people's vote, if it ever took place, would indeed be a second referendum. The idea at the Labour conference that it might be a referendum without a remain option was obviously ridiculous. Mr Corbyn appeared to suggest that we might be offered two options in such a referendum, both of which he was against.

What is being proposed now is a fresh vote on Brexit. I agree with almost every argument that I have heard about the damage of Brexit. I voted remain and I agree with them partly because I made those arguments myself in the campaign. But we lost. That is what the referendum was about: testing public support for precisely the arguments and threats that we are now repeating in this Chamber. The noble Lord, Lord Bilimoria, was auditioning for "Just a Minute"—he was all right on hesitation and deviation but not on repetition. Proposing that now, when we did not say previously that we should have a second referendum, is highly undesirable and not a costless option. Millions will feel that we have betrayed our promise. Some are even suggesting a three-option ballot using preference voting; in other words, suggesting that we defeat the result of the last referendum using the voting system rejected in the referendum before that.

We promised people they could make the choice in an up and down referendum. A second referendum is therefore an outcome to be avoided if it can be. But to say this is not enough, I am afraid. I finish with an observation and a warning. The observation is that, if Parliament cannot agree on a deal, there may well be a second referendum, however undesirable. The warning is to my Brexiteer friends. Having voted to remain, there are many of us who regard it as our constitutional duty to make our very best efforts in good faith to deliver Brexit. We do not, however, expect to be making that good faith effort alone. I am not going to make it by myself. You cannot look to us to deliver your Brexit if you will not make compromises yourself. You cannot expect us to tip the country into chaos because you will not make the good faith effort that you demand from us. Good faith cannot be a one-way street. So the warning is this, and I hope you are listening and understand that I am not alone: you cannot take the rest of us for granted.

1.19 pm

Lord Morris of Handsworth (Lab): My Lords, I voted in the referendum to remain. I still believe we should have remained, but I have argued consistently that the referendum was a democratic vote and that, therefore, we must respect the outcome. I take the view that, overall, we are lacking in confidence rather than beginning another debate. The country has the capacity to plot its own future and to build its own history.

I ask myself, am I the only person who did not understand the problems of the referendum that would need to be addressed? We are now faced with an outcome of uncertainty that we have created ourselves. That represents a challenge, which we must face up to. Yes, of course we want to maintain a good relationship with our neighbours—as well as our trading, our security and all that goes with stability on the continent of which we are a part. But at the end of the day, we

are a country with a long history and a proud history. On that we should build confidence, not just for this generation but for the generations to come.

We have a democratic structure, which gives us the opportunity to change course and change our minds when we feel it is in the interests of the country to do so. All we lack is the confidence—and indeed the purpose—to make a difference to our future.

1.21 pm

Baroness Janke (LD): My Lords, this is a very important debate at a crucial moment. I met young people—fifth and sixth formers—in my local area to listen to what they thought about this. They felt that this was a time on which people would look back and ask a lot of questions. One question they wanted an answer to was: will our leaders draw back from the brink of disaster and, if not, why not? It will, as they saw it, seem so obvious to future generations that to proceed with an act of fundamental cultural and constitutional change, based on a referendum result with the narrowest of majorities, was an act of irresponsibility. In their clubs and schools, they told me, changes to rules or the constitution, need a two-thirds majority. Why was this not included in the referendum?

Lots of people have criticised the referendum so I shall not go on at length. But two points were made to me. First, why, since under-16s could vote in the Scottish independence referendum, could they not vote for the future of their country within the EU? Secondly, they asked, if the leave campaign has been found to have acted illegally, as the Electoral Commission has said, why have there been no prosecutions? I could not answer those questions. But it seemed, when we looked at what was still to be resolved, that there is an enormous amount, including on freedom of movement and its effect on business, science, medicines and healthcare. We have heard about Sir Paul Nurse's letter and seen the BMA briefing. For individuals and families—not only organisations and their interests—the effects could be extremely worrying.

Will people need visas to travel to the EU and, if so, in what circumstances? Will people need private health insurance? Will older people be able to travel? Will travel insurance be too expensive for many people? These are the sorts of questions that are being asked. Returning to the young people I spoke to, they want the chance to share cultural and educational programmes such as Erasmus and Horizon, not to mention other opportunities in music, arts, culture and sport that are so important to them. The effect of Brexit on all these things has been well documented in your Lordships' House by the work of the Select Committees.

How will it look to future generations that the UK left the most advantageous arrangements on the narrowest of majorities and entered into fundamental change to settle for something that in large part still needs to be decided during the transition period? If you talk to civil servants in Brussels, or to key witnesses, as our Select Committees do, they will tell you that there is so much still to be resolved. As a third country, having already left the EU, we will be trying during the transition period to resolve so many important issues for the future of our people, from a position of weakness.

[BARONESS JANKE]

Many people have talked about why we should have a referendum. I congratulate the noble Lord, Lord Kerr, on his report, *The Roadmap to a People's Vote*. I will not go into detail on it but I want to underline his point: yes, it will be divisive, but it will be much more divisive, and for a very long time, if we do not have the referendum. The options are very limited: leaving without a deal will be catastrophic; leaving with so little settled that we will still have to negotiate our future relationship with the EU from outside the EU will also be very damaging. I would definitely support a vote. Many people now say this offers the only way forward to resolve the current impasse and give our country another chance based on proper knowledge and facts.

1.26 pm

Lord Kerslake (CB): My Lords, I start by thanking the noble Lord, Lord Campbell, for initiating this debate. It gives me the opportunity to explain my own journey from being a sceptic about the case for a second referendum to joining the march in support of it last Saturday.

As a realistic remain voter—as I would call myself—I was naturally disappointed with the result, but felt that our focus should move on to limiting the damage from our departure. An immediate call for another referendum looked to me like a refusal to accept the outcome of the vote. Two and a half years on, my views have firmly changed, for three main reasons, including, first, the truly disastrous process of the negotiations. With the possible exception of Liam Fox, I do not think that anyone believed this would be easy, but no one could have conceived how badly it would go. The blame is variously laid at the door of the intransigence of the European Commission or—rather unfairly, indeed absurdly—on a secret remain agenda on the part of the Civil Service. Like the noble Lord, Lord Ricketts, I pay tribute to Sir Jeremy Heywood. The true cause of the problem lies in a series of grievous misjudgments on the part of the Prime Minister and the Government: the triggering of Article 50 without a clear plan, thus handing the powerful lever of time over to the Commission; the setting of red lines around the single market and the customs union, building false expectations and rigidity into the negotiations from the start; and the calling of the general election in 2016, which wiped out the Government's majority and left them hostage to the DUP and minority groups within their own party.

As a direct consequence of these misjudgments—this is my second reason for supporting another referendum—we are now faced with some very unenviable choices. Those who express strong concerns over the Chequers proposals, and say they are worse than the status quo, have a point. We will become a rule taker and risk being perpetually on the wrong end of future EU trade negotiations. Equally, the economic and social risks of a no-deal Brexit are so immense that they cannot, and should not, be countenanced.

I do not need to speak at length on this, as the CBI, the TUC and the NAO have all already done so. It strikes me that those who are relaxed about a no-deal Brexit are very often “people of means”, able to

withstand the severe economic shock that would almost certainly follow. Our concern should be for the bulk of the population, for whom this is simply too big risk to take. It may be that, even at this late hour, the Prime Minister can still secure a good deal with the EU and persuade Parliament to support it, in which case today's debate will have been redundant. But if she cannot—this seems the most likely outcome—a no-deal Brexit must not be the answer.

My third reason for changing my view is the progressive loss of Britain's standing and influence since the referendum in an increasingly uncertain and dangerous world. Contrary to all the assurances given at the time, the reality of a diminished Britain is there for all of us to see. I expected leaving the EU to result in our having a smaller economy, but not in our becoming a smaller country.

I am very much aware of the challenges that holding a second referendum will bring. But in the circumstances that we now find ourselves, it seems the only viable option. Sherlock Holmes, in *The Sign of Four*, says to Watson that,

“when you have eliminated the impossible, whatever remains, however improbable, must be the truth”.

The need for a second referendum is now the improbable truth that we should recognise.

1.30 pm

Lord Brown of Eaton-under-Heywood (CB): My Lords, although I remain a remainer, I now earnestly hope that the Government will soon be in a position to put a proposed final deal to Parliament and that Parliament will accept it. In that event, I would not support a further referendum with the inevitable delay, disruption and divisiveness and the difficulty in formulating the questions, and so forth, that that would entail. But it seems very far from inevitable that such a position will be arrived at. In that event, I see the likely alternatives to be crashing out of the EU with no deal, or a general election, both of which are appalling prospects. In that situation I would then strongly support the plea for a further referendum—to call it a people's vote is absurd, as of course is the Prime Minister's description of it earlier in the week as a politicians' vote. The referendum question would then be clear: the deal as negotiated or remain.

Today I touch briefly on what seem to be the two central arguments advanced against a further referendum. The first is that it would be undemocratic. But surely, to invite the public to vote again now that much of the misleading rhetoric of 2016 has been exposed and the true options have become altogether clearer, respects rather than ignores public opinion and is the true democratic way. The point is so obvious that it needs no elaboration. The second contention is that the political establishment would be seen as attempting to deprive Brexiteers of the fruits of their earlier victory. But suppose that the majority was now to favour remaining, whether because some voters have changed their minds in the light of their altered perception of the consequences or because a younger generation of voters would now be included, or both, or whatever. In that event, by what logic could Brexiteers claim that their 2016 victory entitles them still to prevail over a contrary majority view? I can see no logic in that at all.

Suppose that a majority in fact continues to favour Brexit, as well it may. Consider the benefits of a further vote to that effect: Brexiteers crowing, confirmed in their view; remainers finally resigned—if not reconciled—to that consequence; and the Government vindicated in their proposed course and substantially immune from the sort of criticism they will be exposed to if and when, following Brexit, things go catastrophically wrong.

1.34 pm

Baroness Wheatcroft (Con): My Lords, last Saturday, along with the noble Lords, Lord Russell and Lord Kerslake, and more than 700,000 others, I marched through London. It was an uplifting experience. Clearly, the weather god is on our side—the sun shone on our efforts. One of the most impressive moments was when five MPs from five different parties took to the stage together to make the case for a people's vote. Unlike my noble friend Lord Lamont, I see nothing Orwellian or absurd in the term “the people's vote”. It is probably just as well that my noble friend is not in his place, because here I must declare an interest as a director of the People's Vote Media Hub—which would probably sound terribly Orwellian to him. The reason why the people's vote has adopted that name is to distinguish itself from the referendum of two years ago. It is not a rerun of that referendum. We are seeking a vote on the terms of any deal that the Government can bring forward. We have to still believe that there will be a deal, of sorts, but even if there is not and what is on offer is no deal, surely the public should have a chance to say whether this is really what they want.

In Parliament Square, Sarah Wollaston, who is a doctor as well as an MP, made the case for why any believer in democracy should support a people's vote on the deal. It is all about the concept of informed consent. A patient might agree in principle to a certain course of treatment, but if he then learned that the side-effects are likely to be deeply damaging and the chances of success only slight, the attraction of that treatment might lessen and he might decide that he would rather not proceed. If the patient had just turned 18, and the original go-ahead had been provided not by him but by his parents, the individual on the trolley, about to be wheeled into the operating theatre for some potentially life-threatening surgery, might feel that the situation was positively Orwellian.

We are in an extraordinary situation. The Government know that they are trying to do something which will inflict long-term damage on this country. They are doing so when the economy is still fragile. Austerity may be over but the economy is not strong and individuals' finances are precarious. Last month, credit card spending in the UK reached an all-time record level: £10.7 billion. Last year, spending outstripped earnings by an average of £900 per household. Many of those households have no cushion to help them through the difficulties that Brexit would inflict: higher food prices, job losses, and more taxes to fund that extra cash for the NHS. The rich will be insulated—they are already moving their money offshore. That arch-Brexiteer, Jacob Rees-Mogg, no less, has increasingly been directing his funds to Dublin. Those who have fared worst over

recent years would suffer most from Brexit. This is looking increasingly like a posh boys' Brexit. Those ordinary people deserve the chance to decide whether they want to consent to the Brexit that is on offer, or not.

It seems that some take the view that the country made its bed two years ago and must now lie in it, no matter how uncomfortable. The public may share that view—I doubt it—but we should at least put the question to them. Why are those who favour a bed of nails so reluctant to ask voters whether they wish to share it?

1.39 pm

Lord McKenzie of Luton (Lab): My Lords, it is a pleasure to follow the noble Baroness. I offer my congratulations to the noble Lord, Lord Campbell, on the introduction of this very important debate. I have spoken little but have listened a lot to these matters over many months and have become increasingly alarmed at the Government's conduct of these affairs. I should be clear that I was, and continue to be, a remainer.

As of today, we have no overall deal on the withdrawal Bill, nor on the political declaration on our future relationship with the EU. Should there be a deal agreed by the EU and the Prime Minister, there is no certainty that it would pass muster in the House of Commons. The possible thrust of any deal is not likely to attract our support, given the perceived threat to jobs, freedom of movement and peace in Northern Ireland. We do not expect any deal negotiated by the Prime Minister to satisfy the six tests which my party has laid down as being necessary for our support. We would, of course, strongly oppose any no-deal Brexit, not least because of its hugely negative impact on the economy.

It is not difficult to outline the challenges; it is more difficult to see the solutions. This is no wonder, given the cavalier approach to the original referendum adopted by David Cameron, which simply did not lay out the steps and the consequences of alternative outcomes.

So what about a second people's vote? The key argument in favour of a second referendum, which I support, is that the full consequences of withdrawal—the unpicking of 40-plus years of increasingly closer integration—could not possibly have been fully contemplated and known when the vote took place. We need consider only the monumental significance for Ireland and some of the budget issues, and reflect on the huge range of matters covered in reports from your Lordships' House over recent months. Just today, issues have been raised about medicines and the ports. Therefore, as a matter of principle, the public should be provided with an opportunity to reaffirm, or otherwise, their initial view, in light of the mass of detail that has emerged as the negotiations have ensued. This should run even if a deal was supported by the Commons.

Those who oppose this position argue that this is in fact no different to what happens at our national elections, where voters might make up their minds on an amalgam of matters, with the mix varying from voter to voter. It is then left to the Government to implement as best they can. That position is not without some logic, but given the scale and long-term

[LORD MCKENZIE OF LUTON]

significance of what is at stake, and concerns about the veracity of the information that was provided in the campaign, I favour some form of people's vote.

Of course, all this begs the question of whether it is feasible to hold a further referendum, and we have heard several contributions on that today. The Constitution Unit has offered us its view on the practicalities of a second referendum. Given that it would be difficult to conduct such a poll before the departure date of 29 March, it considers that the Article 50 period would need to be extended. The process would need primary legislation. It would need question testing and processes for designating lead campaigners. There is the question of whether, in the interests of cohesion, and given the fractious nature of our debate to date, it would demand three questions: deal, no deal or stay. The unit stresses the importance of conducting the vote in a manner which maximises legitimacy, where the options and consequences are clear. It would require a vote in Parliament.

I support a second vote, although this does not necessarily have to take place by way of a referendum. I prefer these matters to be put to the public in a general election where they can vote, not only on the issue, but on the team they want to take the matter forward. They can put an end to the incompetence which has characterised so much of the negotiations, and which many contributions today have reflected on.

1.43 pm

Lord Tyler (LD): My Lords, last week the Prime Minister was questioned by Conservative MP Heidi Allen, who asked whether she accepted,

"the reality that there is no way that no deal will pass through this House. I ask with the greatest respect: what option does that leave us other than going back to the people? What else can we do?".

The Prime Minister chose her words with care:

"If, at the end of the negotiation process, both sides agreed that no deal was there, that would actually come back to this House, and then we would see what position the House would take in the circumstances of the time".—[*Official Report, Commons, 15/10/18; col. 426.*]

That is surely the correct constitutional position. Especially with a minority Government, with no likely majority for any specific outcome amongst MPs, that is the crucial fact of political life. In our parliamentary democracy, this applies whether the Government comes back with a deal or recommends no deal. Clearly, in both circumstances, the Prime Minister and her Ministers, whatever they may have said previously, have to contemplate how they can get the approval of the British public.

Both the reports to which references have been made, one from the Constitution Unit at UCL entitled *The Mechanics of a Further Referendum on Brexit* and *The Roadmap to a People's Vote*, come to similar conclusions when identifying the most likely scenarios for a new referendum. The former sets out the most likely sequence as follows:

"More likely, a cross-party majority in parliament in favour of a second referendum could force the government's hand ... Procedural considerations could provide an incentive for ministers to propose a conditional referendum of this kind as a compromise in the event that the 'meaningful vote' motion is initially rejected".

In other words, as MPs from all four major parties have said in recent days, this may well prove to be the only viable option for the Prime Minister and the Cabinet—it is her "Get out of jail free" card. Meanwhile, it is surely unthinkable that Mr Corbyn could successfully whip all Labour MPs to support her, let alone the ERG headbangers; they too will insist that the trust should be put in the people.

We come now to the practicalities, to which reference has been made. I have looked at these with other Members of your Lordships' House, with the aid of these two important reports. I have examined the bare necessities for a new referendum Bill, to make sure that we have the basic elements in place if and when such a Bill is required. The two reports give us some invaluable guidance. We will have to accept that the very tight timetable, both for the legislative process and the campaign itself, imposes rigorous constraints.

The new Bill will have to be drafted to mirror the 2015 Act as far as possible. It must have the same franchise, to avoid accusations of the establishment "changing the goalposts". Similarly, the choice must be binary: either to accept the Government's recommendation, whether it is an eventual negotiated deal, or a no-deal situation, crashing out and falling back on WTO rules; or to remain a member of the EU on current terms, which is obviously the clear choice. The one big area of reform that must be incorporated relates to the inadequacy of transparency of the digital campaign in 2016; there are already proposals available for that. Otherwise, only relatively minor tightening-up is necessary.

Is there time to complete this legislative process through both Houses, and also to have the campaign itself? First, that depends on the Commons getting on with the "meaningful vote" in good time. Secondly, as has already been said, it depends whether, and on what terms, the other 27 member states agree to the postponement of the Article 50 deadline. It seems that that will be helpful, as has also been said.

In summary, the Minister may huff and puff at the conclusion of this debate, but he is not an elected Member of the House of Commons. Neither he, nor the Prime Minister, can stop this development, nor will they wish to do so, if all the other options are closed off for them. It is practical, political and constitutionally appropriate, and it looks increasingly inevitable. Those of us who marched on Saturday can be confident that we are on the right side of history, just as we were on opposing the illegal invasion of Iraq, and that the tide of public opinion is with us.

1.48 pm

Baroness Kidron (CB): My Lords, two years ago a political party trying to settle an internal dispute set us off on this path, imagining that the result was a foregone conclusion. Meanwhile, an unscrupulous but impressively motivated alliance delivered a protest vote from a population suffering the uneven effects of austerity, globalisation and deindustrialisation, and then had absolutely no idea what to do next.

The referendum question did not ask if we wanted to leave at any price, or any cost. It had no footnotes about NHS staff, or the value of the European space

programme, nor did it allude to the need for an Irish border backstop, or the just-in-time supply lines of Jaguar Land Rover.

But that is okay because, for all that, we have politicians. A representative democracy entrusts politicians on behalf of the electorate to balance a complex matrix of allegiance—to country, to party, to the latest manifesto or referendum result—with the needs of their constituencies and local businesses, alongside their responsibilities to the planet, human rights and children. Politicians are expected to turn big ideas into technical solutions, and find political consensus in pursuit of a prosperous society that delivers for all, particularly the most vulnerable.

The Brexit votes, with rare and admirable exceptions, have failed to deliver on that compact. The complex role of the representative has been denuded into the single idea of delivering on “the will of the people”. This is short-term party expediency to protect supposed electoral prospects.

No time limit was given on leaving. The result required thoughtful consideration and further consultation with almost every sector, stakeholder and citizen—we might even have taken the time to prototype a technical solution to the Irish border issue. Yet in spite of the wild claims of the leave campaign and a partisan media beginning to unravel, both Houses, heavily whipped, rushed through Article 50, blindly creating a cliff edge, without plan or parachute.

What of the will of the people? Theresa May effectively endorsed the view that the referendum was not definitive by calling an election to secure a mandate—a mandate that the electorate refused to give her. However, rather than think again or take into account the new will of the people expressed rather differently in the light of her minority Government, she made her plans entirely dependent on the values and interests of the DUP.

In spite of the volte-face, where the two main parties, once remainers, are now leavers, Parliament has failed to provide clarity, numbers, ideas, leadership or even the basic crisis management skills required to answer the urgent set of questions in front of us.

We are a divided nation: divided in the referendum; divided in the election; divided in the Cabinet; divided in the Government; the Opposition divided between its membership and leadership; divided between young and old. To suggest that a second referendum would divide us further is simply fantastical, and a general election cannot resolve a single-issue question when all parties are putatively on the same side.

Democracy does not mean asking the people once and sticking by it whatever the consequences. Democracy entails transparency and engagement with the electorate. No leave campaigner offered us the current scenario, and no remain campaigner had a plan for leave. And absolutely no one voted for a Canada-plus, a Canada-plus-plus, a hard, a soft, a Chequers, a blind or a brave or a bodged Brexit. That simply was not on the ballot or in the conversation.

We have to give the people another vote on the reality that is now on the table, to allow them to determine their own future, because all other democratic options have been squandered.

1.53 pm

Baroness Masham of Ilton (CB): My Lords, I thank the noble Lord, Lord Campbell of Pittenweem, for tabling this debate. It seems reasonable to me that, as the people of the United Kingdom voted to leave the European Union, they should agree to the terms under which this happens. The terms should be clearly explained to everyone who has a vote so that they can decide what to do. Many people did not want to leave and it has turned out to be very complex. It will change the way people have to live, which may cause endless frustrations, unless the negotiations are seen to be satisfactory. It will be interesting to see whether the Minister can give your Lordships any assurances today over concerns we may have about leaving the EU.

I declare my interest as president of the Spinal Injuries Association. Many of our members are severely paralysed, and some cannot move or feel from the neck down. Some have had catastrophic accidents, while others may have had medical conditions. On Tuesday this week, we had our all-party parliamentary group AGM. Our members are most concerned by the difficulties and insecurities that are emerging in the workforce due to Brexit. Many of our members who live in the community have personal carers from the EU. Unlike many of the British, who have their own homes and therefore do not want to live-in or work at weekends, people from the EU, who make good personal carers, come to work and save money by living in. They go on interesting holidays and save money to build a house when they go home. Our members were very worried when they heard about a report that recommended that only the brightest and the highly paid would be allowed into the UK to work. Of course we need those people, to work in research and in universities, but our members need good, honest people—not high-flyers—who will enable them to live in their own home and give them help when they need it.

It is regrettable that, upon its departure from the EU, the UK will cease to be a full member of the European Medicines Agency, which deals with safety in medicines and medical trials. It has already left London and gone to Amsterdam, which is sad, as we are leaders in this field. The Royal College of Nursing membership has made it clear that the implications of Brexit for the health and care system will be numerous. There are risks that are not credibly addressed and that may damage population health, as well as severely impact on their ability to provide safe and effective care for their patients in both the short and long term.

We need more doctors, nurses and all sorts of staff, such as radiologists. We need safe health systems. Already, we have lost many EU workers because of Brexit. Do the public know what is happening, even now, before we have left?

1.57 pm

Lord Shinkwin (Con): My Lords, I too thank the noble Lord, Lord Campbell of Pittenweem, for securing this debate. To try to overturn the people's vote of 2016 through another referendum would be like saying that a general election result should be invalidated less than half way through a Government's term of office, simply because they were not doing well in the opinion

[LORD SHINKWIN]
polls. It would be totally undemocratic. No less undemocratic would be for the establishment to thwart the outcome of the people's vote in the 2016 referendum, yet that is the prospect which I fear we are facing.

If we failed genuinely to leave the EU, the rest of this Parliament would become a fruitless attempt to rebuild trust with the majority who voted to leave in the people's vote of 2016. I am afraid that the chances of such an attempt succeeding are about the same as the chances of Chequers delivering Brexit.

My noble friend Lord Lamont of Lerwick alluded to the false argument that a second referendum would be healing. I agree with him that it would not. Similarly, extending a transition period for a possibly permanently temporary period, while paying for the privilege of being subject to laws over which we would have even less say than before we supposedly left, would only prolong the agony. By contrast, as we have already heard, having the confidence to leave now on the basis of a Canada-plus free trade deal or, if necessary, on WTO terms if the EU fails to compromise, holds out the prospect of stability and prosperity free of an increasingly unstable EU, whose eurozone looks increasingly likely to collapse. Otherwise, I fear that when the people realise that, despite our protestations that we have left the EU, we are actually still having to do what the ECJ tells us, then far from getting better, the pain will only get worse.

We cannot claim, as an unelected legislature, to represent the people. That is why the responsibility of the elected House to stand up for Brexit is so much greater. I therefore appeal to colleagues in the other place to look beyond the fog of Brexit fatigue and the understandable desire to settle for a deal—any deal. I urge them to reflect on the punishment that the people would rightly inflict on those who promised to honour the result of the 2016 people's vote, only to betray their trust and do the opposite. In deeds as well as warm words, the people's vote in the 2016 referendum must be honoured.

2.01 pm

Lord Grocott (Lab): My Lords, like 66 million of our fellow citizens, I was unable to get along to the march on Saturday—I was watching Stoke play Birmingham. But had I been there, I would have wanted to ask a couple of questions at least of the organisers—questions that have not been answered by many of the proponents of the people's vote today, or if they have they have not always agreed with one another. My first question would have been: what question will be put to the people? Sundry different answers have been given to that. At the very least, before you ask for a people's vote, you should agree on what the question should be and what should be on the ballot paper. It is not much of a slogan to say, "What do we want? A people's vote. What's the question? Ask me later".

Secondly, I would like an answer to the question: what is the difference between a people's vote and a referendum? That is an important question to ask, because if it is a referendum let us say it is a referendum. My noble friend Lord Adonis, who is disarmingly frank on these matters and who is sadly not in his

place at the moment, said that there is no difference: it is just spin. He may have been joking but, my word, he was spot on. I am amazed that the Table Office agreed to capitalise "People's Vote" on the Order Paper. It is answering its own question, basically. A people's vote sounds a wondrous thing even when it is a huge mistake, as I believe it to be.

What are the arguments in favour of having a second referendum, which is what it is? They say that people change their minds. Well of course people change their minds, but are we to have referendums every two years on the subject? I voted to leave in 1975. I had to wait 41 years for the chance to see my view reflected in a vote. Let us test the integrity of the people's vote campaigners. Would they agree to another referendum two years after the one they propose? Let us check every couple of years—it would be never-ending.

Another argument is that a people's vote would end the divisions in the country and solve the problem of a possibly frozen Parliament. It would not, of course, do anything of the sort. A people's vote would exacerbate the differences in the country and Parliament is simply a reflection of the divisions. How patronising is the people's vote campaign? It is effectively saying, particularly to those of us in the Midlands and the north who voted so heavily to leave, "You got it wrong last time. Unlike us remainers, you didn't understand the issues properly". In the finest traditions of democracy, EU-style, if you get it wrong you must keep voting until you get it right, as they know well enough in Ireland and Denmark.

If I say nothing else to this House I will say just this sentence: democracy is threatened when people with power say to those without, "We know what's good for you better than you know yourselves". I have heard that in numerous contributions to today's debate. The truth is that the so-called people's vote is not an isolated event. It is part of an unremitting campaign to reverse the result, which started the day after the 2016 referendum. The aim has been to delay, discredit or reverse the referendum result. It started with the argument that we have almost forgotten now which said, "Oh well, the referendum doesn't really matter. It's only advisory. Don't bother about it. If the Government want to do something else they can please themselves". I would love to know whether this people's vote will be advisory. I have a sense from listening to people that it is pretty mandatory. It will be the last referendum we have as far as the people's vote campaign is concerned.

Then we were told that the leave campaign was invalid and probably needed police investigation because too much money was spent. There is no mention of the £9 million that the Government spent, which I helped to pay for and which I deeply resent. By the way, what about the money that is paying for the people's vote campaign? It seems to be a wonderfully wealthy organisation from what we see in the adverts, but do we see the accounts? Perhaps that can be answered at some stage. Then it was the Russians who tricked us all into voting to leave—apart, of course, from the much cleverer remainers, who saw through all that.

So now it is the last throw of the dice. Let us have a second referendum to reverse the results of the first one. As a lifelong Stoke City supporter, it would be wonderful if whenever we lost a match we could demand an instant replay. But I say to the irreconcilable hard-line remainers—and there is no polite way of putting this—you lost, get over it. Surely the responsibility of us as parliamentarians, particularly in this unelected House, is to say that we were the ones who asked the people to vote, so it is now our job to respect and implement the result. Unless we want the gap between people and Parliament to get even wider than it is at present, our job is to facilitate leaving the European Union, and to do it quickly.

2.07 pm

Lord Butler of Brockwell (CB): My Lords, it is a pleasure to follow the noble Lords, Lord Grocott and Lord Shinkwin. It is also refreshing because we have had 30 consecutive speeches in favour of a referendum and we have finished with two powerful ones from them. I do not relish the prospect of a further referendum. I agree with the noble Lord, Lord Lamont, and others who think that it would be horribly divisive. But I do not think that that can be a sufficient reason in a matter of this importance to funk it. We have to face up to the need for it.

I have always believed that the British people should be able to make as informed a decision as possible on the subject. The decision made in 2016 could not have been informed because the terms of our departure were not then known. So when the terms are known, unless Parliament is confident beyond peradventure that they satisfy what the people voted for in 2016, there is a duty to allow people to review their decision.

Leavers should want that too. The leavers may well win a further referendum as they won the 2016 referendum. If so, although I would personally regret that decision, I agree with my noble and learned friend Lord Brown of Eaton-under-Heywood that it is an outcome greatly to be desired. Then, leavers and remainers will be secure in knowing that the people have taken as informed a choice as possible. There can then be no recrimination if things turn out badly. If they lose, and the people decide to remain, the leavers will then avoid the charge that they have strong-armed the British people into something which, once informed, the British people did not want.

Why, then, should leavers oppose a further referendum? I have always respected those who argue for leaving. I have always acknowledged that there are good arguments for leaving this flawed and in many ways corrupt organisation. But if the reason governing those who oppose a further referendum is their fear that the people may change their mind and vote to stay, I have to say that is not a responsible or even honourable position. People should not be strong-armed into doing something which it turned out that, once informed of the terms, they do not want to do. Maybe the people will vote to leave. Maybe they will not. Without a further referendum we will never know, and this is too important an issue on which to act in ignorance.

2.10 pm

Baroness Ludford (LD): My Lords, this has been an excellent debate, and I thank my noble friend Lord Campbell of Pittenweem for introducing it. There have been strong contributions across the House. My strongest memory of this debate might well be the recollection of the noble Lord, Lord Russell, of a banner from last Saturday that he felt was directed at Boris Johnson: “Testiculi ad Brexitam”. I have to be very careful to get the plural. The pithier Anglo-Saxon version is probably not suitable for this Chamber.

My noble friend Lord Tyler referred to various scenarios that could lead to a people's vote. Intriguingly, in her Statement on Monday, the Prime Minister vowed not to give in,

“to those who want to stop Brexit with a politicians' vote”.—[*Official Report*, Commons, 22/10/18; col. 48.]

But a people's vote is a different thing, and I do not exclude the Prime Minister herself calling for it. The UCL Constitution Unit remarked in its report that,

“in a crisis scenario it may prove the government's only way out”.

This may well account for the war-gaming that is apparently going on in Whitehall. It may well be, of course, that the Labour Opposition reach the same conclusion. Objectors, including some speakers today, claim it is undemocratic to hold a further vote. How can any vote be undemocratic? Even if that claim is true, it would apply to the Prime Minister's wholly unnecessary general election last year.

My noble friend Lady Doocey made the point that in 2016 people voted for a blank canvas on which a variety of pictures of Brexit were projected. I think this is the answer to the noble Lord, Lord Finkelstein, who claimed people knew what they were voting for in 2016. The noble Lord, Lord Ricketts, pointed out that even if the Chequers deal or something similar to it was the final product, it is so far from what people were promised that a second vote is justified—let alone if there is no deal. It would in fact be more democratic to hold a further referendum, because people would have a real choice. As the noble Lord, Lord Hain, said, this saga began with a vote by the people, and it should end with a vote by the people. This is the very opposite of the claim made by the noble Lord, Lord Grocott, of politicians telling voters that they know what is best for them—it is voters deciding what is best for them.

My noble friend Lord Campbell asked “what are those who oppose a second vote afraid of?” I think that was just answered by the noble Lord, Lord Butler, who remarked that it was neither responsible nor honourable to oppose a second vote because of fear of the outcome. My noble friend Lord Marks said that a second vote is an affirmation, not a denial, of democracy. That is surely right, and it would be anti-democratic not to give people the final say, with informed consent. We know that various Brexiters have posited just that scenario on occasions in the past: a first vote in principle and a second vote on the facts: David Davis, John Redwood, Jacob Rees-Mogg, Nigel Farage, even Jeremy Hunt in 2016 suggested a vote on the outcome. It is not just the usual suspects. The British Medical Association and, as the noble Baroness, Lady Masham, mentioned, the Royal College of Nursing are calling

[BARONESS LUDFORD]

for a people's vote because of the mess Brexit has got into. Sir John Sawers, former chief of MI6, is so worried about the threat to Britain's strategic position and its security that he has now come out. It is surely unusual for the former head of the Secret Intelligence Service to put his head above the parapet like that.

It was the noble Baroness, Lady McDonagh, who made the point that this is not a rerun or repeat of 2016. That is a fallacy. She gave half a dozen examples of scenarios where people have an opportunity to review their choice. It is not about changing their mind, but reviewing, with a view to confirming or withdrawing their choice. The obvious one is house purchase. You see what looks like a wonderful house, put in a bid and then the surveyor's report says the house is about to fall down and it will cost hundreds of thousands to repair. It still looks like a lovely house, but it is not credible to carry on with the purchase.

I will not dwell on feasibility, because the report from the UCL Constitution Unit, which is an objective one by academics, has answers to questions of timing, how the question would be drawn up, and so on. It would be wonderful if the people's vote would be held on 23 May, which is the date on which we would otherwise be voting for MEPs; we might then have to have a later vote for MEPs, before 2 July. Clearly we would need to regulate online campaigning, as the noble Lord, Lord Tyler, said. Perhaps there would be an opportunity to have citizens' assemblies, as they did so successfully in the recent referendum on abortion in Ireland. The noble Lord, Lord Grocott, claimed it would exacerbate divisions to have a second vote, but as the noble Lord, Lord Kerr, said, it is less divisive than not having one. The noble Lord, Lord Butler, said this is not a reason to funk it—we must face up to it.

I would like to end by quoting the noble Lord, Lord Kerr, in his foreword to *The Roadmap to a People's Vote*, from the people's vote campaign:

"Indeed, to waste time or to do nothing are perhaps the worst options of all. History will not...be kind to any politician who hides behind purely logistical arguments, legalese or arcane parliamentary procedure in order to deny people a vote on the outcome of these Brexit negotiations at such a fragile and crucial moment for our country".

2.18 pm

Baroness Hayter of Kentish Town (Lab): My Lords, in addition to thanking the noble Lord, Lord Campbell, for the timeliness of this debate and the historical approach he took, may I also pay tribute to the near three-quarters of a million who took to the streets on Saturday, calling for people to play a part in decisions about the future of our country, and asserting their right to have their voices heard? Agree with them or no, it was testament to the importance of this issue, to the demand for proper engagement from every region of the country, and to the energy of young people—and some not so young—in their desire to influence the outcome of the negotiations. It was also a vote of no confidence in the Government, and a reflection of the fear that the Prime Minister is leading us to an outcome that no voter envisaged on 23 June 2016, with a hard exit from nearly 50 years of close co-operation with

our continental allies—an outcome that would damage the economy, jobs, our children and grandchildren's prospects, even our security and policing, let alone the rights of our citizens resident abroad, and EU citizens living here.

As we saw in the *Standard* poll last night, public confidence in the Prime Minister's ability to negotiate her way out of a paper bag is at an all-time low. No wonder when she cannot unite her own party and appears to dismiss Whitehall advice, pleading from business, farmers, supermarkets, ports and airports, the International Chamber of Commerce, consumers and haulage firms, and stark warnings of no deal both in the Government's technical notices and from the NAO, as we heard earlier.

No one envisaged us leaving without a deal. As the CBI shows, 15% of the companies that have prepared no-deal contingency plans intend to shift jobs overseas. Medicines and fresh food would quickly be in short supply. Travel would be hampered and international driving licences and visas needed. We know the list; we have read the documents. Last week in Dover, I heard from port authorities that with 500 lorries passing through every hour, they have no facility to hold them for even two minutes to check contents, tariffs or VAT, or to ensure that the correct person or vehicle is going through. So do not expect fresh food in your shops if we fail to get a deal.

Even in leave areas, no one voted for a catastrophe or to rupture our relationship with the EU, trash our economy and see jobs exported or investment fall. Rather, as we heard, voters were promised a stronger economy, money for the NHS, the exact same benefits and sunny, sunny uplands. The Government getting it wrong in the Brexit negotiations is letting down Brexit voters even more than remainers, who never expected anything good from us leaving.

In addressing the Motion, I start with the possibility of no deal. I would like to think that we do not need to waste our time on this, but we must continue because some people still seem to threaten, or even welcome, it. If the Government fail to secure a deal, a democratic, ethical and constitutional responsibility falls to Parliament, particularly to the Commons. Knowing what we do, it would be unforgivable for Parliament to permit a no-deal exit on 29 March. Due to the Act that went through this House, if there is no deal by 21 January, the Commons has to vote on that absence of a deal—when, I assume, MPs would reject such a course of action. What then? Clearly the Government would be honour-bound to resign, having been overturned on perhaps the most significant post-war failure of any Administration. Then we would have a public vote, but in that case it would be a general election and there would be an extension of Article 50 to allow for it.

The more pertinent question today is, what if we get a deal? The first vote on a deal must lie with Parliament. From the start, your Lordships' House called for this: making Parliament's voice statutory rather than the simple, non-binding vote in both Houses originally suggested by the Prime Minister. We in this House helped to achieve this legal requirement of Commons endorsement for ratification of the deal to take place. Nothing in the call for a public vote on the

deal should diminish that role for Parliament. If Parliament agrees the deal, we hear no demand for it then to go out for an affirmative plebiscite, although my noble friend Lord Judd suggested that it would take an election at that point.

What would happen should the deal be rejected by the Commons, which looks increasingly likely? The question is whether there should then be a public vote. Our view is that there must be a general election in that case, as my noble friend Lord McKenzie said, because the Prime Minister would have lost the confidence of Parliament on a highly significant national issue. However, should the Government insist on hanging on—I trust that they would not do that—and refuse an election, all options to break the impasse must be on the table. That includes the possibility of a public vote, although this time with 16 and 17 year-olds taking part; here I disagree with the noble Lord, Lord Tyler.

I acknowledge the difficulties of arranging that. The UCL paper showed how challenging it would be in terms of needing a Bill, Electoral Commission approval of the question and a 10-week campaign. However, that could be overcome with cross-party consensus and political will, although it still leaves open what question should be on the ballot paper and whether there should be two or three options between deal, no deal and remain.

The Government have got themselves and the country into a serious mess. They adopted red lines before they understood the task. They failed to heed the advice of civil servants, industry or their allies, who also have skin in the game. They are in hock to the ERG and DUP and weakened by their foolish 2017 election. They failed to engage the Opposition to find a deal which we and the country could support.

I finish with some advice to the Minister. He should resist his normal dismissal of those whose views differ from his, acknowledge the size, legitimacy, validity and passion of Saturday's marchers and heed advice more widely than from just his political friends. I suggest that he should listen to his noble friend Lord Finkelstein especially. He should dismiss Tory MEP Daniel Hannan's call for a "mass boycott" of any second referendum. Hannan told Al Jazeera—not a particularly democratic channel—that a second referendum would be "utterly illegitimate", even if it was legislated for in Parliament. That does not respect this House at all. I hope that even at this late stage the Minister will also engage more constructively with this House, its committees and its experienced Members, who we have heard from today, to respond more positively than hitherto on the major questions facing UK plc.

2.27 pm

The Minister of State, Department for Exiting the European Union (Lord Callanan) (Con): My Lords, today's debate has been a good one—although there was a hint of *déjà vu* about it. I seem to have heard many of the arguments a number of times before.

I thank and pay tribute to the noble Lord, Lord Campbell, for introducing the debate so ably. I greatly enjoyed his history lesson, although I think he

was a bit unkind to David Cameron for fulfilling his manifesto promise to call the referendum in the first place. The noble Lord was conveniently forgetting about the crucial role played by the Liberal Democrats in this. After all, I think it was the Liberal Democrat party under Nick Clegg that first called for a "real referendum on Europe". It was in one of their famous petitions and on one of their many focus leaflets distributed around the country—so they can definitely claim that they were ahead of the game on this one. However, building on the powerful contribution of my noble friend Lord Finkelstein, I note that the petition did not say, "It's time for two real referenda on Europe".

I also thank all other noble Lords who participated in the debate. I will refer to some of their contributions as I go. The Motion calls on this House to take note of the case for a so-called "people's vote" on the outcome of the negotiations between the Government and the European Union on our withdrawal from the EU. I agree with my noble friend Lord Lamont that the term is somewhat Orwellian. I assume that the debate is timed to coincide with last week's demonstration in London, which had an interesting range of speakers. One of them was the leader of the Liberal Democrats, Vincent Cable. Apparently he seems to have forgotten that he once called the idea of a second referendum,

"seriously disrespectful and politically utterly counterproductive"—as, indeed, the Liberal Democrats discovered at the last election. Then there was the Mayor of London, Sadiq Khan. After the original, authentic 2016 people's vote, he said that the establishment needed to respect the result and that a second referendum would lead to cynicism among voters. They were both right the first time.

I say to the noble Lord, Lord Russell, and to his son, to my noble friend Lady Wheatcroft, to the noble Lord, Lord Tyler, and to all the other marchers at the weekend that, however passionate it was—I recognise, as the noble Baroness, Lady Hayter, said, that it was a passionate demonstration and that people believed strongly in what they were saying—it was, of course, only a small fraction of those who participated in the original 2016 people's vote. That point was well made by the noble Lord, Lord Grocott.

We have already had a people's vote in June 2016 and the people voted to leave the European Union. The calls for a second referendum are being led by a small group of diehard remainers who, by definition, do not respect the result of referenda—so why should we believe that they would somehow respect the result of another referendum? If they did succeed in overturning the result, why should leavers respect that outcome? It is a recipe for years of political and constitutional chaos. On the issue of how long it would take to hold another referendum, which I thought was powerfully addressed by the noble Lord, Lord Trevethin, in his excellent contribution, my estimate that it could take up to a year might even have been an underestimate. That was a powerful contribution.

Calling the result into question, as the Motion seeks to do, exposes three issues of fundamental importance for our country: first, the Government's mandate, given by the British people, to secure our withdrawal from the European Union; secondly, the

[LORD CALLANAN]

long-held constitutional traditions that underpin our democracy; and, thirdly, the importance of ensuring the integrity of our negotiations. I will deal with each of them in turn.

First, the result of the referendum gave the Government a clear mandate from the British people to deliver our withdrawal from the EU. It is a mandate that the Government have been working to deliver since then. I remind noble Lords that it was this Parliament that overwhelmingly voted to put the question of the UK's membership of the European Union to the British electorate in the first place. It is worth reminding ourselves of the simple question that was put to the people on 23 June 2016. It asked:

“Should the United Kingdom remain a member of the European Union or leave the European Union?”

The noble Lord, Lord Anderson, said in a somewhat puzzling intervention that it was not clear what the electorate said in that vote. I profoundly disagree. The result of the referendum was a clear answer to that question, giving a clear directive to the Government to withdraw from the European Union—which we respected through our notification under Article 50.

The result reflected not only extensive campaigning from both sides but considerable and prolonged debate at national and parliamentary level, underpinned by a commitment from spokesmen from all the major political parties to respect the outcome of the vote. Almost three-quarters of the electorate took part in that people's vote, resulting in 17.4 million votes to leave the European Union. That was the highest number of votes cast for anything in UK electoral history. Parliament then overwhelmingly confirmed the result of the referendum by voting by clear and convincing majorities in both Houses for the European Union (Notification of Withdrawal) Bill.

Further still, at the last general election, more than 80% of the British people voted for parties committed in their manifesto to respecting the leave result. I respect the position of the Liberal Democrats. They campaigned against the result at the last general election and they got 7% of the vote for their trouble.

A clear majority of the electorate voted to leave and the Government believe that we must respect both the will of the British people and the democratic process which delivered that result. As the Secretary of State for Exiting the European Union noted earlier this month:

“It was close but it was clear. Britain voted to leave the EU. Respecting the result: that's the essence of our democracy”.

Secondly, seeking to second-guess the results of the referendum would be a dangerous precedent to set for our democracy and the principles that underpin our constitutional order. The British people must be able to trust their Government both to effect their will and to deliver the best outcome for them. In the summer of 2016, millions of people came out to have their say. People trusted that their vote would count—that, after years of feeling ignored by politics, their voices would be now heard. As the Prime Minister pointed out, to ask the question all over again would be a gross betrayal of our democracy and a betrayal of that trust.

More than that, there is a danger of giving rise to the same forces that have brought to power in many other European countries extremist parties to the left and to the right. I agree with my noble friend Lord Shinkwin that if we overturn the result of the referendum we run the risk of the same thing happening here. By placing partisan interests above those of the British people, we will undermine the faith that they hold in our political establishment. That would be hugely damaging to the powerful democratic values of this country and this Government—a point powerfully made by my noble friend Lord Lamont and the noble Lord, Lord Grocott, in his excellent speech. It risks profound constitutional, legal and political difficulties that would be a distraction from the Government's efforts to secure the best possible deal for the UK.

I reassure the noble Lord, Lord Marks, and my noble friend Lord Higgins that we have always said that we will give Parliament a say on the final deal once it is agreed. Of course, the EU withdrawal Act set out exactly how that meaningful vote would work.

Lord Tyler: In the precise circumstances to which the Minister just referred, does he agree with the Prime Minister that, if the House of Commons decided it was necessary to have a further return to the public, it must happen?

Lord Callanan: I am not going to question the devices of the House of Commons. Clearly, the House of Commons will make its own decisions. The legal principles underpinning it and underpinning the meaningful vote are quite clearly set out in the EU withdrawal Act. It is of course open to the House of Commons to amend that Motion. However, an amendment for a referendum would not necessarily be legally binding on the Government; it would merely prevent us ratifying the treaty.

Lord Bilimoria: The Minister has just said that Parliament will be given a meaningful vote. The Secretary of State, Dominic Raab, has said that Parliament will not be given the option of a meaningful vote—of deal or no deal, or no deal or remain.

Lord Callanan: I do not know what contribution the noble Lord is referring to, but the process of the meaningful vote is set out in the EU withdrawal Act. He contributed to many of the debates we had in this House on that subject. When we have negotiated a deal it will be put to Parliament to approve or not, along with the accompanying economic framework.

Baroness McDonagh: Did the Minister say that if the House of Commons voted for a second referendum, that would not be legally binding on the Government? Could he repeat that and explain how the previous court decision that Parliament was supreme in these matters works with that opinion?

Lord Callanan: I am not an expert on procedures in the House of Commons. There are many other distinguished Members here who are, but my understanding is that Motions in the House of Commons

are not legally binding. For a further referendum to take place would require legislation to be passed. If the House of Commons passes legislation to that effect, there will of course be a referendum in that circumstance.

Lord Marks of Henley-on-Thames: The point I put to the noble Lord and that I wanted an answer to is what the meaningful vote would be in the event of no deal, not in the event that there was a deal. Would Parliament then be asked whether they wanted no deal or remain? To that we have never, ever had an answer.

Lord Callanan: I am afraid that the noble Lord again is mistaken. There is a very clear answer to that. Again, the EU withdrawal Act, which we debated extensively in this House, sets out what happens if there is no deal or Parliament rejects the deal the Government have negotiated. In such circumstances, within 21 days of that the Government must put forward a Motion in the House of Commons in neutral terms outlining how we propose to proceed. What happens in such circumstances is very clear. We debated it at length and that is now in the statute that we passed.

Thirdly, and finally, it is a well-established feature of our constitution that the Executive represent the country in international diplomacy, and this constitutional arrangement continues to apply to our withdrawal from the European Union.

There is a very real risk that the continuing campaign to overturn the referendum decision to leave is seriously undermining our negotiating position. If those on the other side believe that we may change our minds—

Lord Butler of Brockwell: I am very grateful to the Minister. Is he not making, from his point of view, a pessimistic but rather revealing statement when he says that a further referendum would overturn the decision of the British people? It would not necessarily overturn it, but apparently he thinks it would.

Lord Callanan: Actually, he does not think it would. There is a very real chance, if there were another referendum, that we would get the same result in spades. Of course, we will never know, because we are not going to have another referendum. My point is that it would provide at least a year, possibly longer, of total political and economic chaos, were we to go down that route.

As I set out, undermining the negotiating position—as many people are trying to do—will do nothing but guarantee a bad deal for the UK, something I think we all wish to avoid.

Lord Campbell of Pittenweem: I am most grateful; the Minister is being very generous giving way. Is he really saying that those who seek to exercise the democratic duty which they have in these matters are undermining the negotiation—in the light of the antics, if I may so put it, of the former Foreign Secretary?

Lord Callanan: I am merely making the obvious point that seeking to provide an avenue to overturn the result, to suggest that we may change our minds—and many on that side profoundly disagreed with the referendum result—provides an incentive for the EU to offer us a bad deal.

Continuing calls for a second referendum are irresponsible and will only serve to damage the negotiations—a point that we have just discussed. Let us be under no illusion: it is very clear that those advocating a second people's vote wish to subvert the instruction given to us by the British people and to reverse the result. We have been very clear that this Government will never accept a second referendum. The British people voted to leave the EU, and we will be leaving on 29 March 2019. That is why, for over two years, we have worked to deliver a deal that sees the UK leave the EU. Our EU partners need to be clear that this Government will not overturn the result of the referendum. I say to the noble Baroness, Lady Ludford, that, despite the reports, there is no war-gaming going on in our department. The second referendum is not going to happen, and nobody in Whitehall is making any preparations for the unlikely event.

At the heart of the vote to leave the European Union was a wider call for change, which should neither be ignored nor undermined. As this Government deliver on the democratic decision of the British people to leave the European Union, which we will do on 29 March next year, we will also build a stronger, more meritocratic Britain. There can be no second-guessing this Government's mandate to do exactly that.

2.43 pm

Lord Campbell of Pittenweem: My Lords, I am grateful to all who have spoken in this debate and, naturally, I include the Minister. I hope he will forgive me if I say that in the course of the debate, he has reminded me of the first line of a Victorian poem:

“The boy stood on the burning deck,
Whence all but he had fled”.

Motion agreed.

Personal Statement

2.43 pm

Lord Hain (Lab): My Lords, having been contacted by someone intimately involved in the case of a powerful businessman using non-disclosure agreements and substantial payments to conceal the truth about serious and repeated sexual harassment, racist abuse and bullying which is compulsively continuing, I feel that it is my duty under parliamentary privilege to name Philip Green as the individual in question, given that the media have been subject to an injunction preventing publication of the full details of a story which is clearly in the public interest.

Northern Ireland (Executive Formation and Exercise of Functions) Bill

First Reading

2.44 pm

The Bill was brought from the Commons, read a first time and ordered to be printed.

Immigration

Statement

2.44 pm

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, with the leave of the House, I will now repeat a Statement made in another place by my right honourable friend the Home Secretary. The Statement is as follows:

“With permission, Mr Speaker, I would like to make a Statement on the use of DNA evidence in immigration applications.

Many thousands of immigration applications every year involve people applying to come to the UK or remain, on the basis of a family relationship with someone already here. If an individual does not have sufficient evidence to show that they are related to someone in the UK, they sometimes choose to do a DNA test to prove that relationship. Officials will then consider this evidence as part of their claim. Very often, this will be to the advantage of the applicant, because it can help establish family relationships beyond doubt where other available evidence is sometimes insufficient. However, the provision of DNA evidence must be entirely voluntary.

At the end of June, it was brought to our attention that there were some immigration cases where the provision of DNA evidence had been made a requirement to issue a visa or grant leave to remain, and not simply a request. Such demands are unacceptable. Today I want to take this opportunity to apologise to those who have been affected by this practice. The law in this context is that the provision of DNA evidence should always be voluntary and never mandatory. My predecessor made this absolutely clear with the changes she brought in in 2014.

Once we were made aware of the issue, we immediately commissioned an urgent internal review into it, which I am publishing today. Copies will be available in the House Library. My right honourable friend the Immigration Minister will be writing today to the Home Affairs Select Committee outlining the key points of the review and providing a copy.

The review covered the legal aspects of DNA use, policy and guidance, caseworking practice and correspondence with applicants, as well as oversight arrangements relating to the use of DNA. It outlines a number of areas in which guidance was unclear or wrong. It also outlines areas of operational practice where DNA evidence was improperly required and provides some initial information on the possible scale of the issue. The review makes a number of recommendations about how to address the root causes within the border, immigration and citizenship system

that led to this operational practice. However, this review is not a conclusion to the work. The numbers and information in the report have been collected at pace and still need to be fully assured, and they are subject to change. Further work is needed to ascertain the full scope of the issue. But, regardless of the numbers of people affected, one case is still one too many.

I am determined to get to the bottom of how and why it was that, in some cases, people could be compelled to supply DNA evidence in the first place. The majority of cases identified so far have been part of Operation Fugal, an operation started in April 2016 to address patterns of fraud in some specific family and human rights immigration purposes. Letters sent as part of this operation incorrectly stated that the applicant must provide DNA evidence and that not providing such information without a reasonable excuse would lead to their application being refused on suitability grounds.

It has been reported that 83 applications had been refused at the time of writing the report. Seven of these seem to have been refused on suitability grounds solely for the failure to provide DNA evidence. A further six appear to have been refused on suitability grounds for failure to provide DNA, but where this is not the sole reason.

In addition to Operation Fugal, we have identified an improper approach to the use of DNA evidence in two further cases. The first relates to adult dependent relatives of Gurkhas. In January 2015, a scheme was expanded allowing adult dependent children of Gurkhas discharged before 1997 to settle in the UK. Guidance was published which stated that DNA evidence may be required, and that applications may be refused if that evidence was not provided without reasonable excuse within four weeks. This published guidance was wrong and has been updated. The report suggests that there were 51 cases identified where DNA evidence was requested from applicants at their own cost.

At the time the report was written, we were aware of four cases from the same family unit who had their application refused solely because they did not provide DNA evidence. Those decisions have now been corrected.

The second case relates to Afghan nationals. In 2013, applications from Afghan nationals formerly employed by the UK Government to resettle in the UK began to be accepted. The terms of the scheme included mandatory DNA testing for family groups, paid for by the UK Government. Current investigations suggest that no one making an application under this scheme has been refused because they did not take a DNA test. None the less, mandatory testing should not have been part of the scheme and this requirement has now been removed.

Let me be clear: across our immigration system, no one should have faced a demand to supply DNA evidence and no one should have been penalised for not providing it. In particular, I want to extend my apology to those Gurkhas and Afghans who have been affected.

The two schemes that I have described were put in place to help the families of those who have served to keep our country safe. I am sorry that demands were

made of them which never should have been. I want to reassure the House that I am taking action to correct this situation. First, I have given clear instructions that officials must not seek DNA evidence on a mandatory basis in any immigration case. Secondly, I have set up a new task force so that anyone who feels that their case may have been influenced in any way by an inappropriate demand for DNA testing can get advice and support. Thirdly, we will also look to reimburse any individual who has suffered financial loss because we required DNA evidence when we should not have done so. Fourthly, we will continue closely to examine whether this approach might have been taken in any other parts of the immigration system. What we know so far is that three schemes have been affected, but we must investigate whether there are any more. I will ask for independent assurance on everything we do to establish the facts. And, fifthly, I know that the immigration system is operated by many highly committed people, but we must make sure that the structures and processes they use are fit for the modern world. I will review the structures and processes that we currently have to ensure that they can deliver a system in a way which is fair and humane.

I will now consider what form that review will take, but my starting point is that it would be helpful to have independent oversight. The review will need to build on the lessons learnt from the Wendy Williams review. I will want Wendy to play a full part in this wider exercise. I made it clear when I became Home Secretary that we need a different approach to immigration. I would be prepared to take action to put right any wrong as and when I became aware of it.

It is clear that there has been a disconnect between policy and operations. I will take any action necessary to put right wrongs or inconsistencies as and when I become aware of them. Today, I want to promise you all that I will get to the bottom of what has gone on in relation to DNA evidence. I will build an immigration system which provides control but which is also fair, humane and fully compliant with the law at all times”.

My Lords, that concludes the Statement.

2.53 pm

Lord Rosser (Lab): I thank the Minister for repeating the Statement made earlier in the House of Commons. I shall not launch into a tirade against the Home Office and its leadership for yet another display of its own all-too-often uniquely insensitive way of handling immigration issues, or its belief that simply by announcing that the “hostile environment” has now been rebranded the “compliant environment” all the problems will be solved, or the impact on the department’s culture of the infamous net migration target of below 100,000. I think that we have reached the stage of despair. I will confine myself to asking a number of questions. The Statement makes reference to,

“an urgent internal review into it, which I am publishing today”. Is the full review being published, or have any parts of it been removed before publication?

The Statement says that the law is that the provision of DNA evidence should always be voluntary and never mandatory. If that is a muffled way of saying that the Home Office acted illegally, does it mean that

the Home Office is now liable to legal action from those who were told that it was mandatory for them to provide DNA evidence and because of that did so?

What form and level of compensation and reimbursement do the Government intend to offer to those affected by what the Statement describes as the unacceptable demands for the provision of DNA evidence? If the Home Office has in its records DNA evidence obtained through unacceptable demands, has that evidence now been deleted and, if not, why not?

According to the Statement, the internal review, “outlines a number of areas in which guidance was unclear or wrong”.

At what level in the Home Office would such guidance, which presumably includes guidance on what actions are within the law and which are not, have been cleared? Is it at ministerial level, Permanent Secretary level or legal officer level?

Immigration cases where the provision of DNA evidence had been made a requirement were brought to the attention of the Home Office at the end of June. Why has it apparently taken so long for any Statement to be made—some four months?

The Statement makes reference to Operation Fugal, in connection with which the majority of cases so far identified have been found. The other areas relate, almost unbelievably, to adult dependent relatives of Gurkhas and Afghan nationals formerly employed by the UK. The Statement says that, so far, it is known that three schemes have been affected. Are those the three areas to which I have just referred or are they three others and, if so, which schemes?

It is almost inevitable that, at times, something will go wrong in the performance and delivery of a department’s business—no organisation can be perfect the whole time—but there seem to be rather too many problems at the Home Office. No doubt the substantial reductions in personnel have contributed—they certainly have not helped—and the approach to pay increases in the Civil Service in recent years will not have exactly boosted morale. But what is disturbing is the time it takes for some of these problems to come to light. This is once again an issue in this case.

The internal review has apparently covered oversight arrangements relating to the use of DNA, which I presume were not as effective as they should have been, but where does responsibility for having effective governance arrangements within the Home Office lie? Which committee or board within the Home Office has responsibility for ensuring that effective governance arrangements exist which will at least prevent serious misuse of powers taking place for any length of time, if not stop them occurring in the first place? Who chairs that board or committee with that overall responsibility? Indeed, is there a board or committee with that responsibility? What is the role of the Home Office Audit Committee, if any, in this regard? What is the role of the Home Office board, if there is one, and the role of its non-executive directors in this area of effective governance arrangements? I hope that the Minister will be able to say or write something about where responsibilities lie higher up the food chain in the Home Office in that regard, if not today then at a later stage.

[LORD ROSSER]

The apology in the Statement from the Home Secretary for what has happened is welcome. His Statement commits him to a review of the structures and processes that we have to ensure that they can deliver an immigration system which is fair, humane and fit for the new immigration system that the Government say they will bring in for when we leave the European Union. I do not doubt for one moment the Home Secretary's sincerity, but words are easy. It is when it comes to implementation and delivery that it all too often seems to go wrong at the Home Office. That is the issue that he has to solve in any revised or new immigration system, as well as making sure that the existing system can cope with all the applications from EU nationals living in the UK seeking to settle their status post Brexit.

Baroness Hamwee (LD): My Lords, I too thank the noble Baroness for repeating the Statement. In the interests of time, I have edited the questions that I wish to ask so as not to repeat those of the noble Lord, Lord Rosser, which were all very good and pertinent.

The Minister tells us that this is in effect an apology to those affected. Will the Home Secretary contact the individuals affected to give them a personal apology? That seems the proper thing to do, because the events that we have heard about must have been quite devastating for some of those affected. Instructions have been given that officials must not seek DNA evidence on a mandatory basis. Can we be assured that "mandatory" will be given quite a wide meaning? If I were told that I was unlikely to be believed if I did not provide DNA evidence, I would regard that as mandatory, or something very close to it. A new task force has been set up, and we have heard about the external oversight, but is the task force comprised of Home Office officials? Is it they who will give advice and support, and are those affected going to be told that that advice and support will be available to them?

On reimbursement, the words in the Statement are, "looking to reimburse". I am not suggesting that an attempt has been made to find weasel words—it is a fairly common way of saying "we will reimburse"—but I would like to hear that this is a little more than a hope, and without requiring the release of the claim, which I think was the point touched on by the noble Lord, Lord Rosser.

During the Joint Committee on Human Rights inquiry into what happened in the case of the Windrush generation—I am a member of that committee—we were concerned to know what action was taken when errors were discovered, with regard to individuals. That is perhaps another way of asking what sort of internal audit is in place and what steps are taken when it is found that mistakes have been made by individual officials. In saying that, I am not seeking to blame officials: I believe that those who operate the system seek to apply what they understand to be Home Office policy, sometimes expressed, sometimes implied.

The Statement refers to, "how to address the root causes",

of the problem. The "committed people"—I use the Home Secretary's term—who operate the system will naturally seek to achieve what the politicians are aiming for: they take the detail and the tone from them. I think that happened in the case of the Windrush generation, and the hostile or compliant environment is not, to use the words of the Statement again, "fit for the modern world".

That is why the Liberal Democrats have recently agreed as our policy that processing immigration and asylum applications should be taken away from the Home Office, with a new dedicated unit set up. This scandal is an example of why it is important to ignore political pressure and work fairly and lawfully in processing applications.

Baroness Williams of Trafford: I thank the noble Lord and the noble Baroness for their questions. Any that I do not thoroughly answer today, I will follow up afterwards.

The noble Lord, Lord Rosser, asked whether a full review would be published, or a partial one. The answer is yes to a full review. The noble Lord will of course appreciate that names below senior civil servant rank have been redacted. He asked whether evidence had been deleted. That is precisely one of the things that the Home Secretary has asked officials to urgently establish. He also asked whether the three schemes are different. The three cohorts to which I and my right honourable friend the Home Secretary referred are the Gurkhas, the Afghans and the cases in Operation Fugal, which are family migration cases in the main.

He also asked whether the Home Office acted illegally and what were the consequences. We have accepted, as my right honourable friend the Home Secretary accepted today, that we should not have required DNA. Obviously, the consequences for individuals will vary according to individual circumstances. In answer to him and to the noble Baroness, Lady Hamwee, we will be looking to reimburse individuals who suffered loss because we required DNA. The noble Lord asked about governance and accountability. My right honourable friend the Home Secretary made it clear that he is going to review the structures and processes in the immigration system.

The noble Baroness, Lady Hamwee, asked whether we had reached out to those affected. As I set out in the Statement, my right honourable friend the Home Secretary has set up a task force within UKVI to review and conclude all outstanding Operation Fugal cases. Our intention is to complete this work by the end of October wherever possible. However of course some cases will take longer because of outstanding criminal proceedings, or where we have required or requested further information to help us make a decision. We have set up a telephone hotline to enable those who need to to speak directly to members of the task force. The hotline will not be a freephone number, but we will quickly establish an individual's contact details and basic information and call them back at our expense. The cases that officials have identified to date which were refused solely because of, or with reference to, non-provision of DNA will be reviewed by the end of October, and, where it is considered that the application

still falls to be refused on credibility grounds, a new decision letter will be issued making clear the grounds for refusal.

The noble Baroness asked whether everyone who had to pay for one—I presume that she means a DNA test—will be compensated. As I have said, we are looking to ensure that anyone who suffered financial loss will be reimbursed. My right honourable friend the Home Secretary will be providing more detail on how this will be done as soon as possible. She asked whether “mandatory” would be interpreted widely. We will make clear through guidance that applicants can provide a range of evidence to demonstrate relationships. If people wish to, they can volunteer DNA evidence, and sometimes they may want to do that, but it will not be mandated: they will not be required to. She also asked whether the task force would be reviewing guidance. The task force will be operationally focused, and separately the Home Secretary has asked officials to review all relevant guidance and make sure that it is correct and up to date. As she will have heard in the Statement, some of it already has been. She asked how many people were in the task force. Did she not? Well, I will tell her. About 40 people are involved in the task force, and that will be adjusted according to need. They will be reviewing cases and responding to hotline queries.

3.08 pm

Lord Marlesford (Con): My Lords, I have one question for my noble friend. In the Statement a crucial sentence states that,

“the provision of DNA evidence must be entirely voluntary”.

Why is that? Is DNA evidence not used for paternity cases and for other medical reasons? Is it not used in criminal investigations? What is the difference in principle between DNA and fingerprints or eye recognition? Surely, any means, when the country needs to know who somebody is, is perfectly legitimate.

Baroness Williams of Trafford: I thank my noble friend for that question. I am referring, and the Statement referred, purely to the immigration system. He is absolutely right that biometrics cover a number of areas, as he said, including fingerprints and iris recognition—but in this context DNA presentation should be entirely voluntary.

Lord Wallace of Saltaire (LD): My Lords, the Minister may know that I have been looking at the problems which British universities are now having with visas for their staff and students, and the families of their staff. In the last two weeks I have spoken to a number of university teams about this, and on Monday a senior officer of one of our most effective and renowned universities said to me, “We pay £25,000 for a premium service because that’s the only way one gets a basic service these days”.

My strong impression is that what we have just heard is one indication of a severely overloaded system. As we approach a peak of applications coming towards March 2019, with people wanting to clarify what position they have within Britain, that system is coming close to breakdown. The noble Lord, Lord Rosser, mentioned the cuts in staffing, and it is clearly understaffed.

Telephone lines are frequently impossible to get through to; passports are taken away and do not come back for eight to 10 weeks.

A lawyer friend of mine who, as a dual national, was asked to supply both her passports when trying to change to her new married name could not find anything in the regulations that required her to send her French as well as her British passport away for eight weeks. Can this review therefore take a rather wider survey of whether the current visa system is able to cope with the weight of applications coming to it? The series of stories that I have been hearing from university staff and university HR departments suggests that it is not coping at present.

Baroness Williams of Trafford: The noble Lord very nicely gives us a taste of his Question on Monday, which will be asked in a different context—that of borders. This Statement is not quite about preparations for Brexit or the sheer number of applications; it is about a specific cohort of people for whom guidance was incorrectly written. But I take the noble Lord’s point that we need the capacity and the capability to process visas which come into UKBI. Of course, we keep our capacity needs under review, but I do not deny in any way that it is a busy system. We expect that the EU citizens’ application service, which has already gone out to private beta trial, will be rolled out further. We have not experienced any problems with that so far, but the noble Lord was absolutely right to point out that preparedness, particularly towards March, will be absolutely crucial.

Lord Wilson of Dinton (CB): My Lords, as a former Permanent Under-Secretary at the Home Office—25 years ago—I listened to the Statement with huge dismay and disquiet. When I took over there, I asked myself how we could be sure that officials were exercising power responsibly, fairly and in accordance with the law—because the Home Office has powers over the lives of individuals which are formidable and can destroy people. It is a heavy responsibility. The answer that I came to then was that we had rules, guidance and committees, of course, yet we actually relied on the culture and values, where people were legally literate—often more literate than their own legal advisers—and punctilious in their wish to be consistent, but also fair and with a dash of humanity. I thought it was a culture which served the country well, and one dreaded things going wrong.

Listening today, I asked myself: what has happened to bring this about? It sounds to me like a symptom of something more serious underneath, and I want to echo the question. I worry that the burden of work is enormous, and beyond the competence and capacity of the people responsible for delivering it. Is the Minister aware of any lack of resource? Is she satisfied that the Home Office has the resources to do the work? I have an abiding concern that across government generally, particularly with Brexit, more and more complex work is being piled on a service which has been cut back radically and has lost a lot of experience. Is the Minister happy with the situation in which she finds herself?

Baroness Williams of Trafford: My Lords, I am never happy to have to stand up and make a Statement such as this. I pay tribute to the work that the noble Lord did within the Home Office, and it is interesting that he uses almost identical words to those which my right honourable friend used earlier today, about being, “fair, humane and fully compliant with the law”.

But the noble Lord was also right to talk about the culture, and it is true to say that when my right honourable friend became Home Secretary he talked about a culture of fairness—about seeing cases as humans and not just as cases, and taking a far more humane approach to everything that we do. The noble Lord was absolutely right to point out that some of the decisions we make can hugely impact the lives of people; we are keenly aware of that. We are undergoing a period of tight resourcing and every department is fully aware of that. I will take the noble Lord’s point back, but he makes absolutely the right points in regard to this.

Lord Dubs (Lab): My Lords, I welcome the fact that the Government are going to review the structures and processes to make sure that they are fit for the immigration system. Will that review cover all the people who have a family relationship with somebody who is already here? I refer in particular to unaccompanied child refugees, and I very much hope that the governance review will reduce the long delays for children in the camps in Greece and northern France as they wait for the Home Office to get a move on. Can I please have some assurance about that?

Baroness Williams of Trafford: The noble Lord will know through our various conversations that some of the delays in children coming here are because we are awaiting information from other countries. I know he accepts that as a fair assessment of the situation. The full detail of the review being carried out of the structures and processes will be outlined in due course, so I will let him know when its actual terms of reference are ready.

Lord Deben (Con): My Lords, first, I thank the Home Secretary for the tone of that reply and I say to my noble friend that we know her personal way of looking at these matters. But this is a matter of culture and we have had a great number of speeches and talks from politicians about immigration which, frankly, have been entirely unhelpful to the Home Office in dealing with people properly. That culture is our fault, as the political parties, because we have not stood up against the loud-mouthed, racist attitudes of so many people. We really need to talk differently.

Secondly, we have cut back on the staff in a way which means that the Home Office cannot do its job properly. My opposite number as chairman of the equivalent climate change committee in China was not able to come to a very important meeting between the two scientific sides, which advise the two Governments, because we could not get his visa through. His second-in-command only got through with a visa which came the night before he flew. It is thoroughly incompetent as well as unhappy, and we really need to face that.

Baroness Williams of Trafford: I will make three points to my noble friend. First, I join him in paying tribute to the staff of the Home Office. So often they get forgotten and come in for an awful lot of stick in Parliament from one extreme end of the argument or the other—that is, that we are being too soft or too hard on people wishing to come to this country.

My noble friend talked about China. I am about 99% certain that China is part of our visa waiver pilot. I will get back to him on that, but I am pretty certain that it is. Therefore, some of the problems that his colleague faced should not have been the case. I will look into it and get back to my noble friend.

Lord Paddick (LD): My Lords, my noble friend Lady Hamwee asked the Minister whether those affected would receive a personal apology rather than the general one that the Home Secretary has given. Will the Minister answer that question? On a more general point, the Statement seems to suggest that officials were to blame for not following policy, but surely Ministers are responsible for implementation and the culture at the Home Office, not simply for policy. Are the Government admitting that they are guilty of not having a grip on the operation of the Home Office? Ministers cannot, should not and must not blame officials for their own failures.

Baroness Williams of Trafford: I absolutely concur with the last point the noble Lord made. We are the representatives of the Government. We are not blaming officials. We are looking at the wider system. Guidance which was wrong was corrected and we are looking to see whether there is other guidance that is wrong and needs to be corrected. I again pay tribute to the staff of the Home Office. This is not a blame game. We are trying to put right something that is clearly wrong. I do not know whether the Home Secretary is planning to issue a personal apology, but he clearly publicly apologised today and I believe that that apology was most sincere.

Lord Cormack (Con): My Lords, I thank my noble friend for the tone of her replies. I shall ask her two things. First, among the Afghans, were there some of those very brave people who were interpreters and their families who have given measureless service to this country in the most difficult circumstances? Secondly, let me also say, following my noble friend Lord Deben and the noble Lord from the Cross Benches, the culture of targets is wrong. That is what we have suffered from for too long. The real target for the Home Office and Ministers should be to exercise the functions of that great department with sensitivity and humanity, remembering that every human being has a dignity that should be respected.

Baroness Williams of Trafford: I could not at all disagree with my noble friend about what the real target of the Home Office should be. In fact, I think my right honourable friend the Home Secretary outlined that very clearly when he became Home Secretary. My noble friend is right that the target culture is wrong, and it has been done away with. I join him in paying

tribute to the brave Afghan people who helped this country in spite of so much danger in many cases. My noble friend asked about interpreters. I think there may have been interpreters in that number, but I will confirm that. Our investigation so far has shown that no Afghan was refused entry to this country on the basis of DNA. I join my noble friend in paying tribute to those very brave people.

Lord Morris of Handsworth (Lab): My Lords, I might have missed the point. Will the Minister share with the House the terms of reference and composition of the review? How long is it anticipated that the review will take? Will the outcome of the review be made public? Will the Minister say whether there will be any cost implications for those who contribute to and participate in the review?

Baroness Williams of Trafford: I cannot tell the noble Lord the terms of reference or who will be on the review at this time. The Home Secretary will outline that in due course. My right honourable friend the Home Secretary wants Wendy Williams, who is dealing with the Windrush review, to be part of the wider exercise of this review. In view of some of the lessons that we have learned and the ways in which she operates, she will be very helpful in the review. However, I cannot give the noble Lord the detail on the review today.

Lord Berkeley of Knighton (CB): My Lords, I, too, welcome the tone of this Statement. There has been much mention of culture. That is correct, but in my experience culture begins to slip when people are pushed beyond their limits in terms of work. My question to the Minister is very simple. Will the Government bite the bullet and fund more staff for this important area? With Brexit—I am thinking in terms of visas for artists—the workload will increase by a staggering amount.

Baroness Williams of Trafford: There is no doubt about it. If noble Lords were in their place for the Question earlier, they will have heard that the number of people crossing the border has increased quite substantially in the past few months. Beyond Brexit, we are expecting pressure on the system, as the noble Lord, Lord Wallace of Saltaire, pointed out. The sort of thing that has to be considered is whether we have the capacity to deal with issues such as this. Noble Lords are right to talk about the culture of the Home Office. The Home Secretary has made a firm pronouncement that it has to change.

Baroness Brinton (LD): My Lords, the Minister referred repeatedly to guidance. First, will she inform the House which Minister signed off the guidance? Secondly, she seems to be agreeing that a target culture is wrong. Does that mean that we still have a target for immigration of fewer than 100,000?

Baroness Williams of Trafford: On the target of fewer than 100,000, I think the latest position is that we want to get immigration down to a sustainable

level. In saying that, we want an immigration system that allows for the skills that we need in this country as opposed to looking at numbers. We have got almost full employment in this country now and going forward we need to have skills in certain areas. It is important that those needs are met or it will affect the economy.

Lord Rooker (Lab): On the points made by the noble Lord, Lord Wilson, in 2001-02 I was the Home Office Minister for Asylum and Immigration. I do not recognise the culture that I inherited then. I remember the noble Lord, Lord Wilson, who was Cabinet Secretary, coming to visit the Home Office during my time. The Home Secretary is a big man, and I think he should be big enough to ask someone like the noble Lord, Lord Wilson, who has the past experience, not to micromanage but just to run a rule over the culture and have a look at the message on the tin to see what is missing from what was there 20 years ago.

Baroness Williams of Trafford: This House always benefits from the past experience of noble Lords such as the noble Lords, Lord Rooker and Lord Wilson. I will take that back and make sure that it is brought to the attention of my right honourable friend the Home Secretary.

Affordable Housing Motion to Take Note

3.29 pm

Moved by **Lord Shipley**

That this House takes note of the case for building more affordable housing.

Lord Shipley (LD): My Lords, I declare an interest in that I am a vice-president of the Local Government Association. I am pleased that so many colleagues have put their names down to speak in this debate, and I thank them. I thank too all those organisations that have sent briefings to us for their contribution to this debate; it is appreciated.

This debate is an opportunity for us to examine government policy on affordable housing. The Motion talks about the case for building more affordable housing—that is, more housing that is officially defined as affordable, but also housing that is more affordable for individuals, which increasingly is not the case. The general public think of affordability as related to income rather than market rates.

The term “affordable” has existed for some years. It was created by the then Deputy Prime Minister—now the noble Lord, Lord Prescott—in 2006. It was defined as, “subsidised housing that meets the needs of those who cannot afford secure decent housing on the open market either to rent or buy”.

That seems a thoroughly reasonable definition. The official definition of “affordable rent” is that it is set at a maximum of 80% of local market rent. That definition was first introduced by the coalition Government in 2010. The problem is that that concept of affordability is out of date because it is no longer affordable in high-cost parts of the country. Indeed, the Joseph Rowntree Foundation estimates that today’s policy on

[LORD SHIPLEY]

affordable rents will see 1.3 million more people in poverty in 2040, placing huge additional pressures on the housing benefit bill.

In the words of Shelter, we need,

“a new generation of homes for social rent”.

Just 5,380 were built in 2016-17. Shelter estimates that we need at least 90,000 a year to meet the backlog. We have a huge shortage of decent homes and a huge backlog in demand for them. The Office for National Statistics may have downgraded its household growth projections from 210,000 per year to 159,000, but that remains a large number and may anyway omit households that would have formed but could not afford to.

The lack of affordable homes has led to the current crisis in homelessness. I am grateful to Shelter for its latest figures, which show that there are 268,000 homeless people in this country, including 123,000 children; there are 80,000 households in temporary accommodation, up by nearly half in the last five years; and there are 1.2 million households on council house waiting lists. Today we learn from the *Huffington Post* that 50,000 homeless households have had to move out of their communities in the last five years. I find that a national disgrace.

The Government’s White Paper, 18 months ago now in February 2017, *Fixing Our Broken Housing Market*, said:

“The starting point is to build more homes. This will slow the rise in housing costs so that more ordinary working families can afford to buy a home and it will also bring the cost of renting down”.

However, I submit that to bring down the cost of renting requires government support.

The evidence of unaffordable prices and rents is stark. Buying a home costs eight times annual workplace earnings; 20 years ago that figure was three and a half. Home ownership has gone down from 71% in 2003 to 63% in 2016-17, and it is just 37% today in the 25 to 34 age range. Private rents have risen steeply. The English Housing Survey in 2016-17 showed that private renters are spending 41% of their income on housing, as opposed to 31% for social renters and 19% for owner-occupiers.

There is a major affordability crisis in the private rented sector. Take Bristol: on Sunday the *Observer* reported that 200 people are sleeping in their vehicles in Bristol because the cost of private renting is unaffordable, given the low wages that they earn. According to the Valuation Office Agency, rents have risen 33% in Bristol in the last four years.

The Prime Minister has taken a keen personal interest in housing. She has talked in terms of a national housing crisis. She is right, but we need a coherent strategic plan to deal with the housing crisis, which still seems to be lacking. The Government’s emphasis has been on promoting owner-occupation. Last year, a further £10 billion was announced for Help to Buy but only an additional £2 billion for affordable housing, which meant only an extra 5,000 affordable homes a year. The Chartered Institute of Housing reminded us last year that only £8 billion of the £51 billion allocated for housing to 2021 will

fund affordable homes. At the same time, the Office for Budget Responsibility has recently said Help to Buy pushes up house prices.

The balance between support for rent and support for owner-occupation is wrong, and perhaps there is growing recognition of that. Earlier this month, it was finally admitted that the cap on councils borrowing against their assets to build houses should be lifted. Might the Minister tell us why that decision took so long, when it could lead to around 10,000 extra affordable homes a year?

However, this speech is not all about criticism. I want to praise the Government for something: I praise them for not implementing the worst elements of the Housing and Planning Act, such as the forced sell-off of high-value council homes. What is the policy on starter homes, since they are defined as affordable? And is the forced sale of housing association homes now well and truly in the long grass? I also look forward to the impact of some of the reforms that the Government have introduced: the role of Homes England, the changes to the National Planning Policy Framework and, hopefully, some announcements in the Budget as a consequence of the Letwin review on the build-out rate.

In August, we had the social housing Green Paper, which was delayed almost a year. It is unclear why it took so long to write when in the last five years, according to the Chartered Institute of Housing, 150,000 social homes have been lost. I wonder whether the Government have taken account of the impact on the housing benefit bill of the increasing dominance of the private rented sector. The Joseph Rowntree Foundation has stated that,

“investing in 80,000 affordable homes per annum could reduce the housing benefit bill by £5.6 billion per annum by 2040”.

That demonstrates that government policies must be for the long term.

But so much effort is having to go into dealing with the symptoms of the lack of sufficient homes: high house prices; high rents; rogue landlords; the misuse of viability assessments for affordable homes, which I hope is now at an end; and high housing benefit costs caused by inflating rents. As we know, private sector conditions can be very poor with insecure tenure. Almost 750,000 tenants live in unsafe or dirty homes because rogue landlords ignore the rules. Thankfully, the Government want to make progress on these issues, but they are taking time and there is a need for resources both nationally and locally. The only long-term solution to these problems is to increase the supply of new homes at prices that are genuinely affordable to those on average incomes.

Underpinning public policy should be agreed values that we are aspiring to achieve. I submit that only when those values have been achieved will we be able to say that the housing crisis is over. We need to agree the values that should underpin our approach to housing policy. These are that no one should be forced to spend more than a third of their income on housing costs. Those in work on the living wage should be able to afford to live reasonably close to where they work. No one should be forced to sleep rough or depend on temporary accommodation when they cannot find a

permanent place to call home. No child should be forced to move school and away from friends because a landlord serves notice to quit because that landlord can command a higher rent if the existing tenants leave. Space standards for new homes should be sufficiently large to enable families to live comfortably in them.

I have concluded that the current housing crisis represents the biggest failure of public policy of the past 20 years. Over that time, we have built about 2 million too few homes, resulting in high prices, high rents, many fewer social homes and serious difficulties for younger people wanting to buy their own home. The Government need to achieve a threshold of 35% of affordable housing in all private developments, with a higher 50% threshold on all public land. We need to promote high-quality modular building, with its potential cost savings and faster building timescales.

Crucially, we need to capture an uplift in land values for public benefit. I note the work of the Centre for Progressive Capitalism, which states that currently 75% goes to the landowner and 25% to community benefits. It should be reversed. That requires reform to the Land Compensation Act 1961.

I also believe that the time has come to suspend the right to buy until the problem of the inadequate provision of social housing is put right. Suspending the right to buy has occurred in Scotland and will be introduced in Wales next January. Above all, we need to achieve the building of 300,000 homes a year.

If there is one immediate thing that we could achieve from this debate, it would be that the Government agreed to stop using the term “affordable” when, for so many people, homes described as affordable are out of their reach. I beg to move.

Lord Young of Cookham (Con): My Lords, with the constraints of a two-hour debate, given the number of noble Lords who wish to speak and the published time limits, the mathematics reveal very little margin for error. I urge noble Lords to stick to the limit of four minutes.

3.42 pm

Lord Horam (Con): My Lords, thank heavens there are not even more Liberal Democrats wanting to speak on this subject, but we are grateful to the noble Lord, Lord Shipley, for introducing it and I agree with much of his remarks.

We are at a hopeful moment in tackling the serious problem of providing affordable housing. As the noble Lord said, the Prime Minister takes a keen personal interest in housing, and I know that to be true. We have a Secretary of State who is new to the job and whom I know—I was a neighbour of his when I was the MP for Orpington—understands the problems of outer London. We have a Minister for Housing who was leader of Fulham Council and therefore understands very well the problems of inner London. We have my noble friend Lord Bourne, who is also aware of the problems from his local government experience. We have a good team.

In comparison with the dire days, if I may call them that, of the Housing and Planning Act—I see the noble Lord, Lord Kennedy of Southwark, nodding

his head fiercely—we are heading in the right direction on policy. The first augury of that was the Prime Minister’s announcement at the Conservative Party conference that the Government will be lifting the cap on local authority spending on housing. Some of us campaigned for that for years and years and are absolutely delighted that it is happening.

However, there is a big roadblock, a huge boulder in the way of achieving proper policy on affordable housing: the price of land. In the south-east of England, agricultural land is priced at £22,000 per hectare. After planning permission is granted, it becomes £3.6 million per hectare. In London, that figure of £22,000 becomes £29.1 million per hectare. Land is 275 times more valuable with planning permission than without. As the noble Lord, Lord Shipley, pointed out, 75% of all the gains of that, which are reckoned to be £13 billion a year, go to the developers, the speculators and the landowners, when it should be the other way round.

As Shelter pointed out in its admirable document, *New Civic Housebuilding*, the problem is that the more that goes to the landowner or developer, the less goes into keeping the price down, having good design and quality and good local services to connect to the housing. The answer, as Shelter pointed out in its document, is to reform the compulsory purchase orders and revise the 1961 Act. That was in all our manifestos; we are all committed to that. I remind the House that no less than 150 years ago, Joe Chamberlain, the then Mayor of Birmingham, said of the CPO orders he was putting through:

“We have not the slightest intention of making profit ... We shall get our profit indirectly in the comfort of the town and in the health of the inhabitants”.

I say amen to that.

3.46 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I congratulate the noble Lord, Lord Shipley; his debate could not be more timely. I declare an interest as the chair of the National Housing Federation, the trade body for housing associations in England. Everyone should be able to access a good-quality home that they can afford either to rent or to buy, but so many cannot, in so many parts of the country. For many, there is only a bleak future. This is a real crisis.

Despite recent welcome announcements by the Government, public funding for social housing has been declining for decades: 40 years ago, it was £18 billion a year. In 2015-16, it was just £1.1 billion. Over the same period, the housing benefit bill grew from £4 billion to £24.2 billion a year. The figures are stark. Crisis, the National Housing Federation and Heriot-Watt University found that issues such as hidden homelessness and young people desperate to move out of their parents’ house meant that the real need was to build 340,000 new homes per year for the next 10 years. Some 145,000 of these need to be affordable, including 90,000 for social rent. Last year in England we built only just over 5,000 homes for social rent. Rural areas fare worse than towns and cities; people are forced to leave their communities, so local pubs and schools close. What is happening to people with particular care needs? Affordable supported housing is vital to

[BARONESS WARWICK OF UNDERCLIFFE]
 their health and well-being. Last year, virtually all the homes for affordable and social rent were built by housing associations. They are not-for-profit, so any surplus is reinvested to build more affordable homes. Government grant for affordable housing fell from 2010 to 2017, but housing associations kept building.

I was delighted to introduce the Prime Minister at the National Housing Federation conference last month. She committed an extra £2 billion for affordable housing in the next spending review period. With this certainty, housing associations can buy land and plan ahead. But housing associations will not solve the housing crisis on their own. I hope that the recent announcement of the lifting of the HRA borrowing cap for councils will unlock a new generation of partnerships between councils and housing associations to build tens of thousands more homes.

As the noble Lord, Lord Porter, has recognised, these homes will be developed by harnessing the skills, finance, land and experience of local authorities and housing associations working in partnership. I echo the noble Lords, Lord Horam and Lord Shipley, in saying that the biggest barrier to building more homes is access to land. The planning system, the developer-led “speculative” homebuilding model and the laws around land ownership and purchase have created a dysfunctional and inefficient land market. Shelter, the Conservative think tank Onward and many others have proposed reform of the Land Compensation Act 1961, so that a fairer proportion of the uplift in land value will be shared with the community and will include affordable housing. This makes sense: landowners make over £13 billion profit each year by selling land for housing. Capturing even a modest proportion of this for affordable homebuilding could be transformative. I welcome the Government’s recent acknowledgement of this, and I urge them to be bold in next week’s Budget. Will the Minister urge the Government to lead by example and make better use of the land the Government own themselves? They should instruct Homes England and departments to deliver at least 50% affordable housing across the land they own.

The country desperately needs more affordable homes. I support the measures that the Government have announced so far and, of course, the ambitions of my own party in building the homes that we need. Housing associations sit at the centre of these solutions, but they need action on land if they are to build the affordable and social rented homes that we need.

3.50 pm

Baroness Brinton (LD): My Lords, I add my congratulations to my noble friend Lord Shipley on securing this important debate on affordable housing. I will focus solely on the provision of new affordable housing for people with disabilities, including long-term illnesses.

The 2011 census reported that, overall, 29.8% of households have a person with a disability; 3.3% of households have a wheelchair user, whose housing needs are even greater. Whereas 60% of households are owner-occupied, for people with a disability it is 26%. An extraordinary 48.9% of disabled people live

in social rented accommodation, which contrasts with just 17% of the ordinary population. Disabled people find it the hardest to get appropriate accommodation because there is so little of it.

Along with my noble friend Lady Thomas of Winchester, I sat on the Lords Committee on the Equality Act 2010 and Disability, which published its report in March 2016. In chapter 10, paragraphs 482 to 498, we set out the problems with building regulations, Part M, and Approved Document M. The two key recommendations made by the committee to the Government were, first, to ensure that building control officers have access to expert advice to monitor compliance with both Part M of the building regulations and the Equality Act; and, secondly, that local authorities should be required to provide a significant proportion of new dwellings to be wheelchair accessible or adaptable, in line with standard M4(3), and ensure that all other new dwellings comply with optional standard M4(2). Why is this important? At present, these requirements are optional and very few local authorities outside London use these higher standards, but they should. Standard M4(2)—the lifetime homes standard—provides much longer-term savings to councils, hospitals and care homes. Why? Building in the higher standard removes the needs for expensive case-by-case adaptations in the future.

Leonard Cheshire pointed out in its 2014 report *The Hidden Housing Crisis* that the cost of adaption to a standard home can reach £20,000. Installation of a ramp and widening the front door and other internal doors for a wheelchair costs £5,000, with nearly £10,000 for a stairlift. But we can contrast that with only £1,100 extra in the initial building costs for a lifetime home, and very reduced costs for a stairlift—just £2,500—because of the initial infrastructure design. These lifetime homes allow people with long-term conditions and a disability to remain independent at home. This is also true for the elderly as they become more frail. With an ageing population, that is vital. In these homes, it is less likely that they will fall and end up in hospital, because they have in-built rails and ramps; and less likely that they will need domiciliary care—because of walk-in showers—or, worse, to move to a care home. All these are savings to the state in the future, and so easy to build into the design. The MHCLG estimates that this could save £83,000 in the lifetime of one house.

Our Lords committee asked the Government to strengthen the Part M regulations to require a higher standard of lifetime houses. In the Government’s response to our report they did not even address this part of the recommendations. We are told that Part M is being reviewed following Grenfell, which is important, but we must also have the lifetime standards as the norm. We know from Scope, the Access Association and the lived experience of those with disabilities that trying to find accessible or adapted affordable housing is close to impossible. With the pressure on affordable housing, one group of people is the most vulnerable, and is looking to the Government to ensure that our homes of the future have accessibility built in. I ask that the Government make it a requirement that the percentage of lifetime houses is increased in all new-build homes across the country.

3.54 pm

Lord Best (CB): My Lords, I thank the noble lord, Lord Shipley, for initiating this debate and for addressing so ably the many points that the rest of us will not have time to cover today. I declare my interests as on the register, especially my chairing of two commissions. One is the Smith Institute/Nationwide Foundation Affordable Housing Commission, which was launched in this House last week with an extensive programme to seek solutions to the problems of housing shortages and affordability.

At our launch we unveiled the results of a YouGov survey of public opinion. This discovered that two out of three people think there is a national affordable housing crisis. Seven in 10 renters said they would need to win the lottery to buy their own home, and nearly half of the people questioned have faced financial difficulties in the last year because so much of their income has to go on paying the mortgage or the rent. So, thanks to the new Affordable Housing Commission, we now know that the great British public are right behind us in recognising that the housing difficulties faced by nearly everyone under the age of 40 represent a real crisis.

I also chair the Centre for Social Justice Housing Commission, which will publish an important report this weekend; I can give a sneak preview today. The report spells out the huge costs of failing to build new homes for those on the lowest incomes. The collective failure of successive Governments has pushed more families into the private rented sector where they struggle with higher rents. This also means the taxpayer has to pick up a frighteningly escalating housing benefit bill for the growing numbers who simply cannot afford these higher rents. The CSJ is spot on here.

In the couple of minutes I have left, I would like to congratulate the Prime Minister on her exciting, surprise announcement that local authorities will have new freedoms to borrow to build a new generation of council housing. In the year I first came into the world of social housing—1968—councils built half of the 387,000 homes constructed in the UK. In recent years their output has dried up and housing associations, great as they are, have put back less than a third of the lost council output.

In the days of the coalition Government, the noble lord, Lord Shipley, and I took an LGA delegation to discuss this issue with the Chief Secretary to the Treasury. We heard how impossible it was for the Government to lift the embargo on local authorities borrowing to build new homes. This would lead, according to Treasury thinking, to a massive increase in the national debt, frightening off international investment in this country. We pointed out that prudential borrowing for housing—that is, borrowing only what can be repaid from rental income—would not frighten the horses and was recognised internationally as outside the definitions of public spending and national debt. We got nowhere.

Thank you, Prime Minister, for overruling the Treasury at last and opening the door to—according to calculations by the consultancy Savills—at least 15,000 extra homes each year. If local authorities give prominence to

rentals that are truly affordable to those with low or no earnings, in mixed-tenure, high-quality developments, then this will indeed be an historic step forward.

3.58 pm

Baroness Bryan of Partick (Lab): My Lords, when we look back on how, as a nation, we have responded to housing crises, we know that we are capable of amazing achievements. After the First World War, local authorities were given support to build council houses, but it was John Wheatley's Housing Act in 1924 that revolutionised housing for hundreds of thousands of families who could leave overcrowded homes and slum conditions for well-built affordable family homes. Again, after the Second World War there was a blitz on slum housing under Aneurin Bevan—who was, tellingly, the Minister for Health and Housing, which recognised the essential link between good housing and good health. Instead of being overwhelmed by the enormous challenges, the Attlee Government supported the building of more than 1 million homes, 80% of which were council houses. This tells that once there is political will, housing crises can be dealt with.

I am sure that many of us will remember the 1966 TV classic “Cathy Come Home” and the massive impact it made on public consciousness. But unfortunately, that shared memory began to fade, particularly with the introduction of the right to buy. It was particularly hard for long-term tenants to resist the lure of huge discounts that were made available to them. But the worst aspect of that Housing Act was that it prevented councils using the income from those sales to invest in new housing. Many home owners learned at great cost the uncertainty of home ownership and the vagaries of boom and bust. As has been said, houses that should have been affordable became unaffordable.

If you look at a chart of house price inflation over the last 30 years you see what looks like a big dipper ride of huge rises and big drops, and it then goes up and down again. Common sense tells us that surely there is a much better way of doing this. Does the Minister agree that, in the first instance, housing is a human right and not a luxury? Does he also accept that democratically accountable local authorities are the best means of ensuring that local housing needs are met rather than simply leaving this to market forces?

Finally, what can be done to protect private tenants from exploitation? Is the Minister aware of the proposal in Scotland for a Mary Barbour law, which would give tenants greater security and protection from excessive rent rises? Mary Barbour led the Glasgow rent strikes during the First World War, and we need more Mary Barbour today to fight for genuinely affordable and secure housing.

4.02 pm

Baroness Walmsley (LD): My Lords, I will focus my comments on housing which is not just affordable to buy or rent but to live in. It is very tempting to think only of the capital cost of building new houses without considering the whole life cost of heating and maintaining it. By definition, people who need affordable housing are on low incomes and cannot afford the inevitable rising cost of energy. That is one reason for building

[BARONESS WALMSLEY]

and adapting houses that need little or no energy for space and water heating. The other reason is, of course, global warming and the need to hit our 2050 climate target well before 2050. Indeed, we should be aiming for energy positive, not just energy neutral, homes.

Energy used in homes accounts for about 20% of UK greenhouse gas emissions, and three-quarters of that comes from heating and hot water. Eighty percent of the homes people will inhabit in 2050 have already been built, meaning that it is not possible to rely on new builds alone to meet legal energy-saving targets set in the Climate Change Act 2008.

The Institution of Engineering and Technology has published a new report that highlights how the UK cannot build its way to a low-carbon future without retrofitting old, cold homes to meet 2050 climate targets. Deep retrofitting is a whole-house approach to upgrading energy efficiency in one step, as opposed to a series of incremental improvements. This includes: adding solar panels and local microgeneration, insulation and ventilation, and sustainable heating systems. It has identified the barriers to the development of a national programme of deep retrofit. They include: lack of customer demand; no effective policy driver for change, high costs per home, as there is not yet a supply chain that can deliver deep retrofits cost effectively, in volume, and at speed; and a lack of initial financing.

The report calls for both national and local government to take the lead in encouraging and supporting the necessary changes, which include: consistent policy objectives and a national programme for deep retrofit and climate resilience, with an initial focus on social housing; reducing costs and building supply-chain capacity by developing pilot programmes; engaging with home owners to discuss the benefits of deep retrofit; and creating larger projects that are attractive to investors, by aggregating smaller projects into bigger blocks and introducing more flexible ways for local authorities to borrow and invest in such programmes.

Affordable housing should be regarded as essential infrastructure: good-quality shelter is as important as food, mobility, healthcare and community. We simply cannot compete in a global sense if our housing infrastructure is inadequate and poor quality, but at present we fail on both counts.

I will finish with three other, often disregarded issues. The first is progressive, integrated design and delivery models. A House of Lords report recently dealt with offsite and modern methods of construction. We have a tremendous opportunity in the UK to embrace a genuine culture shift away from construction as we know it, towards progressive, integrated methods, employing design for manufacture and delivery. This could be a game-changer, and move us from what is now an unattractive, backward-gazing sector, to one which attracts the brightest and the best, and moves forward in an exciting way.

The second is making the most of the UK's renewable resources, particularly timber. We have untapped potential, with the development of UK-derived innovative timber products, which could safely replace plastics, steel and concrete, which are often imported. Not enough focus is being put into supporting R&D in this area.

The third issue is the large, interconnected network of low-carbon and circular-economy industries, such as domestic-scale, micro-renewable technologies, which could emerge across urban and rural UK regions. This is particularly relevant to Wales, highland and south-west Scotland, but many other regions could contribute. I would be grateful for the Minister's comments on these three opportunities.

4.07 pm

Lord Wei (Con): My Lords, I thank the noble Lord, Lord Shipley, for tabling this timely debate. I declare an interest as an adviser and director of various real estate related companies, as outlined in my register of interests.

For too long in this country, we have allowed ourselves to be trapped in a siloed way of thinking about creating new communities. The truth is that we need to come together across divides to innovate in every area. We need to recreate the bottom rungs of the ladder to owning not just property, but your own business, vehicle, and, one day, even robots, while recognising that rents are often too high, and that we need to increase supply in every possible way, both traditional and innovative.

I want to cover an area which perhaps gets less attention compared to discussions about the role of larger private and government sector involvement in house building: the potential for meanwhile use of underutilised and dormant, or even landbanked land, whether in the form of indoor warehouses—there are millions of square feet empty in zone 1 in London alone—or in the form of outdoor sites such as car parks, derelict or even moderately contaminated land, or the hundreds of thousands of rooftops that are underutilised or empty, or partially empty, homes.

Earlier in the week, I had the privilege of launching with the mayor of Bristol an attempt to find and showcase imaginative solutions to the need for both public and private affordable housing, through the Bristol Housing Festival. At any one time, in many cities, a significant proportion of land is unused, awaiting redevelopment, or underutilised, for example in car parks, roofs or even church buildings.

Working with Bristol city council, the festival seeks to unlock some of this land for up to five years at a time, or longer, and harness interim measures to enable the world's most innovative modular-build companies and non-profit organisations to “pop up” in such sites, to provide housing for communities on waiting lists, for entrepreneurs and artists, and others living in transition. It represents a huge opportunity to learn, fail fast and figure out what could work in our future cities.

The festival will provide a way for companies such as ZEDpods, whose innovative prefab solution sits on top of existing car parks, using solar panels in the roofs above them to help charge electric cars below, to scale up and get the support from the likes of Homes England and other experts to overcome technical and regulatory challenges. It will also enable smart city innovation to progress, harnessing technologies such as blockchain and the internet of things to accelerate planning and consultation, and create meanwhile and longer term infrastructure.

Working with and serving the needs of local communities, the festival seeks to create a less combative approach to local planning, enabling communities to “try before they decide” to turn a new village into a permanent feature, as happened with Boxpark in Shoreditch, in London. It asks questions such as how we might harness industrial buildings and land and create safe, creative spaces for young and older people to live and create in while securing property; how we can work with, rather than against, the major housebuilders who landbank, encouraging them to free up space for pop-up living while they work out what to do long term with their sites; and how new models of financing housing can be developed to enable people to co-own, fractionally own and crowdfund their housing journey more sustainably.

I believe that the work in Bristol is just the beginning. The dream is to see housing festivals established in every city and region in the UK, and globally; to unlock car parks in hospitals, schools, and government buildings; to enable nurses, teachers and others to access key-worker housing affordably, and to mix that housing with that of families, young entrepreneurs and creatives to avoid the ghettos of the past. In the UK alone, raised interim housing solutions on top of car parks could create accommodation for at least 200,000 people.

The key is to help engineer down the cost of different models and to find new and old ways of financing such pop-up villages, working with employers and social housing providers open to where they will be located over a minimum seven-year period. To achieve this will require all kinds of partners—in Bristol, throughout the UK and around the world—to replicate concepts such as the festival. There will be many legal, financial, marketing, engineering and cultural challenges to overcome.

I believe that there is room for hope about the future of our country, if we are prepared to be creative. It is time that we thought outside of the box. Will my noble friend the Minister and his colleagues be open to looking at this strategy as part of the mix in addressing the housing crisis?

4.11 pm

Lord Rooker (Lab): My Lords, I congratulate the noble Lord, Lord Shipley. The last time I looked at the figures for construction, conversion and demolition, I found that the average house in this country has to last 2,000 years. In the mid-1980s, when the national federation published the Duke of Edinburgh’s report on housing, the same calculation produced a figure of 800 years—that is the difference. I will concentrate today on the points made by Shelter. There is no sense in going over the problems; I want to concentrate on the solutions put forward by Shelter, and I will touch on some of them.

The first is the restoration of the affordable housing programme, cut by 60% in 2011 when the funding for social rent was completely removed. We also have to start to use our brains. I was on the original Standing Committee in the Commons when rent allowances became housing benefit. We warned at the time of the possibility that this subsidy to private landlords would get out of hand—it is now £24 billion. Look at the

Guardian: four pages today and yesterday on the housing benefits scam for private landlords. Some of that should come back into creating social housing.

We have a housing team in the department, which I fully accept and back. But I hope that the Government have grown up. Nick Clegg said that he could not remember whether it was David Cameron or George Osborne who said:

“I don’t understand why you keep going on about the need for social housing—it just creates Labour voters”.

That was reported in the *Independent* on 3 September 2016, and it is not a grown-up way of looking at public policy. Given the fact that the Tories got 44% of C2DEs at the last election and Labour got 42%, the calculation and assessment does not apply anymore anyway.

Back to Shelter. Greater CPO powers for land to come into development has been touched on. The legislation could be put in the Queen’s Speech, and, as the noble Lord, Lord Horam, said, it is in all the parties’ manifestos—there is no division between us on this, and some serious action should be taken. The land value scam is crucial.

The third point Shelter made is that we need to get a central grip on this. I know that everybody says that it should be done from the bottom up and be community based—I worked with John Prescott for three years to get community planning right. But there has to be some drive in Whitehall at the top, because civil servants and Ministers come and go. You have to have a drive forward at the top, without micromanaging locally. Therefore, Shelter wants to establish development corporations that are powerful and able to assist and assemble a master plan for land, because you have to deal with CPO powers as well and act as master planners. Closing planning loopholes and the viability loophole are pretty crucial as well. Permitted development rights are really a bit of a scam that should be dealt with.

I have a suggestion. Back in 1997-98, when new Labour came into power—I am quite proud of new Labour by the way; my current leadership is not but I am—my noble friend Lady Armstrong of Hill Top, who was Housing Minister at the time, was lobbied by various bodies including Shelter about what to do about rough sleeping. So she said to Louise Casey of Shelter, “Okay, come into government and fix it”. The legacy of the plan put by Louise Casey, which I inherited for a couple of years as Housing Minister, was that by 2010 we had virtually eliminated rough sleeping in this country. All the statistics show that. So my suggestion to the Government is to think big. Go back to Shelter and say, “If you’ve got a plan and you’ve got solutions, why doesn’t one of you come in and help drive this forward?”.

4.15 pm

Baroness Thomas of Winchester (LD): My Lords, I shall add to what my noble friend Lady Brinton said about housing that is accessible to disabled people. In Britain, 13.3 million people are disabled, with the figure set to rise rapidly as the population ages—and yet in England only 7% of homes have minimum accessibility features. As we have heard, Part M4 of the building regulations provides three accessibility

[BARONESS THOMAS OF WINCHESTER]

standards: category 1, the default minimum; category 2, the much better lifetime homes standard; and category 3, the better-still wheelchair housing design standard.

This year, Habinteg, a housing association specialising in accessible homes, analysed the accessible housing policies detailed in 263 of the 365 local plans across England. It found that, although 65% of the local planning authorities that it reviewed made reference to the lifetime homes standard or category 2, only 32% made a firm commitment to deliver a specific proportion of new homes to that standard. Just 18% committed to a specific proportion of new homes using category 3.

Surely we should future-proof our investment in new homes by making the category 2 standard our minimum requirement. This is already specified in the London plan, but not everywhere. Should not requirements to meet access standards set out in building regulations be extended to change-of-use developments, which account for a significant number of new homes, particularly in our cities?

It is important to note that disabled people whose housing needs are met are four times more likely to be in employment than those with unmet needs, and having more accessible and easily adaptable homes can alleviate pressure on health and social care services and budgets, as we have already heard, for example by speeding up hospital discharge and enabling greater independence at home.

As for adapting existing housing, local authorities should be urged to make use of the new toolkits produced by the Equality and Human Rights Commission in partnership with Habinteg which cover, among other things, providing and managing housing adaptations and the allocation of housing. I also make a plea for an increase in the disabled facilities grant, because a lot of families face serious financial hardship when they try to fund vital adaptations to their homes themselves. This is a particular problem for families with wheelchair-using children as they get bigger and cannot be carried up and down stairs. The need for more accessible and adaptable homes is very pressing, and I urge the Government to see what action they can take to tackle this problem as soon as possible.

4.20 pm

Lord Kerslake (CB): My Lords, I first thank the noble Lord, Lord Shipley, for initiating this debate, and declare my interests as chair of Peabody, chair of Be First and president of the Local Government Association. The term “affordable housing” has been a rather slippery concept in recent years. Those of us involved in the debates on the Housing and Planning Act—how could I forget them?—will remember well the arguments about starter homes. However you define “affordable”, there is now a consensus across the main political parties that housing has become increasingly unaffordable for too many people, and that this must be tackled as a national priority. There is also now, thankfully, a consensus that the only sustainable way to tackle this is to build many more homes of all types and tenures, and to maintain this increased delivery for a long period of time. There is no quick way of

building to affordability for market, sale or rent but, ultimately, significantly increasing supply in high-demand areas is the only answer.

The wider arguments on affordable housing have been well covered in the excellent briefings we have had, and indeed by other speakers—I particularly note the point made by the noble Lord, Lord Shipley, about the need for a delivery plan. I want to concentrate on two issues: the future of Help to Buy, and the need to dramatically increase the supply of social rented housing. It is important to remember that Help to Buy was introduced first and foremost as a countercyclical measure, at a time when the economy was stubbornly refusing to grow. Now that we are out of that recession, the scheme has become too big, too costly and counterproductive, driving up prices and creating a huge dependency in the sector. As I have said before in this House, we should not completely do away with Help to Buy, but make it much more targeted and expect much more from the housebuilders who benefit from it. Whatever the Government decide on Help to Buy, we need to end the uncertainty and get on with a decision about its long-term future. It would be helpful if the Minister in summing up could indicate when he thinks an announcement will be made on this.

After a truly terrible period when government seemed to see social housing only as part of the problem, we now have a welcome recognition by government of its vital importance. As Shelter says in its briefing, social rent is the “only tenure” that can reduce, “homelessness and take pressure off the housing benefit system”. The lifting of the cap on borrowing by local authorities is therefore particularly welcome, and it would be helpful for the Minister to say when measures to deliver this will be brought forward, and if he believes that primary legislation will be required.

We should be in no doubt, though, of the huge amount of ground that has to be made up. According to the Institute of Fiscal Studies, the number of social houses has declined by a half from the 1980s when they housed a third of all families, mainly due to the non-replacement of Right to Buy. To seriously reverse this decline, we need getting on for a third of the 300,000 new homes planned by the Government to be social-rented or genuinely affordable. This would involve getting on for a tenfold increase on what we are currently achieving. To deliver this will need more than lifting the local authority borrowing cap, helpful though that is. It will require restoring social housing grants, increasing grant rates, investing more in enabling infrastructure and providing some protection on sales risks in a very uncertain market. Without this, however committed housing associations like Peabody are to raising our game and delivering more, we will struggle to do what is needed.

I hope the Minister recognises the scale of the challenge we face here. We should be clear, though, that this is not mission impossible. We have done this before in our country, and we can do it again.

4.24 pm

Lord Whitty (Lab): My Lords, I thank the noble Lord, Lord Shipley, and agree that we need an entirely new approach and strategy. I applaud him, the noble

Lord, Lord Best, and my noble friend Lady Bryan for putting the centrality of council housing at the heart of the debate.

The debate has been pretty restrained but a lot of people are angry about this issue. I am angry too. Within half an hour's walk of this House, we can see how dysfunctional the housing market is. On the other side of the river, the biggest housing development in London has housing available for seven-figure sums, much of it empty and used as an investment by foreign investors. Within spitting distance of that, parts of social housing estates are being blocked off for two or three years, awaiting a regeneration programme that will itself reduce the number of social housing units. We see run-down estates. We see rabbit hutches, uninhabitable for any length of time, in the private rented sector. We see excessive rental rates, affordable by only the top 10% or 20% of the population. That is totally dysfunctional. It is unfair and a political time bomb.

Who do we blame? I blame the Government. In fact, I blame every Government for the past 40 years. They have neglected and, at times, exacerbated the problem. Most interventions by various Governments of every political hue, whatever the intent, have exacerbated the problem in practice by either inflating demand or constraining supply. Let us hope that we are in a new era. I see little sign of it being delivered but I do not blame only the Government. Some of the blame rests on those who are supposed to be centrally delivering housing in these areas. I blame some local authorities. Admittedly, they face appalling financial constraints, but some of them have gone in too deeply with developers and forgotten what they need to deliver social housing and affordable housing to their own people. I blame some housing associations. They have also lost the central part of their ethos and have become developers and landlords as much as the private sector.

In particular, I blame the building industry, which is now dominated by an oligopoly of half a dozen companies. In that sector, profit is delivered by either building high-end expensive housing or producing in volume what I refer to as rabbit hutches, with the worst space dimensions in Europe—only about half of what the Parker Morris standards previously provided. There is a lot of blame around, including from me but particularly from under-40s who face an inability to access decent housing. When I say decent housing, the quality dimension emphasised in particular by the noble Baronesses, Lady Thomas and Lady Brinton, is important. We are building houses that are not appropriate for young families, the disabled or our elderly population. Such houses add to the numbers but do not begin to resolve the problem.

We need a new strategy, and it has to be a pretty radical one. Over the years, I have enunciated, with no great effect on any passing Government, that we need two things. First, we need a central, effective ministry of housing that subsumes not only the supply and demand for housing but the range of housing benefits; my noble friend Lord Rooker alluded to this. Secondly, 90% of the public resources that go into housing go through the benefits system; it used to be about 10%.

We could redeploy that money for a new strategic housing intervention, led by central government and delivered locally, but we need leadership. We do not need a system where we change the Housing Minister every five minutes, with all due respect to the noble Lord, Lord Bourne, who has been here a bit longer than that and, largely unlike his predecessors, is delivering some very positive outcomes from his ministry.

We need a new era. We need a new central vehicle. We need local authorities to replace the capacity they have lost in their housing, planning and architects' departments. We need to ensure that we make a new beginning.

4.29 pm

Lord Suri (Con): I thank the noble Lord, Lord Shipley, for his work in securing the time for this debate. I think that there is a new consensus in British politics. We all agree that house prices are far too high and that home ownership is completely beyond the reach of younger generations.

To be clear, there are real benefits to renting—people can move around more easily and diversify the assets they hold—but it can be only a phase, rather than a permanent destination. Renting indefinitely with no scope to raise the deposit required is a miserable state to be in and saps the vitality of the employment market.

Home ownership improves the stewardship of not just homes, but public places, as people have a real and tangible stake in the community they live in. Sky-high rents also prevent people moving to the parts of the country that they would be most productive in. While the evidence is mixed as to the agglomeration benefits of British cities, cities such as Oxford, York, London and Bristol substantially increase the productivity of those who go to work there. But the lack of affordable homes for sale or rent saps the ability of young people to move.

The reasons for this are quite plain. Our efforts to improve affordability have failed and might be doing damage to the overall cause. The benefits of Help to Buy have disproportionately gone towards housebuilders, who can raise prices knowing that their customers have an additional revenue source. In this country we have tinkered at the edges of a demand-side policy without addressing the real problem, which is a lack of supply.

As the draft analysis of the Letwin report says quite clearly, there is no evidence that developers try to “lock up” land from the market before they seek final planning permissions. The key problem is the lack of available land. It has been a mantra of the nimby tendency to repeat that brownfield land can solve our issues, but there simply is not enough left in our major cities to meet demand and increase supply to reduce prices to an affordable level. If developers do hoard land to maintain prices at unsustainable levels, there is a good justification for intervention by taxing the unused land at a high and escalating level.

The metropolitan green belt was a sensible idea when it first arose. Trying to prevent urban sprawl made sense and industrial urban centres were seen as something to be contained. But cities now host relatively

[LORD SURI]

little manufacturing and require homes within commutable distance for employees who work in service industries. Those of us who commute past Battersea power station will appreciate how mixed residential and office spaces can revive an area.

The policy has now been hijacked by an array of special interests that have a primary aim of trying to keep house prices high. In the south-east, the main complaint is that developments will be poorly planned, with no heed for infrastructure upgrades. This is patently wrong. New towns built in the post-war era are some of the most pleasant and well-served places in the country, even if they do have too many mini-roundabouts.

The land for New York's Central Park was earmarked before the urban city grew out to meet it, due to good planning. Applying an assumption of favourability to planning applications in the green belt would end the choke that they put on truly affordable housing.

4.34 pm

Lord McKenzie of Luton (Lab): My Lords, I draw attention to my interest in the register. Like others, I welcome this debate, initiated by the noble Lord, Lord Shipley. My starting point was to put this debate into the no-brainer category, although I have been forced to reflect a little on such a simplistic approach by our Library briefing, which looks in more detail at the definitions of affordable housing and the types of affordable housing included within it.

Factors influencing the availability of affordable housing include stock and building levels, rental and purchase prices and household formation. We have a plethora of housing statistics. The most recent I have seen are to March 2017 and identify the number of affordable homes delivered in 2016-17 to be 41,530. This comprised just 5,380 for social rent, 24,000 for affordable rent and 11,800 for intermediate affordable housing. This last category includes 2,060 affordable home ownership, 8,810 shared ownership and 940 intermediate rent levels.

So the term “affordable housing”, covering all of that provision, does not carry the tag that it is universally affordable. Affordable rented housing let by local authorities or private registered providers of social housing is subject to rent controls of up to 80% of the local market rent. The noble Lord, Lord Shipley, dealt with this. In some cases, this puts so-called affordable rents way beyond the reach of most families.

In Luton, rental costs in the private sector are significantly above affordable levels, and 22% of homes are now in the private sector. The loss of a private sector tenancy, in Luton as in the rest of the country, is the main reason for homelessness. Another challenge in Luton is the gap between local housing allowance rates and actual rents. The local authority has mapped these matters, showing that a household on median income could not afford anything larger than a one-bedroom property in the private rented sector—a family in a one-bedroom property. Families looking to rent a three-bedroom home at average market rents need to be within the top 30% of incomes in the town for it to be affordable. Luton is by no means unique in facing these challenges. The briefing from Shelter, referred to by others, tells us that 268,000 people are now

homeless in England, including 123,000 children. Some 80,000 households are living in temporary accommodation, and 1.2 million households were on council waiting lists last year.

In what is now my home town of Luton, homelessness is a significant challenge, with more than 1,000 households currently living in temporary accommodation and more than 12,000 currently waiting for affordable housing. Last year, only 551 homes became available for letting, and only 10 homes for the 579 families waiting for four-bed or larger accommodation.

All of this supports the argument in favour of more affordable housing, particularly social housing, which others have mentioned and which, Shelter asserts, is the most effective way of reducing levels of homelessness and taking the pressure off the housing benefit system. Its analysis shows that, nationally, the private rented sector has more than doubled over the past 20 years, with private rents rising 60% faster than wages. Home ownership has, as we know, declined.

Shelter also argues for changes to planning legislation, which, it asserts, gives too much control to landowners and developers over what gets built and who takes the profit. The Minister may care to comment on this. Could he also say how he thinks the duty to co-operate is working, especially given the welcome opportunities provided by the lifting of the local authority borrowing cap, albeit not just yet?

Despite what seems to be complacency on the part of eminent economists, I submit that the extent of our housing crisis is best judged by those who suffer the misery of homelessness, dilapidated and rat-infested accommodation, high rents and diminishing prospects of home ownership.

The noble Lord, Lord Shipley, is right to call for more affordable housing and a related strategy. I think that my noble friend Lord Whitty has written a big chunk of the latter for him.

4.39 pm

Lord Greaves (LD): My Lords, I wish to speak on behalf of a distant land—parts of the north of England—with a different perspective, where councils want to provide more affordable and other housing but cannot do so due to local housing market conditions, and where Homes England has failed to adapt its policies to local conditions. I speak with particular knowledge of east Lancashire—Pennine Lancashire—and declare my interest as a local councillor there.

These are areas where land prices are low—some will think them unbelievably low—and where the uplift in land values when houses are built can be negative, taking into account all the costs of the land. In my ward, for example, you can buy two or three-bedroom terraced houses for between £50,000 and £100,000. They are good, decent houses that are well worth living in. Former council houses cost £75,000 or a bit more. New two-bedroom houses in my ward can be bought for £130,000. Renting costs £400, and that is for a month and not a week.

The costs of building a house or managing a rented house in these areas are nevertheless the same as in other areas. There is therefore a huge question of the

economic viability of new housing. If the costs of building, including land remediation on brownfield sites, are more than can be recovered from sales or rents, it needs gap funding. It is no good providing loans, because if the housing is not viable, the loans cannot in future be repaid; it needs subsidies from somewhere.

I have with me an internal briefing from my own council in Pendle, written by the senior council officer responsible for development and given to me to use by the chief executive. It is clearly too long to read out to the House, although I would really like to do so. I have provided a copy to the Minister and ask him to pass it to appropriate civil servants and to provide some answers as to how we can contribute with regard to the need to provide housing in the whole country. There is a need for housing in our area; there is just not a financial market for it.

I shall quote one sentence: “As the HCA approach”—or Homes England as it now is—

“has moved from a regional to a more national one, increasingly we are having problems accessing funding as we are in competition with authorities across the country who often have better housing markets and the availability of much larger sites”.

The briefing gives as an example one site, Further Clough Head in Nelson, which is suitable for 200 housing units—that is big by our standards. It needs gap funding. The council has applied under five different schemes but not yet been successful. The problem is that the methodology that Homes England now uses does not cater for areas such as ours. It requires an uplift in land values, which is not there; it places an emphasis on funding much larger schemes, which it will find easier but is no use for us; it does not cater for specific local needs; and it imposes risk in respect of these marginal sites on local authorities and their agencies, which the local authorities simply cannot take on. If Homes England is not able to share the risk, it is very difficult.

I have with me a list of government schemes over the past five or six years. There were no fewer than eight or nine, which your Lordships will all be familiar with, from which the councils tried to get funding and all we got was peanuts. There are different places and different circumstances. Can we please have different policies, so that we can contribute to providing the houses that the country needs?

4.43 pm

Baroness Donaghy (Lab): My Lords, I thank the noble Lord, Lord Shipley. One thing that we can be sure about in this debate is that the Minister will not use his reply to say, “I’d rather not talk about that. It’s been covered already, actually”. I can understand why the chief executive of Persimmon, Mr Jeff Fairburn, said it as he walked off the set of BBC’s “Look North”. If I had had my bonus cut from £131 million to £75 million, I might feel a bit snippy with the media as well, but I think that we can rely on the Minister to give us a good reply. More than half the homes sold by Persimmon benefited from enormous taxpayer subsidies under the Government’s Help to Buy scheme, aimed at people who would have been able to buy their own home anyway. These new homes are out of the reach

of 83% of working private-renting families, even with Help to Buy. I doubt whether Mr Fairburn is interested in affordable homes, whatever the definition.

As my noble friend Lord McKenzie said, we have the lowest levels of social rented housebuilding on record. Social housing is leaching out of our housing stock because of various government policies, permitted development rights, the notorious viability assessments, which took too long to clamp down on, and finally right to buy. I question whether there should be a right to buy council housing, but at the very least councils should be able to keep 100% of receipts, instead of the one-third, for investment in new housing.

The Local Government Association has estimated that local authorities have lost enough homes to house the population of Oxford in the last five years. Termination of private rented sector tenancy is now the single lead cause of homelessness, ahead of family or relationship breakdown. Other noble Lords mentioned the borrowing cap on local authority housing and mention has been made of the lax rules surrounding permitted development rights, which represent 8% of the new-build sector, with no community obligations. I agree with all that has been said. The LGA has said that we have lost more than 7,500 affordable homes over two years under the current PDR scheme.

I turn finally to housing associations. We need to bring forward the £2 billion announcement from 2022 to now. It is a relatively small figure but it might help cash-starved housing associations to preserve their stock. In my street in Peckham there are two empty properties owned by different housing associations. One is a four-storey house and the other is a ground-floor flat. Both need major refurbishment to make them habitable. There is a desperate need for social housing in the area. What is going to happen? They are both going to be sold off. The ground-floor flat has been home to successive families in need for more than 35 years, to my knowledge. Now it will no longer be available to those who are poor. If the Government really care about housing associations, they should bring forward the £2 billion grant and stop the sell-off now.

4.47 pm

Baroness Thornhill (LD): I declare my interest as one of the many vice-presidents of the Local Government Association in the House. I am privileged to be able to contribute to this debate, which has been true to the standard of your Lordships’ House—well informed, passionate and extremely wide ranging. I thank my noble friend Lord Shipley for affording us this opportunity to discuss what is, without doubt, an important issue. My contribution will be a gallop around the course.

Several noble colleagues, particularly the noble Lords, Lord Best and Lord Whitty, succinctly summarised the current housing crisis and offered some solutions. So much expert opinion, government policy and our own contributions today show that, to a greater or lesser extent, the case is proven: we need more affordable homes. I was grateful to my noble friends Lady Brinton and Lady Thomas for particularly highlighting the need for more supported homes and lifetime homes. We are indeed building far fewer such homes and of those we are building, an even smaller percentage are

[BARONESS THORNHILL]
social homes for rent. It is important to repeat that of the 42,000 affordable homes built last year, only 5,380 were for social rent.

Let us be in no doubt about the difference; we are all guilty of using the terms interchangeably, but the real need is social rent, currently described as up to 60% of market rent, although perhaps, as has been pointed out, that is not necessarily the best definition. The noble Lord, Lord McKenzie, was particularly exercised on that point.

I am personally in full support of the Government's drive for diversity among housing providers and in tenure. As has been evidenced by several speakers, including the noble Lord, Lord Kerslake, the current policy emphasis seems to be on the delivery of numbers and home ownership. While this is indeed the tenure of choice for many, the harsh reality is such that we cannot build ourselves quickly out of this crisis and that there will always be a need for low-cost rented homes. I also believe in the diversity of people within communities and recognise that there are millions of low-waged working people for whom a home of their own is, and always will be, the council house or the housing association's socially rented property. A sustainable town means a town for all. Our country needs these workers; indeed, I would argue that they are the lifeblood that keeps our towns, cities and villages moving and functioning.

The Government need to prioritise the delivery of homes for social rent as it is the only tenure that will effectively reduce homelessness and take pressure off the housing benefit system, as amplified by the noble Lord, Lord Rooker. While there is good news in the White Paper, the revised NPPF and the Letwin review, the current Green Paper seems to reinforce the idea that the Government see social rent as a springboard to ownership or other tenures. Can the Minister clarify the Government's position on the need for social housing and its importance in the menu of fixed tenure?

Many of the Government's good proposals are medium to long term but in the short term, as the noble Baroness, Lady Donaghy, said, will the Government consider allowing councils the power to restrict right to buy or have a moratorium on new-build social homes while a solution is sought to ensure one-for-one replacement? The LGA's figures show that almost £3.5 billion in right-to-buy discounts have been handed out to council tenants over the last six years, at an average cost of £60,000 per dwelling last year. The loss of this social housing risks pushing more families into the private sector, again driving up the housing benefit bill. As we know, eviction from the private rented sector is now the single biggest cause of homelessness.

In the short term, the rise in planning fees by 20% was also welcomed. But given that the industry is still being subsidised to the tune of £125 million a year—I checked that figure but it is correct—when will we know the outcome of the recent consultation on councils' ability to raise planning fees even further?

The noble Lord, Lord Rooker, passionately pointed out that conversions from office to residential under permitted development rights have been problematic.

While it has obviously increased the number of homes, it has meant depriving councils of an opportunity to leverage any contributions from developers. The LGA has shown that this has led to a loss of 7,500 potential affordable homes over two years—not to mention the lack of ability to enforce housing standards, say on room size and quality, let alone environmental standards, as outlined by my noble friend Lady Walmsley. Old office blocks do not necessarily make good homes, especially if there is nowhere for the bins, bikes and buggies to go. Will the Government reconsider removing these permitted development rights to allow councils to decide where and when it might be appropriate to use these powers to create sustainable neighbourhoods and, perhaps more importantly, to secure more homes for social rent?

The lifting of the borrowing cap was mentioned by several, including the noble Baroness, Lady Warwick, and certainly welcomed by most. Will the Minister outline the timeframe for this so that even more councils can get cracking and build? Councils want to be part of the solution but I draw the House's attention to the massive variations that exist between places in the cost of building social housing. In my own authority we have spent a great deal of time and expertise, which the Minister might be pleased to know we have shared with his civil servants, on working out the true cost of subsidy for building a social home in Watford. It is at least £100,000 per unit, and that is where the land has been provided at no cost and based on Homes England's 40-year appraisal model. By contrast, the same model built to the affordable rent standard would break even, but it is social homes that we need. Do the Government recognise that councils will need consistent long-term funding for a new generation of public homes at social rather than affordable rent levels?

It is certainly the perception of residents that under the current system landowners and developers have too much control over what is built and where. Does the Minister agree that fundamentally what is needed is to get land into development at lower cost? The high price of land is the main driver in the loss of developer contributions when the unpopular viability test is applied.

Speakers have acknowledged that in the revised NPPF this viability loophole has, we hope, been closed. It is now imperative that councils use their powers to set strict and ambitious targets and achieve them. This will become more pertinent once the housing delivery test starts to apply. The Government will no doubt be monitoring closely how this plays out.

To make progress in the longer term we need a recognition that this speculative development model with its low-value land capture is not working for communities and ordinary people. As has already been said, the Centre for Progressive Capitalism has said that 75% of uplift in land value goes to landowners' profit and only 25% to community benefit. Interestingly, in the rest of the EU the reverse is true. Perhaps this is why we have turned a nation of nimbies into BANANAs—build absolutely nothing anywhere near anybody.

Most recently, government policy, as expressed in the NPPF, sets a default level of 10% of housing on all development sites to be designated affordable. Noble

Lords should note that the word is “affordable” not “social”. Did the Government give any thought to allowing councils to decide what is right for their area rather than the presumption of 10%, which is inflexible and limits local authorities’ bargaining power about what is most desirable for their area?

Finally, the noble Lords, Lord Horam and Lord Suri, eloquently expounded that the cost of land drives the current speculative development model which an increasing number of experts believe to be broken. There must be better ways of taxing land which are fairer for all parties. I know that that thinking is above my pay grade, but are our Government looking into this for serious long-term change or are they happy with the status quo? Rather controversially, is it perhaps not now time to question the whole premise of social housing being provided through the developer 106 contribution model, which is arguably ineffective, time-consuming, costly and loathed by all parties, and look to fund a much-needed renaissance of council house building by other means? It would be very popular and much needed.

4.58 pm

Lord Kennedy of Southwark (Lab Co-op): My Lords, first, I draw the attention of the House to my relevant interest as a vice-president of the Local Government Association. Secondly, as other noble Lords have done, I congratulate the noble Lord, Lord Shipley, on putting this Motion down for debate this afternoon.

Everyone agrees that we are in the midst of a housing crisis and that urgent action is needed to tackle the problem. To be fair, the Government have in recent times made some welcome moves, most recently with the announcement by the Prime Minister that the local authority borrowing cap will be removed—but much more needs to be done and I support calls for urgent clarification about when the cap will be removed. I agree with the noble Lord, Lord Horam, that most of the policies in the dreaded Housing and Planning Act have been dropped or quietly forgotten, which is excellent news. The latest one to disappear was the plan for the forced sale of council homes, which was very welcome indeed. But we are still not building enough homes and we are certainly not building enough affordable homes. The noble Lord, Lord Kerslake, made an important point that a significant increase in housebuilding across all tenures is urgently needed.

My noble friend Lord Whitty set out the housing problems and dysfunctional nature of the housing within a few hundred yards of this House, which can be clearly seen by all of us. The noble Lord, Lord Greaves, made the fair point that the housing crisis is different in different parts of the country, and we need to be more flexible in addressing these issues with different solutions in different places. My noble friends Lord Rooker and Lord McKenzie made reference to the tragedy of homelessness, which again we can see on the steps of this House, and how much we as a country need to do to tackle it.

A number of policy decisions, initiatives and even unintended consequences have come together to create a very different picture of housing in the UK today from what we see if we look back 30 or 40 years. The

term “affordable housing” has become tainted and misused. In many parts of the country, and certainly in London, many of the homes deemed “affordable” are clearly unaffordable for many people. That has huge consequences for communities and society as a whole. Ensuring that everyone has a property that is warm, safe and dry is further away today than it has been for a very long time. For all the problems that this country has, it is still one of the richest in the world, so the situation of people who are not living in a decent home tonight is all the more tragic.

I shall look at some of the policy issues in play here. When right to buy was introduced, it was both popular and controversial. It was intended to help people to become home owners, and there is nothing wrong with that. The problem of course has been, as the noble Lord, Lord Kerslake, said, that the social homes were not replaced; councils still cannot keep all the capital receipts from the sale of those homes, as my noble friend Lady Donaghy referred to; and the number and quality of social homes for rent have reduced significantly over recent years, to the detriment of local communities, as my noble friend Lady Bryan of Partick made reference to. So will the Minister agree to speak to his right honourable friend the Chancellor of Exchequer and raise with him the case for local authorities keeping 100% of the receipts from right to buy sales to invest in new social housing? I make it very clear that these funds should be used to build new council homes on social rents.

The right to buy policy has created further problems, with many of these former council properties finding their way into the private rented sector, with vastly increased rents and, in some cases, becoming houses in multiple occupation. Communities have been disrupted and areas that were very stable now see a constant change and flux. This is no way to build strong and stable communities.

The private rented sector has grown dramatically. While most private sector landlords offer a reasonable product, there are rogues who rip off tenants and treat them very badly—and even when they are banned by one council they continue to operate in other areas, as we have seen reported in the press in the last few days. The rogue landlord database has been a failure in this regard, and urgent changes are needed.

The housing benefit bill has soared, as my noble friend Lord Rooker said. The Government do not own a brick for the billions that they pay out in housing benefit each year as families are forced to seek accommodation in the private rented sector because there is no local authority or housing association housing for them. I agree with the comments of the noble Lord, Lord Best, in this regard.

The planning system has often been wrongly blamed by the Government as a barrier to building new homes. The facts do not bear that out. In the past year, local authorities have approved more planning applications to build houses than have been completed. In 2016-17, 321,000 planning applications were approved and there are still 423,000 approved planning applications where not a single brick has been laid. I agree with my noble friend Lord Rooker on the need to deal with permitted development scams.

[LORD KENNEDY OF SOUTHWARK]

There are problems with planning that have not been addressed. We have the council tax payer still subsidising the planning process, even after the 20% rise in fees, and it would be helpful if the Minister could update the House on the consultation for a further increase of 20%. I very much support the position of the Local Government Association that we should seek to abolish these fees and introduce locally set fees to reflect local demands and local pressures.

Housing associations also have a big role to play in providing affordable homes, and are a key partner for both the Government and local authorities to provide the homes that are needed, as my noble friend Lady Warwick of Undercliffe mentioned. Housing associations are up for playing their full role in helping to build the homes we need, but the emphasis should be on truly affordable homes. The price of land is probably the biggest single barrier to building homes, as a number of Peers said.

It was most disappointing to me, when we passed a previous Bill on planning and compulsory purchase towards the end of the previous Parliament, that we were unable to persuade the Government to agree to the reasonable request from TfL and the Mayor of London to allow them to sell land below the cost value for homes for social rent. The department would not agree, which was very regrettable. I hope that the Government will see the value in allowing that to happen in future, so that the biggest barrier to building new social homes can be reduced to some extent.

The noble Baroness, Lady Walmsley, referred to off-site construction of housing. I concur with her remarks. My friend at the London Assembly Nicky Gavron produced an excellent report on off-site constructed housing and how it is set to play a much bigger part in solving the problems we are discussing today. I recommend her report to anyone who is interested in housing, as I think it is very much part of the solution.

I am a Labour and Co-operative Member of the House, and I think that the co-op sector has a big role to play. There have been exciting developments in community land trusts, which is community-led housing set up and run by local people to develop and manage homes. CLTs act as long-term stewards of the housing, ensuring that it remains generally affordable, based on what people earn in the area—and it will be affordable for years to come, for future occupiers. They have great potential to make a real difference, as does co-operative housing in general. Where the tenants are the co-op, they employ the staff and elect the board to run the co-op. I have seen wonderful examples of where co-operative housing has transformed areas to help local communities. The rents are truly affordable and estates are clean, well-managed and stable. There are excellent examples, such as the Ewart Road Housing Co-op in Crofton Park and the Phoenix Community Housing, which covers the Downham Estate in Lewisham. Both are providing community-led housing in meeting people's needs.

It would be good if the Minister could say something about government support for housing co-ops. I hope that he agrees that, if enabled, the sector could play a much bigger role in dealing with the housing crisis.

In conclusion, I thank the noble Lord, Lord Shipley, for tabling the Motion for debate today, which has enabled us to discuss this important issue.

5.07 pm

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, this has been an excellent debate and I thank everyone who has participated in it for their contribution, particularly the noble Lord, Lord Shipley, for bringing it forward and for what was a real tour d'horizon at the beginning. He covered so many different areas of policy. I will try to do justice to his contribution, but some of his points are well above my pay grade and outside my experience. He made some excellent points.

I agree that there is a massive problem here. In fairness, all noble Lords who opined agreed that this problem did not suddenly happen; it has built up over time under successive Governments. That does not make it any less serious, but it means that we to some extent all share the blame. From the contributions I have heard, I am sure that we all want to share in solving the problem. I very much agree with the noble Lord, Lord Kerlake, that there is nothing that we cannot overcome here. There are serious challenges, but there are policy options which should be investigated and many of them were touched on in the debate.

I shall try to deal with the contributions that were made. I may end up sending my speech as an addendum to the points that I have not covered, because I am not sure I have time to make it—that will be horrific for those in my Civil Service team who have spent so much time on it. I will ensure that it is sent round.

First, my noble friend Lord Horam made some points about the cost of land. It is absolutely true that the magnet of the south-east of our country and other hot spots means that the cost of land is prohibitive in some areas. He and the noble Baroness, Lady Warwick, talked about land value and compulsory purchase powers. That was covered in our manifesto, and we are looking at consultation contributions on compulsory purchase issues. We will certainly be looking at that area.

On land value more specifically, which was raised by the noble Baroness, Lady Warwick, we have recently introduced major reforms in planning to help local authorities to capture land value for affordable housing and to make sure that developers know the contributions expected of them. I think that this was in the Neighbourhood Planning Act, from memory. Currently, we are reviewing responses to consultations on reforms to developer contributions. It is important that we explore the options; I absolutely agree with the noble Baroness. I also thank her for her kind words about the Prime Minister's role in this and their sharing a platform. It is important that we are seen to be tackling this together, because there is no partisan issue in seeking to get this put right.

I thank the noble Baroness, Lady Brinton, for what she said about the importance of tackling long-term disability issues. As she knows, we have a home ownership scheme for people with long-term disability—the HOLD scheme—but, on the specifics of the standard, she

made a very powerful case. I am happy to meet with her and the noble Baroness, Lady Thomas, if that is helpful, to see what we could do in that regard. If they can leave it with us, we will contact them to move that forward.

On the disabled facilities grant, which the noble Baroness, Lady Thomas, mentioned, I will make sure that that point is made available to my noble friend Lady Buscombe at DWP. I will also share the *Hansard* of this debate with other government departments, because it has been so wide-ranging and there are so many issues that have come up elsewhere.

I turn to the noble Lord, Lord Best, who was the next to speak, I think. Few people have greater experience than the noble Lord, though he wears that very lightly, and I take very seriously the specific points that he made. We differ perhaps on the Help to Buy scheme; we take a different view of that, though of course we have to make sure that it is a proper use of government money. I believe that there is an aspiration of people to own their own home—though not necessarily throughout their lives because, sometimes, after leaving college or at an early stage in their career, people will want to rent and have that flexibility; it may be later that the aspiration for home ownership kicks in. It is true that not every country regards home ownership in the same way as we do; it is different in France, for example. So I might differ from the noble Lord on some of the specifics of that.

I thank the noble Baroness, Lady Bryan, who gave something of a historical overview of the issue, perhaps touching on issues of globalisation, which present problems that the Attlee Government would not have had. There is no escaping the way that the Attlee Government tackled the problems at the time; it was outstanding, but it was a very different world, as I think the noble Baroness would acknowledge. Issues of globalisation—also touched on by the noble Lord, Lord Whitty—mean that, in London, people come over and buy up huge tracts of land, which would have been unthinkable in the period immediately after the war or even in the 1960s. That is well beyond the narrow scope of my department on its own, but it is a problem for Governments around the world, particularly Governments in this country because of London's international nature. It is not all in one direction, and it is tempting to say, "Let's stop it", but one has to remember that the magnet that brings people to London also brings capital and jobs to London. Many of the people we are talking about who aspire to own their own homes are in that category. There is no easy solution, but I acknowledge that there is certainly a problem that needs tackling.

The noble Baroness, Lady Bryan, asked about our policy on providing greater security to private tenants. It is important that they have appropriate security. Under the Protection from Eviction Act, I think that they largely do, but we have ramped that up in relation, for example, to retaliatory eviction in the Deregulation Act 2015—if I am wrong on that I will write to her. I accept the point that she made. On the basic point of people having a right to housing and whether we accept that as a right for people, yes we do and that is,

fundamentally, why we want to eliminate rough sleeping. I will come on to that later—it all links in with the basic point.

I turn to the comments of the noble Baroness, Lady Walmsley. Many of the issues she raised were not matters for this portfolio but included issues from my previous portfolio in energy and climate change, which I feel keenly. Indeed, I was the person who signed the climate change treaty for the UK in New York in early 2016, following the historic agreement in Paris. I agree very much with some of the points she was making about the need to meet targets on climate change and about this being something that links in, not with the cost of the housing per se, but with the cost of living. I am very happy to look at some of the points she made and to write to her.

There is a company the noble Baroness is probably familiar with in Swansea, South Wales, called Specific, which has done great work in making what it calls BAPS—buildings as power stations—where not only the roofs have solar panels but so, too, do the walls and windows. The Government have given money to Specific via BEIS; it is doing epoch-making stuff that links with work done by an institution she will know, the Centre for Alternative Technology in Machynlleth.

Many British companies are doing this kind of work, producing houses using modern methods of modular construction; they are very much something to look out for in the future. They can be constructed very cheaply and are often well-designed. They are not like the old kind of prefabs; they are energy-efficient and in some cases, as with Specific, they feed back into the National Grid. I am keen to support this work and have tried to do so through the Ministry of Housing, Communities and Local Government; it applies to England only on housing policy, but that does not mean we should not be promoting these companies wherever they are in the United Kingdom.

There are issues of transportation, which is not always simple or energy-efficient. Some of the houses are almost flat-packed, but there is still a need to get permission from police forces to move them around the country from A to B, which can be costly for the producers. It is something we are looking at. I will write to the noble Baroness and make sure the noble Lord, Lord Henley, sees this too. I agree with her comments on integrated design and renewable resources, and on domestic-scale micro generation, very much indeed.

I thank my noble friend Lord Wei for his contribution, which blindsided me a little, on the housing festival in Bristol and the pop-up modular housing happening there. I would like to take that forward with him at a meeting as it sounded very interesting. He mentioned landbanking and housing delivery, which is associated with the Letwin review. That is something we have mentioned previously. Again, I will write a letter to cover where we are with timescales on the housing review.

I also thank the noble Lord, Lord Rooker, for bringing up Shelter. I would like to pay tribute to Shelter, which is a valued partner in a lot of what we do, and to Polly Neate in particular, who is excellent in her role just as she was in her last one at Women's Aid

[LORD BOURNE OF ABERYSTWYTH]

on domestic abuse. She is on the advisory committee looking at homelessness, which is advising Minister Wheeler on this. I will get more details to the noble Lord. I agree that it needs oomph to ensure that we are all over it. I know he had a previously powerful role in delivering in that area.

I agree that rough sleeping is a very important issue. I apologise if any of my responses are out of order. I have already covered the point made about the meeting by the noble Baroness, Lady Thomas; I thank her for the matters she raised including on the disabled facilities grant. The noble Lord, Lord Kerlake, gave a very fair speech; I thank him very much for the way he phrased it and for agreeing over the diversity of what we do now. I will not overwhelm the Attlee Government with tributes, but they did a great thing that was appropriate at the time—on housing estates then, doors had to be the same colour; you could not paint your own fascias and soffits. In short, the challenge is there, but it is different. Now it is a case of diversity, because we have to look at this in the context of where we are now.

Many noble Lords touched on social housing; it was central to this debate. We have said over a period of time that social housing is a central part of what we have been seeking to do. We have perhaps made that more words than action until recently, but many noble Lords, including the noble Lord, Lord Kennedy, said that we have moved on this. Indeed we have, partly through the raising of the cap. That has not been immediate; the only reason for that is the need to consult with local authorities on the precise wording of what is going to be done—no more or less than that. But again, I will cover the particular timescales in the letter. In addition, and significantly—noble Lords have been fair on this—there was the Prime Minister’s announcement of the £2 billion from 2022 in partnership with, I think, eight housing associations to deliver social housing. In so far as I have more details on that, I will cover them in the letter.

I have mentioned some of the points made by the noble Lord, Lord Whitty, and I thank him very much for his kind words. He talked about the massive problems that are there, and was fair in saying that this is about every Government over the last 40 years. That is true, but I reiterate that the problems are not insuperable, and that they are associated with land value, although not in every instance. That was exemplified by points made by the noble Lord, Lord Greaves, on how different parts of the country are in different positions. There are even hotspots in the north where housing is unaffordable, but there are certainly difficult areas in the north where housebuilding is just not on the horizon because of other problems; that probably applies to some parts of the south as well, but more notably to the north. I thank the noble Lord very much for the handout that he gave me, fairly, at the beginning, and I will make sure that we get answers to him on the various points in there that he was unable to cover in his contribution because of time pressure.

My noble friend Lord Suri spoke about the importance of people having a stake in the community they live in, and the desire for home ownership. Not everybody has that desire, but many do, and we should not ignore that. It is easy for most if not all of us, who probably

own our own home; we should not forget that many other people want to own their own home and should seek to help with that where we can while ensuring proper use of resources.

The noble Lord, Lord McKenzie, dealt—again, fairly—with the issues of affordable housing from his own experience of Luton, which has pressures on house prices, as do many towns in the east and south-east. He talked of the growth of the private rented sector, which has been a feature of the last 20-plus years and certainly the last 20 years. That is not necessarily a bad thing as long as it is properly regulated. We are seeking to do that and have made some good moves on that—we are currently doing so in the Tenant Fees Bill. It has to be properly regulated, but it is part of a diverse housing pattern, and it is not that people will necessarily want to rent houses for their whole lives. Some might—that happens in France, for example—but most will perhaps see it as a part of their housing journey and may want to do it for a relatively short period. It provides some flexibility and mobility in the job market, which is needed.

I think I have dealt with the point made by the noble Lord, Lord Greaves, and I will certainly pick up the other points he made.

The noble Baroness, Lady Donaghy, spoke about Persimmon. She is absolutely right that this is part of the issue as well, but it is multifaceted and not just about land value. We have to make sure that we are getting proper value from some of our large builders, and the point was well made. She talked about receipts for council house sales, as did other noble Lords, including I think the noble Lord, Lord Kennedy. We had a consultation alongside the Green Paper; I think we are looking at the responses to it but I will cover that in the letter, as I was slightly blindsided by the question of where we are specifically on that.

In a wide-ranging speech the noble Baroness, Lady Thornhill, talked fairly about and supported the diversity of provision, putting her finger on many of the issues about the costs and land value which I have touched on. She also mentioned design and modern methods of construction which I am very much signed up to; that is very important. She left us with a very lasting phrase in “build absolutely nothing anywhere near anyone” and I thank her for that. That is certainly not something we are in favour of, but I suspect civil servants will use that phrase for ever more.

The noble Lord, Lord Kennedy, set out the position and some of the problems very fairly, as always, and I do not disagree with him. He was very fair in saying that we have moved on some of these things. I will get back to him on the specific issue of the co-op; I know that is dear to his heart and the sector does much good work. I will look at that and respond. He knows the position on the rogue landlord database. I am very keen, as is the Secretary of State, to make sure that that is open, and not just to local authorities. We are looking at a particular legislative vehicle to do that, but it is out of scope. I pushed to see whether we could include it in the Tenant Fees Bill, but we cannot. As I say, the Government are signed up to that and want to do something at the earliest possible opportunity.

In order to leave the noble Lord, Lord Shipley, a minute to speak, I thank noble Lords very much indeed for a very worthwhile debate.

Lord Kerslake: I thank the Minister for his comprehensive response. There was just one issue I raised on which I would welcome a reply: what is happening to the future of Help to Buy and when will we see an announcement on that?

Lord Bourne of Aberystwyth: I think we still remain committed to Help to Buy, but I will cover that in the letter in case there are points that I can add by looking at some of the detail.

5.26 pm

Lord Shipley: I thank the Minister very much for his full reply, and thank all those noble Lords who have taken part in the debate. It has been extremely instructive and helpful, and I hope that when we read *Hansard*, there will be much in it to reflect on; the Government will no doubt reflect on it too. We have the Budget next Monday of course, and we will listen carefully to it. I understand there will then be a debate on it in your Lordships' House on 13 November. I certainly hope that we will be in a position to explore some of these issues further on that occasion.

Motion agreed.

House adjourned at 5.27 pm.

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