

Vol. 793
No. 201



Thursday
1 November 2018

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

Royal Assent.....	1423
Questions	
EU Travel: Insurance.....	1423
Housing: Prefabricated Council Houses.....	1425
South China Sea: Royal Navy Deployment.....	1428
Cannabis: Medicinal Uses.....	1430
Business of the House	
<i>Timing of Debates</i>	1433
Children: Welfare, Life Chances and Social Mobility	
<i>Motion to Take Note</i>	1433
Gambling: Fixed-Odds Betting Terminals	
<i>Statement</i>	1468
Gambling: Addiction	
<i>Question for Short Debate</i>	1472
Benefits: Reductions	
<i>Motion to Take Note</i>	1487
Child Support (Miscellaneous Amendments) Regulations 2018	
<i>Motion to Approve</i>	1525
Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018	
<i>Motion to Approve</i>	1526

Lords wishing to be supplied with these Daily Reports should give notice to this effect to the Printed Paper Office.

No proofs of Daily Reports are provided. Corrections for the bound volume which Lords wish to suggest to the report of their speeches should be clearly indicated in a copy of the Daily Report, which, with the column numbers concerned shown on the front cover, should be sent to the Editor of Debates, House of Lords, within 14 days of the date of the Daily Report.

*This issue of the Official Report is also available on the Internet at
<https://hansard.parliament.uk/lords/2018-11-01>*

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

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

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

© Parliamentary Copyright House of Lords 2018,
*this publication may be reproduced under the terms of the Open Parliament licence,
which is published at www.parliament.uk/site-information/copyright/.*

House of Lords

Thursday 1 November 2018

11 am

Prayers—read by the Lord Bishop of Portsmouth.

Royal Assent

11.06 am

The following Acts were given Royal Assent:

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act,
Non-Domestic Rating (Nursery Grounds) Act,
Mental Health Units (Use of Force) Act,
Northern Ireland (Executive Formation and Exercise of Functions) Act,
Middle Level Act.

EU Travel: Insurance Question

11.07 am

Asked by **Lord Bruce of Bennachie**

To ask Her Majesty's Government what advice they will provide to United Kingdom residents planning to book holidays in European Union member states commencing after the end of March 2019 regarding health and travel insurance.

The Minister of State, Department for International Development (Lord Bates) (Con): My Lords, the implementation period means that travellers can rely on arrangements currently in place until December 2020. The Government continue to strongly encourage all British nationals travelling abroad, including within the EU, to take out comprehensive travel insurance that covers their personal circumstances and meets their needs. In the unlikely event of no deal, travel insurance policies will remain valid. Customers concerned about their policy's coverage should check their policy documentation or ask their provider.

Lord Bruce of Bennachie (LD): With people planning holidays or other visits to the EU right now, airlines and ports are warning that there could be disruption, delays, cancellations and gridlock, and that could cause uncertainty over health and travel cover. Does the Minister acknowledge that this could lead to people finding themselves on the Continent without compensation for travel delays or cancellations or without health cover, and that that could be especially serious for vulnerable patients, such as kidney patients, who may be prevented from travelling? Can the Minister guarantee that the EHIC, of which 27 million are in circulation in the UK, driving licences and car insurance will continue to be fully valid after 29 March, and that losses arising from cancellation and disruption would not be deemed force majeure by insurers, leading to the denial of claims or big increases in premiums?

Lord Bates: What the noble Lord has set out there is exactly what we wish to see.

Noble Lords: Oh!

Lord Bates: That is what we set out in the future relationship White Paper, where we say:

"The Government wants UK and EU nationals to continue to be able to use the European Health Insurance Card (EHIC) to receive healthcare".

My noble friend Lord O'Shaughnessy has been party to publishing the Healthcare (International Arrangements) Bill to allow that to happen. We have also stated that we want to continue to have the same access for air flights and that we will grant permission for European airlines to travel to us. We would like to see that reciprocated. We would like to see reciprocated the passporting arrangements that we have offered and the temporary permissions regime. In all these things the UK Government have shown good faith in ensuring that all these arrangements are in place, and we now look forward to our European friends doing likewise.

Baroness Hayter of Kentish Town (Lab): My Lords, the Minister said health insurance would remain valid. However, without the EHIC, people with pre-existing conditions may not be covered and then suddenly after 29 March those insurance premiums may not be valid. Maybe he could just check and clarify that, because without the EHIC a lot of other insurances do not cover existing conditions.

Lord Bates: The noble Baroness is absolutely right. That is one reason why we always advise people to take out comprehensive travel insurance, even when travelling within the EU, because the EHIC covers only the basic element. We have been very clear that that is what we want, that is what we propose to legislate to allow to continue and that is what we expect, but we urge everyone to check with their insurer what cover is provided.

Viscount Waverley (CB): My Lords, will the Minister confirm two points, irrespective of the final outcome of the Brexit negotiations: first, the essential need for UK citizens passing the requisite number of days on the continent to register with the appropriate national authority—in my case, Portugal; and, secondly, that current OECD rules pertaining to residency will be adhered to post Brexit?

Lord Bates: Of course, there are different rules for different member states, as the noble Viscount will be aware. Our standard position is to encourage all people spending time resident in an EU member state to register with that member state. Normally that means going to the town hall or the local police station to be issued with a card. There is no reciprocal requirement for EU citizens to register here, but that is one of our settled status proposals for EU nationals post Brexit.

Baroness Doocey (LD): Can the Minister confirm that guidance has been given to airlines to protect themselves from compensation claims by putting a disclaimer on all airline tickets dated after 29 March next year? Can he recall whether such guidance was mentioned during the leave campaign in 2016?

Lord Bates: I have received no evidence that that has been proposed, and it is something that the regulators would look at seriously if that were the case. We have

[LORD BATES]

been quite clear that we want those important travel agreements to continue. UK nationals make 50 million non-business journeys to the EU each year, and they spend about £24 billion. It is very important for the EU that that continues to work post Brexit.

The Earl of Clancarty (CB): My Lords, is the Minister aware that not just individual travellers but schools are concerned about whether the EHIC scheme will continue past March next year?

Lord Bates: I understand that they might have concerns, but I hope that they would be reassured. Not just the White Paper but the joint statement made by the UK and the European Union last December stated that reciprocal healthcare would continue. The European Commission has hinted that it recognises that it is in its interests that it should continue. The only thing missing is a clear statement from the Commission that that is its intent, and that is what we want.

Lord Berkeley (Lab): My Lords, is not the only safe and responsible thing for the Government to do to advise people not to book holidays that involve travel and accommodation after 29 March? With all the chaos going on, I cannot believe that insurance will cover every eventuality.

Lord Bates: I completely reject that. Many people look forward to their holidays. I am sure that next summer's holiday will be one particularly enjoyed by those on our Front Bench. We want to take advantage of the wonderful holiday opportunities that there are in the European Union, we expect that to continue and believe that it will.

Lord Cormack (Con): My Lords, before scare-mongering, should not the noble Lord, Lord Berkeley, realise that too many visitors to his lovely Isles of Scilly would ruin them?

Lord Bates: The point I was making in answer to an earlier question was that while 50 million from the UK travel on non-business flights abroad, 20 million come here. We want those good trading, friendship and family relationships to continue unhindered after Brexit day. That is why we are putting in place the technical notices, have put forward proposals and are bringing forward legislation.

Housing: Prefabricated Council Houses

Question

11.14 am

Asked by Lord Thomas of Gresford

To ask Her Majesty's Government whether they will promote an architectural competition to design a standard prefabricated council house to current standards of insulation, energy saving and ease of construction.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con):

My Lords, the housing White Paper set out specific measures to stimulate the growth of modern methods of construction, and the Government are encouraging industry to use these methods to deliver more homes. The industry has developed a wide range of modular and panelised systems for factory production to meet current standards. We do not propose to launch a design competition specifically to address the design and technical issues for off-site manufacture for council house building.

Lord Thomas of Gresford (LD): We sit in a magnificent Chamber which was designed as a result of an architectural competition to such an extent that, 180 years later, we are prepared to spend billions to keep it going. We still have some of the best industrial and architectural designers in the world, so surely with modern methods of production and commercial nous they could combine energy efficiency with comfortable, inspiring and good-looking homes and spaces. Does the Minister agree that a design competition in the domestic sphere could be a catalyst to resolve the current housing crisis? Do we not need a new impetus to bring together all aspects of housing development, planning, manufacture, building and finance?

Lord Bourne of Aberystwyth: My Lords, it is a good idea—it is such a good idea that we are doing it. I said that specifically in relation to council house building. BEIS is initiating a competition as part of the industrial strategy in relation to housebuilding, and I should also say in relation to clean growth and the ageing society—those are the two streams. Details of that competition will be available in the new year—it is being launched in the spring of next year—and I will make sure that noble Lords receive the relevant information.

Lord Kirkhope of Harrogate (Con): My Lords, following on from the introduction by a Conservative Government in 1961 of the Parker Morris standards for social housing, which were revolutionary in their day, it is gratifying to see the Government pursuing their present position on offsite construction. Of course, this follows the Science and Technology Committee report in July of this year, which is encouraging it. I not only back the Question asked by the noble Lord earlier but ask my noble friend whether we cannot do more to try to encourage this development, bearing in mind the shortage of housing which undoubtedly we are now seeing in the country.

Lord Bourne of Aberystwyth: My Lords, I thank my noble friend for the important points he made in relation to standards. Design is now also featured in the NPPF. I very much agree with him about the importance of modular methods of construction. There are currently 48 manufacturers in the country—an increasing number in this area, many of which are very small, but it is an area that is being ramped up. It is important and helps deliver quickly the quality homes that people want.

Lord Morgan (Lab): My Lords, I agree very much with the previous question. In the 1940s, that great man Aneurin Bevan was not merely launching the National Health Service but running a very forward-looking and successful housing programme. Bevan insisted that council housing should have very much the same high qualities, referred to by the noble Lord, Lord Thomas. The Minister is a forward-looking man, and I wonder whether I can invite him to cast his gaze back to the great days of the Attlee Government?

Lord Bourne of Aberystwyth: My Lords, my gaze does not go quite that far back, but I am well aware of what happened in that Government. Some very good work undoubtedly did occur and has occurred since then. We are a very innovative nation. The modern methods of construction is a constructive way forward. The noble Lord is right about standards; they apply across the piece to all types of housing, as does the design competition that is being launched, which will be open to both the public and private sectors.

Lord Bird (CB): Is it possible to also extend the argument around council housing towards transitional housing? There are some incredibly big developments being made on things such as geodesic domes. Why can we not build houses for 20 or 30 years, as we did after the Second World War, that can then be picked up and moved somewhere else? Of course, we would have to use some of the land, without having to buy it, for a transitional period of 10 or 20 years. We could sort out social housing and the lack of housing overnight if we put in some transitional housing.

Lord Bourne of Aberystwyth: My Lords, that certainly sounds ambitious. We talked about being innovative and forward-looking, and the noble Lord is. I am happy to take that idea back and to speak to the noble Lord about some of the ideas that he has just outlined.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I refer the House to my relevant interest as a vice-president of the Local Government Association. Is the noble Lord aware of the excellent work undertaken by the London Assembly to promote the off-site manufacture of housing, led by my friend Nicky Gavron AM? Can he tell the House what the Government are doing to promote this type of construction and, in particular, about the scope for creating more jobs in the UK?

Lord Bourne of Aberystwyth: My Lords, I was unaware of the specific relationship that the noble Lord just mentioned, but I am certainly aware of the work of the Greater London Assembly. Much good work is being done across the piece. The noble Lord will be aware that £2.5 billion of the home building fund is being used to provide loan finance for modern methods of construction. He will probably also be aware that we have a working group on modern methods of constructions, which is looking at specific issues of mortgages and insurance, for example. The working group met in October with the Housing Minister. I will happily engage with the noble Lord to fill him in

on more of the details, but we are very well aware of the importance of the issue and we are fostering and encouraging it.

Lord Gadhia (Non-Affl): My Lords, is my noble friend aware that the Chancellor has recently allocated £36 million to Swansea University for active buildings? These are buildings that can store and release energy back into the grid and help to stabilise it. That funding has already recently been allocated.

Lord Bourne of Aberystwyth: My noble friend is absolutely right, and I have in fact visited the company, called Specific, in Swansea—it is in the SA1 district. As a modern methods of construction manufacturer, it is a very go-ahead company. As he rightly says, it has the added advantage of being carbon neutral and putting energy back into the grid. They are called BAPS—buildings as power stations—and are very innovative and very much on the radar of BEIS and the wider Government.

South China Sea: Royal Navy Deployment *Question*

11.22 am

Asked by **Lord Davidson of Glen Clova**

To ask Her Majesty's Government what assessment they have made of the implications of deployment of the Royal Navy in the South China Sea for efforts to develop trade relations with China.

Lord Davidson of Glen Clova (Lab): My Lords, I beg leave to ask the Question standing in my name on the Order Paper and declare an interest as director of Ensis Strategic, a company promoting UK-China trade.

Baroness Goldie (Con): My Lords, the purpose of the Royal Navy's presence in east Asia is to project the UK's global role, enforce sanctions in DPRK and uphold our commitment to regional stability, freedom of navigation and international law. We do not anticipate that this commitment will affect our trade relations with China.

Lord Davidson of Glen Clova: I thank the noble Baroness for her Answer. Policy, however, is always a question of balance, and the balance here seems to be between apparent bellicosity on the other side of the world and a post-Brexit free trade agreement with the world's second-largest economy. May I take it that the Minister favours the latter as the priority for the UK's best interests?

Baroness Goldie: There is a balance; I do not think that the two issues should be conflated. The UK has a high level of ambition for the trade and investment partnership with China, as we want to work with China to increase trade and investment flows, improve market access and set mutual ambition for a future relationship. That means that we can be frank with China, which is a valued partner. We of course also

[BARONESS GOLDIE]
respect the rights under the international law of the sea, not least the United Nations Convention on the Law of the Sea. The UK plays an important role in not just respecting it but upholding it.

Lord Boyce (CB): My Lords—

Lord Howell of Guildford (Con): My Lords—

Lord Taylor of Holbeach (Con): My Lords, there is time for both speakers. Could we have my noble friend Lord Howell first?

Lord Howell of Guildford: Has my noble friend seen some reports of signs of a rapprochement between Japan and China despite 80 years of enormous enmity and many disputes, including, obviously, disputes about the South China Sea? Does she agree that these closer relations, as they are called, between the second and third largest industrial powers in the world, which are both immense markets for our future exports, are thoroughly to be welcomed, and that HMG should be supporting them very strongly indeed?

Baroness Goldie: We warmly welcome any suggestion that there may be an improvement in relationships between two important countries such as my noble friend describes. He is absolutely correct that both countries are important trading destinations for the UK. In fact, China has become the UK's largest goods and services export destination outside of Europe and North America, so if there is a rapprochement between China and Japan, that is to be welcomed.

Lord Boyce: My Lords, does the Minister agree that China's annexing of large chunks of the high seas is completely unacceptable? Does she further agree that, as a nation that depends on over 90% of our trade by sea, we should exercise freedom of the seas wherever it is challenged, and therefore that the Royal Navy's endeavours in that respect should be applauded?

Baroness Goldie: Yes; the UK's long-standing position on the South China Seas remains unchanged. We take no sides in the sovereignty disputes, but our commitment is to international law, the upholding of existing arbitrations and freedom of navigation and overflight. We encourage all parties to settle their disputes peacefully through the existing legal mechanisms, including the United Nations Convention on the Law of the Sea.

Lord Wallace of Saltaire (LD): My Lords, Boris Johnson, when Foreign Secretary, talked about sending an entire task force through the Malacca Straits to the South China Sea, or wherever. Do the Government see that as one of their priorities, perhaps spending more time in the Pacific than in the Atlantic as we move to being global rather than European, or are we to continue to send just the odd frigate from time to time, hoping that no one will attack it while it is there on its own?

Baroness Goldie: Any Royal Naval deployments are clearly reflected upon at length and planned very carefully by the high naval command, and that would be the case for existing operations or any potential future operations.

Lord West of Spithead (Lab): My Lords, the Minister will know that we are the largest European investor in south-east Asia and the Pacific Rim, and that \$3 trillion-worth of trade passes through the South China Sea. It is absolutely crucial and we cannot let any nation stop freedom of navigation through there, or allow China to make that effectively an inland sea. However—today is the 104th anniversary of the Battle of Coronel, where in the Pacific, I fear, a British squadron was not just beaten but almost annihilated, with the loss of several thousand sailors. That brings home the fact that if you are to show presence out there, which is important for stability, there needs to be backup, and there need to be sufficient ships and capability to do it. Does the Minister not believe that we need to put some effort into getting some more ships?

Baroness Goldie: Why am I not surprised, my Lords? I realise that no navy in the world is big enough to satisfy the noble Lord's insatiable appetite for frigates. It is still the Government's intention to order eight Type 26 frigates but also, as I think the noble Lord knows, to order several of the new Type 31e frigates, which we believe will fulfil a multipurpose role. The Royal Navy is a very important part of our defence capability, and the Government are committed to doing everything they can to support the Navy in its endeavours.

Lord Collins of Highbury (Lab): My Lords, the key issue is of course the protection of international shipping lines, which noble Lords have referred to. In fact, the last time my noble friend mentioned the value of trade, the Minister said it was worth \$4 trillion, so I do not know what has happened.

Lord West of Spithead: It is \$4 trillion; I got it wrong.

Lord Collins of Highbury: So I have been able to correct my noble friend. When the noble Earl, Lord Howe, responded to this issue when it was last raised, he said that ultimately, our actions will be judged by our allies. Obviously, the balance that needs to be struck involves our trading partners throughout the Pacific Rim. What are we doing to ensure that concerted action takes place to defend international shipping rights?

Baroness Goldie: The UK is playing a very significant role in that respect. I have outlined the Government's attitude in relation to the South China Sea; that is a clear position. I emphasise that we do not take sides on the sovereignty issue but we are disturbed by reports of any militarisation, for example, of the South China Sea and any threat or implied threat of force. We oppose any action that changes the facts on the ground, raises tension and hinders the chances of peaceful settlement of these disputes.

Cannabis: Medicinal Uses

Question

11.30 am

Asked by Lord Farmer

To ask Her Majesty's Government whether they intend to respond to the concerns raised by the Faculty of Pain Medicine in their *Faculty Position*

Statement on the Medicinal use of Cannabinoids in Pain Medicine, and their call for further research into the potential benefits of cannabis for medicinal uses.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con): My Lords, the Government acknowledge the valid concerns raised by the Faculty of Pain Medicine. Under the new regime, only specialist doctors will be able to prescribe cannabis products. Clinical guidance published yesterday is clear that these products will be considered only in a small number of conditions and where alternative treatments have not helped or have been discounted. The National Institute for Health Research has issued a call for proposals in order to enhance knowledge in this area.

Lord Farmer (Con): I thank the Minister for that Answer. Bearing in mind the faculty's overarching cautionary position, and the fact that according to the National Health Service website,

"Regular cannabis use increases your risk of developing a psychotic illness",

what assurances can the Minister give us that Her Majesty's Government will not allow the changes in prescribing cannabis for medicinal use to be a Trojan horse for the legalisation of cannabis for recreational use?

Lord O'Shaughnessy: I can absolutely reassure my noble friend by reiterating the position outlined by my right honourable friend the Home Secretary. He has been crystal clear that the Government have no plans whatever to legalise cannabis for recreational use. Indeed, the penalties for unauthorised supply, possession and production remain unchanged.

Baroness Walmsley (LD): My Lords, while it is true that the faculty warns against the use of dried cannabis plant of unknown composition, it accepts that there may be benefits to pain management from pharmaceutical products. Fortunately, that is exactly what patients are demanding and what the Government have just legalised. However, the faculty is also demanding that, while we wait for clinical trials, a database—which is essential to better understand these medicines—should be set up. Will the Minister support the setting up of this database and ensure that it contains the massive amount of lived evidence and experience available from patients?

Lord O'Shaughnessy: I am grateful to the noble Baroness for her question. I believe that the position we have reached now is the right one, not least driven by the heart-rending stories of children who had been benefiting from these kinds of medicines but were then not able to access them. It is a very good thing that we have got to this position. However, we also have to acknowledge—as the Chief Medical Officer did—that there is a lack of evidence, particularly beyond specific conditions such as paediatric epilepsy. It is precisely to provide that evidence that we are going to do two things: first, we will fund clinical trials through the NIHR, and, secondly, we will start collecting evidence and data on usage so that we can gain the evidence base to understand whether there are other applications where these medicines could be helpful.

Baroness Thornton (Lab): My Lords, it is to be welcomed that the Government have today issued guidance on the use and access of cannabis for medical use. Having spoken to several GPs about this matter in the last day or so, to a person they are experiencing an increase in the number of patients requesting access to cannabis medicine in their surgeries for pain management. Some of those requests will probably be justified. My question is: will GPs refer those patients to specialist doctors who are allowed to prescribe this medicine? Will this create additional cost and demand? Who will pay for it? Could the Minister explain and say when this will be reviewed?

Lord O'Shaughnessy: It is important to state that GPs will not be able to prescribe it; that is part of the new regime. On the specific issue of pain management, the interim guidance from the Royal College of Physicians says there is no evidence to support its use for treating chronic pain. In the meantime, NICE will be providing clinical guidance in about a year's time, which will take a broader view. So it should not be the case that specialists are providing it in this area—the evidence does not exist and therefore the costs will not occur.

Baroness Meacher (CB): My Lords, I applaud the Home Secretary for finally recognising the therapeutic value of medical cannabis. We know that about 1 million patients up and down the country will be queueing up for these medicines. I very much understand the Government's narrow approach, but can the noble Lord assure me that Ministers will make available to doctors the comprehensive review of medical cannabis research from the National Academies of Science, Engineering, and Medicine in America? This showed conclusively that there is substantial evidence that medicinal cannabis is valuable for the alleviation of pain—in particular neuropathic pain—and that it does not cause psychotic illness.

Lord O'Shaughnessy: We are, thankfully, now taking an evidence-based approach. The Chief Medical Officer said in her statement that there is evidence of therapeutic benefit from cannabis-based products, and that is why they have been rescheduled. However, we need to move cautiously. We know that the active ingredient, THC, is linked to psychotic illness and other things, so we need to make sure that, as we move ahead, its use is properly controlled and that the benefits always outweigh the risks for any patient who takes it.

Lord Hunt of Kings Heath (Lab): My Lords, I think that the noble Lord, Lord Farmer, referred to prescribed medicine addiction in his question. The Minister will be aware that this is a growing problem, with very little support locally for patients who have terrible outcomes. PHE is undertaking a review of the evidence at the moment. Can the Minister assure me that, when that review is published, the Government will publish an action plan to try to deal with what is a terrible issue for many people?

Lord O'Shaughnessy: I absolutely acknowledge the scale of the issue. I think that the point my noble friend was getting across was that we do not want to create the next opioid addiction crisis, and I completely concur with that position. Public Health England is

[LORD O'SHAUGHNESSY]

conducting that review and I will write to the noble Lord with specific details of what we as a Government intend to say after it has concluded.

Baroness Hussein-Ece (LD): My Lords, I declare an interest, as my grandson has intractable epilepsy. He has just been assessed for medicinal cannabis and we very much welcome that. However, I am very concerned about the comments that this will be used as a last resort. My grandson has been subjected to many, many drugs and the side-effects from many of them have been horrific, so to say that those drugs are fine but that somehow medicinal cannabis oil is a problem is looking at this in the wrong way. I am worried about the restriction that has been put in place, and that many children who might benefit from this medicine will not be able to access it because of the very strict guidelines. Can the Minister give an assurance that each person will be looked at on a case-by-case basis?

Lord O'Shaughnessy: I absolutely acknowledge the case that the noble Baroness mentioned. She has shared it with me before and my sympathies go to her and to her family—it must be very difficult. Generally speaking, medicines in this country are licensed on the basis that they have gone through randomised control trials to make sure that they are safe and efficacious. A lot of these cannabis-based drugs have not been through that. We want to see more trials and, until we do, it is important that clinicians are able to access licensed drugs first, but with the ability to use unlicensed drugs if necessary.

Business of the House

Timing of Debates

11.38 am

Tabled by **Baroness Evans of Bowes Park**

That the debates on the motions in the names of Baroness Massey of Darwen and Lord Bassam of Brighton set down for today shall each be limited to two and a half hours.

Lord Taylor of Holbeach (Con): My Lords, in the absence of my noble friend the Leader of the House, I beg to move the Motion standing in her name on the Order Paper.

Motion agreed.

Children: Welfare, Life Chances and Social Mobility

Motion to Take Note

11.39 am

Moved by **Baroness Massey of Darwen**

That this House takes note of initiatives in early intervention in children's lives that would improve the welfare, life chances and social mobility of young people in the United Kingdom.

Baroness Massey of Darwen (Lab): My Lords, it is a great pleasure to introduce this debate, which involves a variety of interesting and knowledgeable speakers.

I hope noble Lords will not get excited when I get to 10 minutes, as on the list, because I have 15 minutes in which to speak; I thank the Clerk for clarifying that. I look forward to hearing the views of this knowledgeable group today, and I think they will say what I hope they will say. I thank them and the many organisations concerned with children and young people which have supplied briefings. The House of Lords Library has also given us valuable insights.

Every day, in the press and on the media, we see stories of knife crime, young people self-harming, levels of obesity and depression, and only yesterday a headline saying "Alarm over the rise in early deaths of northerners". These deaths were particularly among 25 to 44 year-olds and were related to accidents, suicide, alcohol misuse, smoking, cancer and drug addiction. All this relates to early intervention. We have had the evidence for years. We have statistics on how much could be saved from the public purse by prevention or alleviation measures relating to youth justice, health and educational dysfunction and how much human misery might be avoided.

Of course there are always social determinates of health, achievement and social mobility. Some areas in the UK are under stress: inequality is rife and poverty is not being resolved. Homelessness is a stain on our society. Social mobility will be limited or simply not possible if young people, in particular, are not physically and mentally healthy, have poor education, poor literacy skills or end up in the criminal justice system. Tinkering with tax and benefit systems will not, I am afraid, solve these problems.

I want today to propose some ideas for addressing core elements of early intervention. The first is to propose that there is a life course aspect to this for all of us. Intervention must come in early childhood—indeed before birth—and continue at each phase of life: adolescence, adulthood and old age. There needs to be emphasis on those phases of life when prevention of poor outcomes may be best achieved and lives turned round. These phases are early childhood and adolescence.

I propose further that real intervention takes place best at a local level when communities—including families, schools, local authorities, the police, social services and NGOs working on the ground—work with local populations, involving them in solutions and strategies for improvement and support. This implies, of course, organisations working not in isolation but in collaboration. Communities are where the impact of an initiative can best be assessed. Governments can pass Bills, issue guidance and publish reports; and international organisations can produce conventions, declarations and recommendations, such as the excellent UN Convention on the Rights of the Child. All this is helpful in raising awareness and inspiring action. However, real action—implementation at a local level—is what ultimately counts.

Let me suggest ways in which this might play out. I begin with early childhood. Many reports—including Sir Michael Marmot's review, those from NGOs and articles in the *Lancet*—over a number of years have linked early mortality, obesity, mental health problems, low school readiness and the ability to relate and communicate to lack of intervention in children. The recent report from the Royal College of Paediatrics and Child Health refers to,

“the risks over the next decade for child health if urgent, coordinated and holistic action is not taken”.

The Early Years Foundation has underlined the importance of early intervention. As Graham Allen, the former MP, said in his report:

“Many of the costly and damaging social problems in society are created because we are not giving children the right kind of support in their earliest years when they should achieve their most rapid development”.

This development includes language development, social and behavioural development and intellectual curiosity. Research indicates that there can be a six-month developmental gap between higher and lower-income toddlers by the age of two, and children from low to middle-income families start school with skills five months behind those of more affluent children.

A primary school in a deprived area where I was a governor reported children starting without the basic skills to function with other children and adults. They had never handled a book. The school worked mightily to redress those deficits but it was difficult. I recognise and applaud the Government’s efforts to help families to be more skilled in child-rearing. Initiatives such as health visitor services and the Family Nurse Partnerships programme help families at the grass-roots level—the key to successful intervention, as I said. At the same time, we know that there are not enough of such excellent staff, and school nurses and counsellors are thin on the ground.

This morning, I saw in the *Guardian* a letter to the Public Accounts Committee from the Chief Inspector of Schools. She said that some schools have, “an endemic pattern of prioritising data and performance results, ahead of the real substance of education”.

We should all stand up and applaud that statement. How very sad it is that pupils and teachers are being put through this. Data is being put above child development. It is crushing the arts, sport and positive relationships in schools. There is good evidence that schools with good pastoral systems, which emphasise personal relationships and put sport and the arts in their curriculum, do better than schools without those things. Schools are obsessed with academic results and data above all else.

Outside schools, between 2012 and 2016, around 600 youth centres closed and one children’s centre closed every week. The Sure Start programme, known for its work with families in neighbourhoods, has been decimated in favour of family hubs that are not necessarily in neighbourhoods; certainly they are not within pram-pushing distance, as they were designed to be. This is a false economy. Research assessment indicates that investment in the early years and adolescents saves billions of pounds a year. For example, one figure indicates that an investment of £428 billion in universal childcare and paid parental leave would deliver a net return of £612 billion. Apart from the main benefits to child and family welfare, do the Government not appreciate the economics of early intervention?

Let me move on to interventions regarding adolescents. Adolescents are sometimes regarded as a bit of a nuisance. We demonise and medicalise them too readily. However, the *Lancet* commission on adolescent health states that,

“we have come to new understandings of adolescence as a critical phase in life for achieving human potential”.

I should declare an interest. I am writing a report on the health needs of adolescents for the Council of Europe, where I chair the sub-committee on children. Adolescents can certainly be challenging but they can also be creative, enthusiastic and passionate about issues that engage them. They can enjoy being engaged in their own health and social issues.

Recent research indicates that the influence of brain development, together with emotional and physical changes, can be harnessed in adolescents to encourage what UNICEF has called a “second window of opportunity”, where more early intervention is needed. This can encourage thoughtfulness, resilience and a desire to be in control of the physical and emotional world. The key is respecting the views of young people, asking their opinions and genuinely engaging them in decision-making.

It is heartening to see so many organisations now with youth panels: NGOs, Children’s Commissioners, sports clubs and the police. I remember being involved a few years ago with the All-Party Parliamentary Group on Children in an inquiry on relationships between young people and the police. Some local forces had youth advisers; often they were young people who had been in trouble earlier. Many of these youngsters were now running mentoring schemes for their peer group. I do not know how much money would be saved by cutting down on youth crime and its consequences. The figure must be enormous. My research for the Council of Europe report indicates that large savings can be achieved by appropriate interventions in mental health, sexual health and obesity—the topics I chose to explore. This is in adolescence.

Let me give a couple of examples. The very successful 10-year teenage pregnancy strategy involved young people and their communities in discussion, examining options, supporting educational initiatives and support. Teen pregnancy rates—very high in England—fell by half in 10 years, saving the costs of dependency on welfare and the potential risks of children having children. City Year has written to me with examples of social action by young people: volunteering programmes in school, communities and hospitals. These programmes encourage confidence, ambition and resilience in young people. Adolescence is a time where there can be different kinds of intervention, but it is still early intervention to benefit young people.

Early intervention means we catch the problem before it starts or tackle it promptly when it appears; use all resources possible, including the involvement of those deemed to be at risk or who have developed a problem; use community-based models to deal with local issues; ensure enough qualified and trained professionals to work alongside communities; monitor and evaluate impact; and share good practice. We have a duty to do all this as a society, not only for the vast sums of money that early intervention would save, but for the benefits it can produce for children, young people, families, communities and, ultimately, society.

I propose a respectful model, inviting the Government to put more effort and cash into approaches which involve people, including young people, in creative problem avoidance and problem solving. Such an

[BARONESS MASSEY OF DARWEN]

approach would prove financially beneficial and raise the confidence and resilience of those involved. Social mobility would follow. The Minister knows about schools. Does he agree that such an approach is valuable and would deliver social mobility and a more rounded and grounded society? I look forward to his response.

11.52 am

Lord Baker of Dorking (Con): I congratulate the noble Baroness on initiating this debate on the impact of education on social mobility. She is quite right to emphasise that if we are to improve social mobility it must start in nursery schools and primary schools. They do a good job of it, but it runs into the sand at later stages, particularly when youngsters transfer from primary to secondary at age 11. The 11 to 14 age range in schools is known as key stage 3. Quite frankly, it is a mess and recognised as one. We have a lot of enthusiastic primary school children at the age of 11; by 13 or 14 a lot are disenchanted, disengaged and fed up. They are not learning anything that will help them get a job. What do they do? They have high absentee rates and unruly behaviour. Some get expelled by their heads. The capacity of heads to expel has now grown out of all proportion. There will be a report on this to the Government, who will have to restrain the capacity of heads to expel children because an expelled child is on the road to a culture of gangland. There is no question about that at all.

There is a very real problem with what to do with this key stage from age 11 to 14. This is one of the reasons why, for the past 10 years, I have been pioneering UTCs. These children are disengaged because they are following the Gove curriculum—a highly concentrated academic curriculum called Progress 8 and EBacc, which is a disaster. It is word for word the exact curriculum announced by the Secretary of State for Education in 1904, except he had one technical subject: drawing. Technical work is being extruded. If you visit your secondary schools you will find that they are not learning any technical skills at all. That is down by 57%. If you stay longer you will find that dance is down by 45%, drama down 29%, media and film studies down 34%, music down 23% and performing or expressive arts by 63%.

The well-rounded curriculum which I tried to devise in the late 1980s is now disappearing from our schools. It is one of the reasons why the young are so disenchanted and disengaged. The curriculum in the UTCs is quite different. For two days of the week, a student at a UTC will make things with their hands and design things on computers. Local businesspeople come in and teach, and bring in projects for the students to work on in teams. Students will get work experience and visit other companies. It is one reason why, although we have a very difficult intake, we have little disruption and, as I will show in a moment, the best destination data of any schools in the country.

As we have 50 such schools and 14,000 students, we are now producing a lot of data. Last year, we looked at what 4,000 students did before they joined us at 14. It is a shocking record. We found that 6% had been expelled by their previous school—in a normal school,

the figure is 0.1% for such children. Another 6% had had long, fixed-term exclusions. We found that 3.5% had come from home education. When home education is good, it is good; when it is bad, it is horrid, and we get quite a lot of the horrid cases. In all, if we include those on pupil premium, our proportion of challenging students is 30% to 40%. No other secondary schools have that level of challenge. We face up to that challenge; we are very reluctant to expel. We immediately start teaching those children by giving them practical skills. We find that, half way through the first term, they suddenly realise that they are at an entirely different college. What is more, we treat those youngsters at 14 as adults, which they recognise: there is mutual respect.

We are therefore major agents of social mobility. I am proud that our destination data—what happens to the children when they leave—is the best in the country. Last July, we had 2,000 leavers. The head of each school has to identify what has happened to each child who has left. We have shown that that very few are unemployed—between 1% and 3%. A normal school would have 8% to 11% unemployed. We have 30% who become apprentices; in a normal school, the figure is only 7%. We find that 43% go to university, which is a bit lower than for a normal school, but of those, three-quarters do STEM subjects. They do not do the S and M of STEM but the T and E—technology and engineering, which has disappeared from ordinary schools. Can you believe this? I hope that you do, because it is true. That is extraordinary. When an ordinary secondary school says, “We do a lot of STEM subjects”, they are teaching science and maths; they are not teaching technology and engineering.

Every year, we produce employable engineers at 16 and 18. We are also proud that we get some into Russell group universities. We now recruit at 14 and 16. As an experiment, we have a feeder school of 11 to 14 in Dartford, where we teach a different curriculum from that taught by schoolteachers at 11 to 14. It is heavily oversubscribed, and those students will go straight into the UTC beside it.

We have to recognise that the fourth industrial revolution in which we are living will destroy a massive number of unskilled jobs: driverless cars, driverless lorries, warehouses and all the rest of it—if you get anything from Amazon any time, your hand first touches it when someone knocks on your door. All that is going to happen in spades. It will also cut swathes through middle management because of artificial intelligence. The career of a bank manager has disappeared. My local bank has two girls at a desk instead of 10 clerks and two or three people in the background as managers. That has all gone, but we do not quite know what jobs will emerge. It is therefore the duty of our education system to provide skills for youngsters which are very adaptable. The skill that our youngsters have when they leave at 18 is that they have made things with their hands; they have fixed things. Neither of those happens in schools today. Our students have designed things—again, that hardly happens in other schools; and they have done problem solving and worked in teams, which does not happen in our schools at all today. We are trying to equip our youngsters with skills which will improve their choices in life.

I know my time is almost up but I want to end with one statistic. Toxteth had race riots in 1981. I was the Minister; I had to go and help and I established technology centres. If you are a student in Toxteth today you have an 11% chance of going to university. We have a UTC at the edge of Toxteth which took 30 students from Toxteth last year—11%? 20%? 40%? 50%? 60%? No, 86% of those students have gone to university. Among their brothers down the road it is 11%; in our college it is 86%. That is what social mobility is all about.

Noon

Baroness McIntosh of Hudnall (Lab): My Lords, I congratulate my noble friend Lady Massey on setting out the issues for this debate so clearly. I also hope the Minister will heed the words of the noble Lord, Lord Baker, about the impoverishment of the curriculum, both at primary and secondary school level. When he speaks, he speaks with authority and I really hope the Government are listening.

Sometimes the stars align: travelling on the Victoria line is not always a pleasure but it gives you a chance to read and I, like my noble friend Lady Massey, was reading the *Guardian* this morning, where I found a very long article by Jake Anderson which I recommend to the Minister. Although it is very long—I very much doubt that he has had a chance to read it yet—it perfectly exemplifies why early intervention is so important. It is the story of parents trying to get support for an adopted child who, at the age of five or six, began to exhibit signs of special needs. She has now reached late adolescence and has only just secured the kind of help that it appears she needs. Through that period she and her parents, more particularly, have experienced a really dismaying catalogue of approaching services for help, getting assessments, being told that they would receive help and then not getting it. The consequence has been that an early intervention has turned into a late crisis.

Hard cases make bad law, so I do not ignore the fact one family's experience is not, and cannot be, the whole story. However, this story exemplifies that good intentions and established protocols are undermined far too often by severe lack of capacity and resource in the services that are trying to do their job. Schools, the NHS and local authorities are all struggling with the obligations that have been placed upon them without the resource to deliver the outcomes that are required. This is almost inevitably going to result in some of the early intervention work that my noble friend was speaking of earlier simply not happening. No matter how clear it is that it is necessary, it will not be delivered because the resources are not there. I can say from the experience of my own family that this is particularly true of child and adolescent mental health services.

I do not complain about the experience my own family had, but what I know from having observed that experience, admittedly from a bit of a distance, is that this is a service under very severe pressure. Consequently, it is almost inevitable that it will be forced to reduce the eligibility criteria, making it ever more difficult for young children who are exhibiting signs of mental health problems to get access to the

kinds of help that will stop those problems becoming acute. I hope that the Minister will accept that warm words and good intentions, as much as we like to hear them, are not enough. We have heard a lot of them but we have not seen the outcomes they are intended to deliver.

My second point is one that I have made very often before in this House, so I apologise for the stuck record element. It is about the impact of the arts and creative education. I apologise for my voice—I think it comes from singing in a rather cold Westminster Hall last night. Primary schools and secondary schools are currently forced by the way the curriculum is organised to undervalue the arts and other forms of creative education. The pressure on them to deliver against criteria that do not include those things is very strong. As my noble friend Lady Massey has already said, and as he noble Lord, Lord Baker, implied, children who engage with the arts have the opportunity, through that, to learn not only to express whatever creative potential they may have, but to collaborate with each other, to develop critical thinking skills, teamwork, and many other skills that—considering the noble Lord's point about jobs of the future—will be extremely valuable to these young people in the job markets into which they will eventually go.

I know that when the Minister comes to address this point—if he does, and I hope he will—he will say that the system fully endorses the value of arts subjects. It does not—that is simply a fact. We had some Girl Guides in here yesterday, and some of us were given the very pleasant task of mentoring them one to one. The young woman I was working with told me, in terms, that her school was very focused on the subjects that the Russell Group has decided are facilitating subjects. This is terribly restrictive. It means that all the creative opportunities that the adolescents whom my noble friend Lady Massey and the noble Lord, Lord Baker, referred to might have access to—opportunities that might help them get through a difficult stage in their own development—are simply not available to them. This is wasting potential, and I really hope the Government will finally start to listen.

12.06 pm

Baroness Tyler of Enfield (LD): My Lords, I thank the noble Baroness, Lady Massey, for securing this vital debate. Early intervention has the potential to drastically improve the social mobility of disadvantaged children. We are at a time in our country's history where social inequality is being felt very keenly. The Sutton Trust has found the proportion of people believing that we have truly equal opportunities in this country has decreased very substantially since 2008. We need to be building a society in which opportunities are more equally distributed and all are socially mobile. It is a goal that would improve not only the health and well-being of individuals but the economy as a whole. According to the Sutton Trust, raising the UK's social mobility to the average level in western Europe would boost the economy by 2%.

As we have already heard, early intervention really does matter for social mobility. It matters because these disparities, between the most disadvantaged children

[BARONESS TYLER OF ENFIELD]

and their more affluent peers, emerge before the first day of primary school. More worryingly, when not addressed, they affect a child's social mobility throughout their adult life. It was back in 2012, when the All-Party Group on Social Mobility, of which I am co-chair, in its report *7 Key Truths about Social Mobility*, noted that the greatest leverage point for social mobility is between the ages of zero and three. During this time, children are developing in all sorts of ways; not only are they learning key verbal and vocabulary skills, but also developing incredibly important emotional well-being and resilience skills which will shape the rest of their life. A child with a poor vocabulary at the age of five is twice as likely to be unemployed aged 34.

I could go on, but I hope I have really emphasised the point that early intervention and social mobility go hand in hand. What happens in the classroom is undeniably very important, but so is what happens before. Parenting and the home environment play a huge role in driving inequalities in a child's early cognitive development. Parenting has often been viewed by politicians and policymakers as no-go territory. I firmly believe that a successful strategy to early intervention must take into account the home environment. That is why, in 2015, the All-Party Group on Social Mobility held an inquiry into parenting and social mobility, and it recommended both the development and implementation of a national parenting support campaign. That would be designed to help support and empower parents, not preach to them, and fully recognise that the vast majority are trying to do the very best job they can, but need some support.

Given all of this, it is unfortunate that the current policy and fiscal landscape has shifted from a focus on preventive schemes. An obvious example is the closure of children's centres, which we have already heard about. In 2009, there were over 1,000 centres open nationwide and in previous years they have been vital in providing early intervention and preventing poor childhood outcomes, not only for the children but for the parents themselves. Sometimes that support began even before the child was born. But since 2009, over a third of these centres have closed and those which have not have often broadened their age range and shifted away from early intervention towards high-need families.

This shift in focus has been echoed in other areas of children's services, particularly children's social care, where there has been a clear move away from working with families who need some help to being able to work with only very high-risk families who are reaching crisis point. This picture was painted in stark relief in the All-Party Group for Children's recent report, *Storing up Trouble: A Postcode Lottery of Children's Social Care*. When the Minister responds, I would be grateful if he could indicate when the Government will be in a position to reply to the recommendations in that report.

The reasons for this shift are pretty obvious: financial pressures, which are huge, are having a major effect. Cuts to children's services have come at a time of unprecedented demand, forcing many local authorities to deliver children's services which can focus only on that smaller number of very high-risk cases. Since 2010, over £2.4 billion has been cut from central

government funding for local authority children's services, and local authorities now face an estimated £3 billion funding gap by 2025. Important as it is, however, funding is not the only issue; quality is incredibly important as well. While I very much welcome the Government's commitment to early years education and childcare, it is a real concern that one-third of staff involved in group-based childcare lack English or maths GCSEs. We really need to have the staff involved in this important work moving towards qualified teacher status, wherever possible.

What can be done with this rather unhappy picture that I have painted? We need key improvements in the areas of funding, focus and strategy. I am currently much involved in finalising the All-Party Group on Social Mobility's report which looks at tackling the regional attainment gap. We will shortly publish our report, so watch this space. I can assure your Lordships that we will have a fair amount to say about the importance of early intervention, particularly the need for a reinvigorated national strategy for children's centres, and much to say about how children's centres are funded and the need for Ofsted to be involved in inspecting them.

I call on the Government to use the upcoming spending review to address the ever-growing funding gap for children's services. Any financial settlement must incentivise local authorities to invest in early help. That is why I support calls for a new, cross-government taskforce on intervention to feed into the spending review. I look forward to the Minister's reply.

12.13 pm

Lord Pendra (Lab): My Lords, I too must begin by thanking my noble friend Lady Massey of Darwen for initiating this important debate. She has, of course, a record over the years of caring for children's well-being and her speech today brings into sharp focus many of the problems that youngsters are facing.

It is abundantly clear that early intervention to combat some of these problems that children face should be taken as a top priority by this Government. One of those problems is the alarming growth of obesity in our young. Although the Government seem belatedly to be taking that more seriously, they are not giving the necessary resources to tackle that growth—certainly not with the vigour that it warrants.

The school curriculum is the obvious place to start with early intervention. When Labour was in government, we introduced school partnerships. But there have been savage cuts in the education budget starting with the reign of Michael Gove, who clearly had little understanding of the correlation—among other obvious factors—between good physical health and academic achievement, which is well-documented in respected educational research journals.

Recent figures show high levels of severe obesity among our children, which is mind-blowing. In July, Ofsted reported in *Obesity, Healthy Eating and Physical Activity in Primary Schools* that obesity was at an alarmingly high level, and highlighted the things schools should do to tackle it, including a high-quality physical education programme. Time does not allow me to go into the detail of that report, but suffice it to say that it

recommended that all primary schools should spend two hours per week on PE in line with the policy of the Labour Government of 1997 to bring participation in PE to that level. The coalition Government ended that strategy, and we may have to wait for the next Government to recognise the pressing need to restore Labour's approach to physical education in schools.

In the meantime, some impressive schemes are being undertaken by non-governmental bodies, notably from the world of football. The football authorities are doing a great job. They often get a bashing from the public, but clearly not for their policy of participation in sport and recreation at all levels. That should be put on the record. Many of these schemes are developed by the Premier League and other football leagues for youngsters right across the country.

The Football Foundation, of which I am president, continues to fund sites and to deliver schemes for exercise, healthy eating, physical and mental well-being, targeting 40% of its investment into the 20% most deprived areas of the country. All this work is very worth while, but so much more needs to be done by this Government. With their boast that austerity is coming to an end, this growing problem for our youngsters and their futures must be one of the Government's most urgent tasks.

In the few minutes available to me, I turn to another area of urgent need for government intervention, namely mental health—especially its impact among our young. The lack of research in this vital area is well documented and is yet another growing problem. Mental health is a condition that does not begin only in old age. As far back as 2012, the annual report of the Chief Medical Officer stated that 75% of mental illness starts in children—before their 18th birthday and often before the age of 15. One could go on and on with these frightening statistics. For example, suicide is the biggest killer of young people in the UK.

Intervention by the Government, therefore, is urgent. That need has been spelt out graphically by the MQ mental health charity, which states that less than 30% of mental health research is donated for children and the young, despite—I repeat—the fact that 75% of mental health illness starts before the age of 18.

These figures, and others quoted during this debate, justify the needs raised by my noble friend in moving this Motion. I saw no evidence in the Budget that anything is likely to change. If this Government fail to respond positively to the messages of today's debate, they have no right to call themselves a caring Government and should give way to one that will be.

12.20 pm

Baroness Bull (CB): My Lords, I, too, am grateful to the noble Baroness, Lady Massey, for securing this debate, and I am pleased to have the opportunity to focus on this critical issue through the lens of arts and creativity in the early years.

There is a mass of evidence to support the idea that high-quality early years arts interventions have long-lasting effects on children's development. I am grateful to Ruth Churchill Dower, who has done so much work in this area, for pointing me towards the significant body of research that now exists across multiple disciplines—

neuroscience, cognitive science and developmental psychology—in the UK and internationally. This evidence supports the contention that engagement with arts and culture at the earliest stage of a child's development, which I will refer to as "early arts", can significantly enhance the child's educational readiness and overall life chances.

Yet it seems clear to me that these concepts have been neglected in educational early years and even arts policies. King's College London—an institution in which I declare my interest as an employee—undertook an investigation into 70 years of arts policy directed at young people. It found a surprising lack of any attention to the early years, despite clear evidence from other areas of policy that early intervention is crucial in shaping later outcomes in life.

I shall focus on the ways in which early arts engagement contributes to young children's preparedness to enter school, but I will also touch on the contribution it makes towards a child's personal and social development and the consequential long-term benefits for society.

The early years foundation stage includes expressive arts and design as a subject, but the framework is designed so that the learning areas can be taught predominantly through games and play. This misses the potential of arts not as a subject but as a means of learning—a means that research shows may have a clear advantage over other methods in that arts are already a major form of play for children, who naturally sing, dance and make things up. Therefore, the arts represent motivating and interesting activities and contribute to deep, lasting learning experiences.

Some nursery schools have taken advantage of this and are actively supporting delivery of all the early years learning goals through arts activities. For example, problem solving and numeracy are addressed through concepts of space and shape in visual arts or dance; knowledge and understanding of the world can be developed through exploring different national cultures; and physical development is supported through playing with materials—sculpting—to develop fine motor skills and through music, dance and movement to develop gross motor skills. Communication, language and literacy are supported through storytelling and shared dances, and dancing helps to develop the fine motor skills which are needed in writing. All of the above encourage social interaction, positive group behaviours and critical thinking skills.

The Government's 2017 report *Unlocking Talent, Fulfilling Potential* highlighted the importance of young children arriving at school with strong foundations in place, yet we know that in areas of high deprivation between 40% and 60% of children start school with levels of speech, interaction and communication that are of sufficient concern for a child not to be considered school-ready.

A US study published in January this year suggests that early arts can help to address these challenges. The research focused on 265 children between the ages of three and five in the Philadelphia area, all of whom were engaged in the Head Start programme. Noble Lords contributing to this debate will no doubt be aware of the Head Start programme, which promotes school readiness in young children from low-income families in the United States. Some 197 of the children

[BARONESS BULL]

took part in a pre-school arts-enrichment programme alongside the regular Head Start offer. Both groups' programmes included arts-based activities, but the important thing is that the arts-enriched group took part in 12 additional 45-minute arts sessions every week. School readiness was evaluated at the beginning and end of the pre-school year and, not surprisingly, the results showed that, compared to their counterparts, the arts-enriched group demonstrated greater growth in school readiness and greater gains in self and social awareness.

That second finding is consistent with existing evidence that early arts programmes enhance social and emotional development. This may be because children are not only introduced to the concept of self-expression through art but are also encouraged to explore and communicate their feelings and ideas through painting, stories or creative movement. That stimulates them to articulate their thoughts and practise communication skills, and we know that this has significant value in the early years, when young children need the chance to express themselves without fear of failure or feeling that they are going to be judged.

Given all that, it is surprising not to see more government policy directed towards achieving these aims. The default policy lever has always been to build arts into the school curriculum—as we have heard, this is a good thing in and of itself—but that is too late to generate the specific benefits that would derive from early-years engagement. A robust network of Sure Start centres would offer a ready-made infrastructure to support this kind of arts-integrated early education.

So I ask the Minister: what are the Government doing to support early engagement with the arts, not just as a subject to be explored in its own right, although that is important, but as a way of generating the educational benefits that I have described—benefits that will increase the welfare, social mobility and life chances of young people throughout the UK?

12.26 pm

Baroness Redfern (Con): My Lords, I thank the noble Baroness, Lady Massey, for bringing this debate to the House today. I am pleased to have the opportunity to take part.

Interventions that tackle inequalities while children are young have the potential for the most lasting effect, so a delayed intervention increases the cost of providing a remedy for these problems. The cycle continues and it is difficult to break. The pressing question is about why it is taking so long to find a lasting solution. We know that early interventions are key, given that most of the gap in education attainment is created by the age of five, but evidence of the need of an early intervention agenda is stronger than ever.

Local authorities know their communities and understand local need, so they can commission the most vital services to improve their children's health and well-being, but they too have limited resources. Where a child is identified as vulnerable, local authorities have a wide range of investigative and supportive powers available. They of course have a duty to investigate even if they have only reasonable cause to suspect, in a case involving a child identified as vulnerable.

There should be support too for effective local parenting initiatives for less advantaged pupils, through a richer programme of extra activities. We know only too well that children living in poverty are at greater risk of behavioural and emotional problems linked to poor social and emotional outcomes. In some cases intervention happens too late when health, social and behavioural problems have become deeply entrenched in children's and young people's lives. Social mobility plays into several different themes, including educational equality, child poverty and unemployment levels. Gaining employment for our young people gains aspirations as well as quality and length of life. Crucially, we know how a safe, stimulating and loving family environment can make a positive difference to our young people.

Other issues come into play too, such as good housing—we need more housing and to bring empty properties back into occupation—in a safe and pleasant neighbourhood without the threat of gang culture and bullying on a day-to-day basis. Unsafe neighbourhoods can and do expose low-income children to violence, which can cause a number of psychosocial difficulties, so we must not forget how important good housing is and how it is intrinsically linked to providing a quality home life. Good transport links and connectivity are often flagged up as vital, particularly in our rural areas.

It is regrettable that many youth centres have closed—we have witnessed a reduction in youth services of 62%—because they offer meeting places where our young people can support each other, learn from each other and have good social interaction. In our schools, too, we need a first-class career advice and mentoring service, as schools are part of the wider community, and to work harder to prevent absenteeism and exclusions. I must say that the careers service presents a mixed picture across the UK.

As I mentioned, conception to early adulthood is about not just early years but preventing adolescents and young adults from developing problems. It is argued that children who grow up in a disadvantaged family are more likely to experience poor health outcomes and unemployment.

I welcome the Government's focus on higher and advanced apprenticeships, with a commitment to increase the number of apprenticeships to 3 million by 2020. I was also particularly pleased to hear in the Chancellor's Budget the announcement of a £695 million package to support apprenticeships, with particular emphasis on SMEs, by halving the amount they have to contribute from 10% to 5%. I hope that this will stimulate better take-up, because they have been widely criticised for complexity and the unavailability of suitable courses, so more needs to be done.

We also need to incentivise and reward those companies which want to work with schools and, as my noble friend Lord Baker mentioned, UTCs, because it is the wealth creators who can offer those opportunities. We need to encourage more collaboration between schools, charities and businesses to give back to their community as part of that mix.

We all want young people to be given the opportunity to make the most of their talents and create a better life for themselves: to empower young people to be the

guardians of social mobility. Social mobility has rarely been far from the top of the political agenda in the UK in recent years. Weak social mobility and lost potential is the biggest drag on this country's productivity.

Everyone deserves a fair shot in life and a chance to go as far as their hard work and talent can take them. It is often said that talent is everywhere, but that opportunity is not.

12.32 pm

Baroness Young of Old Scone (Lab): My Lords, I thank my noble friend Lady Massey for prompting this debate. We have heard how many factors shape the life chances, welfare and social mobility of young people. Poverty alleviation, parenting and early educational intervention all have proven impacts, but austerity over the past eight years has had major adverse effects.

The Local Government Association told us that, after core reductions of £16 billion, local authorities have largely managed to protect social care, but there has been a substantial increase in demand. For example, there has been a 158% increase in demand for child protection services in serious cases where a child is suffering significant harm. Spend has tended to move away from preventive and early help work into services to protect children who are at immediate risk of harm. Councils predict a further funding gap for children's services of at least £3 billion by 2025, and that does not take account of any further rise in demand.

Early intervention services face particular pressures, with demand rising but funding falling by 40% in real terms between 2010 and 2016. The Chancellor's £84 million in the Budget to help a measly 20 local authorities reduce the number of children entering the care system is a drop in a bucket.

In addition to service cuts, recent tax and welfare reforms have meant difficult parenting situations for many of the most vulnerable families. I find it difficult to reconcile the Government's "You've never had it so good" statements on the lowest-ever levels of unemployment and more people than ever in employment with the rising reliance on food banks. I see stagnant wages and people having to juggle several part-time or zero-hours jobs to survive, with resulting impacts on parenting. As is always the case, austerity has fallen heavily on our children. I, for one, am not convinced that its ongoing impact is over.

Let us be less gloomy. Removal from poverty, good parenting and early educational intervention can have demonstrable effects on both life chances and indeed, as has already been said, on future health. I commend to the House and to the Government the benefits of outdoor education and encouragement of children to connect with green spaces and trees. I should declare an interest as the chairman of the Woodland Trust.

Our children are the fatter and run the risk of being the sickest for many years—for generations, in fact—with life-shortening conditions such as type 2 diabetes being diagnosed in children at earlier and earlier ages. That will have a lifelong impact on not just their physical health but their mental health and life chances. A Sutton Trust review of research evidence identified four key dimensions of good-quality pedagogy

for all children under three. Two of these are a focus on play-based activities and routines which allow children to take the lead in their own learning and opportunities to move and be physically active, as we have already heard from the noble Baroness, Lady Bull. A study of adults has shown that walking in green open space with trees for 13 and a half minutes a day reduces the risks of depression by 50%.

I commend to your Lordships and the Minister the work of the growing network of schools that have signed up as forest schools. These are schools where much of the teaching is based on outdoor activities and woods and offer a unique activity-based way of building independence, self-esteem and a positive attitude towards learning in children and young people as they explore and experience the natural world for themselves. The little beasts go out to learn in their local woods in all weathers and are encouraged to explore their thoughts, feelings and relationships through the use of emotions, imagination and senses. At the same time they improve their physical activity, health and mental health. The experience of a combination of freedom and responsibility is beneficial, especially to children with little confidence or challenging behaviours. The Woodland Trust is delighted to provide local woods and profuse quantities of mud for many forest schools.

In a spirit of total self-promotion, I commend the Woodland Trust Green Tree Schools Award, which has rewarded 10,000 schools for competing in environmental projects and encouraging outdoor learning. I should say, of course, that other green school and educational initiatives are available. Can the Minister tell us what support the Government can give to these sorts of outdoor education initiatives? In Wales, every child born receives two trees funded by the Welsh Government. One is planted by the Woodland Trust in Wales and the family is sent the co-ordinates so that they can visit their trees. The other is planted in Uganda to help create a sustainable future for Ugandan forests and indeed, the planet. The scheme is rather confusingly called Plant!, which does not mean what noble Lords think; it is Welsh for "children". This reinforces early in the family's formation the importance of green open spaces and trees and encourages them to take their toddler, although we have had babes in arms as well, into the woods. Perhaps the Minister might introduce such a scheme for children in England and demonstrate the Government's commitment to the importance of outdoor education.

12.38 pm

Baroness Morgan of Huyton (Lab): My Lords, I start by thanking my noble friend Lady Massey of Darwen for her excellent introduction to the debate today. Her experience of and commitment to the subject is well known and widely admired around the House. I draw attention to my educational interests in the register, specifically as an adviser to ARC, chair of Ambition School Leadership and a trustee of the Educational Policy Institute.

I want to talk briefly about the vital importance, especially for disadvantaged children of high-quality nurseries in the early years. We have talked about this many times in this House and there is a degree of

[BARONESS MORGAN OF HUYTON]

consensus about its importance. The art of political policy-making is in thinking through properly the implications of often well-meaning policies and the interaction of those decisions. In the early years policy areas, I fear that the wrong priorities, perhaps even unconsciously, have been drawn. Disadvantaged children, and therefore their families—and, in the end, all of us—will lose out as a result. It is well known that the tail of underperformance is a significant drag on productivity, and that is before we factor in well-being—or the lack thereof—and costs in the care and criminal justice systems. The OECD and others have documented this well.

Before the 2015 general election, there was a sort of manifesto arms race on the offer of free childcare hours—frankly, in much the same way as the fabled 3 million apprenticeships were imposed on the system. All the political parties engaged, but the Conservatives ended up promising 30 hours of free childcare to three and four year-olds of working parents. I have a suspicion that they never thought they would have to deliver it, because they did not think they would get an absolute majority, but there we go. My understanding is that this provision now includes free provision for a family where two parents earn up to £100,000 each. I am the first to recognise that childcare is expensive, and necessary for both parents to have the chance to work and to contribute to the family income, but I cannot understand how the relative priorities were discussed—perhaps they were not—that led directly to this policy. In a period of public spending cuts, this has effectively led to government support being moved from vulnerable children to more affluent families. Disadvantaged families—that is, those earning under £16,000 and those on income support with looked-after children, children with an education, health or care plan or children with a disability living allowance—are entitled to 15 hours a week, rather than 30. Part-time places are being converted to full-time in many nurseries to meet the demand for full-time provision, meaning that inadequate part-time places exist.

Closing the achievement gap that opens up before children reach school is key to educational equality and social mobility. Over half of children on free school meals are not school-ready by the age of five. The EPI research shows that 40% of the attainment gap between poor and wealthy pupils at the end of school is already visible before children start school. Moreover, according to the IFS, one in three children in the UK live in poverty, two-thirds of whom are from working families, and this is set to increase over the next five years. There is a significant body of evidence—and consensus among academics and practitioners—on how we should close this gap. The Effective Pre-school and Primary Education study, along with the highest-impact international programmes, such as HighScope in the US and Preparing for Life in Ireland, have proved that the gap can be closed through: first, teacher-led pre-school education, as outcomes improve when children have access to 15 hours a week with a trained teacher; secondly, a focus on improving the home learning environment, as working with families through home visits and other interventions to improve the home environment improves children's outcomes; and, thirdly, a strong partnership with health providers,

supporting families from before they are entitled to a government-funded nursery place, as educational outcomes in very young children are closely entwined—as we know—with health outcomes, which are deteriorating in parts of the UK.

Around a quarter of children, mainly from disadvantaged backgrounds, are missing the two-year check, meaning that special educational needs and speech and language difficulties are not being picked up early enough, with nursery and reception teachers often the ones left to fill the gap and children missing out on additional support. Put bluntly, at schools that I know well, there are children starting reception classes in nappies.

There is also significant evidence of the economic and social value of investing in the early years. Spending money earlier in a child's life saves money. The HighScope Perry Preschool programme in the US delivered a long-term social return rate of between 7% and 10% by the time the participants were 40, mainly through improved employment and earnings and reduced crime. There is significant political support for early years and its potential to drive social mobility. We have seen that across both Houses, in Select Committees and in APPGs—and, indeed, from the department.

Before the 2015 general election, it was already apparent that quality providers were less likely to operate in poorer neighbourhoods, which was reflected in the educational levels of staff delivering the service and the standard of provision. The effect of the policy changes since 2015 have made this situation worse. The increase from a universal 15 hours a week for all to an offer for working parents from 15 to 30 hours a week, up to a total income of £100,000 per parent, has, bluntly, taken the money. Early-years policy is now weighted towards providing an incentive for parents to work, including support for those on high salaries, rather than focusing on closing the pre-school achievement gap and promoting school-readiness and social mobility.

The Minister has shown a personal commitment to delivering high-quality education for disadvantaged children. Does he think that the current priorities for early years are right, does he think that proper provision can be delivered for children currently entitled to only 15 hours of provision, and how can the quality of provision for the most disadvantaged—who have most to gain—be improved? In particular, we need to look at early years work being teacher-led.

I believe there is a willingness among noble Lords around the House who are interested in this to get stuck in and sort out some of the maybe unintended consequences of current policies. Will the Minister commit to ensuring that progress is made? Without a real focus on better early years provision, the gap in achievement will not be reduced, let alone closed.

12.45 pm

Lord Farmer (Con): My Lords, I join other noble Lords in congratulating the noble Baroness, Lady Massey, on initiating this debate on the importance of early intervention in children's lives. I find myself often supporting her in her debates. Today I wish to highlight a promising measure to prevent children being removed from their parents and brought into local authority care.

Outcomes for care leavers remain poor, with Home Office reports finding that a quarter of the male prison population and 70% of sex workers have been in care. A key driver of such awful trajectories is that being in care often has detrimental effects on a child's ability to build strong relationships, the consequences of which can stay with them for the rest of their lives. So, with education department statistics showing that 90 children a day are being taken into care, successful measures to divert young people away from the system are desperately needed.

I bring to the attention of the House once again a scheme with proven effectiveness in diverting children at risk of going into care—away from the system and into the boarding school estate. As I mentioned in my maiden speech, I myself greatly benefited from a place in a boarding house at a local state grammar school. The opportunity to form dependable relationships was invaluable. I still often recall one master who was a huge encouragement to me at a time when my family circumstances and educational attainment—two aspects which were not unrelated—were both pretty dire. Of course, boarding will not be suitable for all children, but many would benefit.

The issue of boarding school partnerships has arisen in this House before, and I will highlight three areas in which the expansion of such schemes can boost a council's ability to help children form stable and enduring relationships and improve prospects for both social and academic achievement. First, the provision of a place in a state or private boarding school can be a game-changer in the risk levels children are facing. The Boarding School Partnerships report found that 71% of looked-after children who were given a place at a boarding school showed a reduction in their individual risk profile—a measure which determines the level of support needed to keep a child safe—and 63% of them moved off the risk register completely. The report gave a powerful example of the scheme's success: a child who was taken into foster care at the highest risk level and given a placement at an independent school in order to support a difficult family situation. After nine years of boarding he was appointed head boy and, a high achiever both academically and in sports, was applying for university. This intervention genuinely transformed his life.

Secondly, for councils to improve the welfare and life chances of children on the edge of care, the provision of consistent relationships, a stable routine and a good education are key. Norfolk County Council has placed 52 vulnerable children in 11 state and independent boarding schools over the last decade, and its results have proved that this works. Achievement in education improved as, on average, children who took the placements attained higher results in their GCSEs than children in care nationally. These provisions can also make a significant difference to the whole family: a boarding school placement can help build a family's resilience and ability to cope. Nine of the 17 children who had been in care were able to return to their biological families.

Thirdly, the scheme is also cost-effective. Norfolk County Council spends an average of £56,200 per year on children in its care. The highest boarding school fees paid were £35,000, making the scheme financially,

as well as educationally, beneficial. This intervention is therefore a sustainable model that does not ask local authorities to increase spending from already stretched budgets. The effectiveness of the intervention is commended by the 40 independent schools—including some of the UK's top-performing schools—taking part in the government-backed scheme. The Department for Education should also be commended for taking note of these results and launching the Boarding School Partnerships information service to link local authorities with boarding schools, to identify more young people on the edge of care who would be eligible for bursaries and scholarships.

The results show that these interventions are socially, educationally and financially viable; the provision of boarding school places for children at risk must become a mainstream solution to improve the life chances and social mobility of the most vulnerable children. Can the Minister update the House on the progress local authorities have been able to make in providing more boarding school placements for children on the edge of care, as a result of the Boarding School Partnerships information service?

12.51 pm

Baroness Bakewell (Lab): My Lords, I too thank the noble Baroness, Lady Massey, for bringing this debate to the House; it has already attracted a swathe of impressive expertise. In deference to her status as a published novelist, I will take a different point of view. Tolstoy's opening sentence of *Anna Karenina* is this:

"All happy families are alike; each unhappy family is unhappy in its own way".

Happy families, as we know, are characterised by enduring relationships, security of emotional feelings, stability, affection and concern; we can all enumerate these. But what makes unhappy families? Each unhappy family is a mystery. It has in its inner life a unique story behind its failure, one often charted by novelists: damaged relationships, with their consequences in society.

Unhappiness is not new, and neither is intervention. In fiction, it is quite prevalent. Pip enjoyed "great expectations" which changed his life; *Oliver Twist* had his life ruined by Fagin. Interventions—relationships with the real world—damage people and always have. However, in the 20th century we saw major changes, which are exemplified in different ways today. We have seen the growth of state intervention in the lives of the wretched. We have seen an increase in expertise in child psychology and child development, which intensifies and proliferates; again, we have had evidence of this today. We have also seen the development of parenting as a studied skill which people learn about and acquire from each other. I grew up with Spock, which is rather out of date these days—each generation has its shelf of advice on parenting.

However, suffering persists. All the different components have not resolved the problems of our society. We still have neglect, deprivation, educational stress in young people, ill health and malnutrition. What is going on? I suggest that today we are going backwards.

12.54 pm

Lord Russell of Liverpool (CB): My Lords, I too thank the noble Baroness, Lady Massey, whom I think of as my noble friend. We are both members of the

[LORD RUSSELL OF LIVERPOOL]

Parliamentary Assembly of the Council of Europe, and I can speak from direct experience of how highly regarded she is there for the wide range of work that she does. People listen to her very carefully. I should also declare an interest as a governor of the children's charity Coram.

What a pleasant change it is not to talk about Brexit and to focus on something that, frankly, is of equal importance: our children and giving them the best possible future. As I thought about this subject and researched it, I suddenly felt myself morphing into a male version of Doctor Who entering the TARDIS. I emerged 30 years ago, when, amazingly, I was a rather younger and more hirsute Member of your Lordships' House. I was actively involved with the all-party parliamentary group on drugs misuse and had become involved with a charity called Life Education Centres—now part of Coram and the largest provider of health education in primary schools in the United Kingdom.

The environment that we were navigating through was very complex in terms of delivery. There were far too many interested parties, lots of fragmentation, and three often competing and divergent government departments—education, health and the Home Office—apparently following a policy of “divide and despair”, “accept limited responsibility”, “avoid any blame”, “try to avoid the difficult subjects” and, above all, “keep your head down”.

The end of that impasse came with a demonstration of genuine leadership and courage from the then Prime Minister, John Major, who I personally very much regret is not a Member of your Lordships' House, as I think that his counsel would be of great use at this time. He initiated the first ever joined-up holistic review of all aspects of drugs policy. He identified an outstanding civil servant, Dame Sue Street, who in 1995 produced *Tackling Drugs Together*, a landmark publication that recognised the problem and accepted joint responsibility for a joined-up and properly thought-through and funded approach to trying to do something about the issue.

What is the lesson for us today from that experience? The Early Intervention Foundation, in a very timely publication this week called *Realising the Potential of Early Intervention*, has essentially said that there are great similarities with the situation of 30 years ago that I described, and it proposes a very clear holistic review of the whole situation. We know that there are four key areas of focus. We know that there is the physical aspect, and we know that we have to look at social and emotional needs, cognitive needs and behaviour. We also know that there are three key red-flag areas that indicate potential problems for the future: substance misuse, risky sexual behaviour and child maltreatment.

We also know that late or ineffective intervention is costing us a staggering estimated £17 billion per annum. There has been a huge reduction in Sure Start centres. The following local authorities have closed more than 70% of their centres: West Berkshire, Camden, Stockport, Bromley, Oxfordshire—a flagship example of a leading Conservative local authority—and Staffordshire. I am afraid that it is not a great list to be on. Our poorest children are already 11 months behind their peers when they start primary school.

There are five key flaws in our current approach, including inadequate and inconsistent funding; short-termism—a besetting political disease; and a fragmented approach across no less than five departments of state: education, health and social care, work and pensions, housing, communities and local government, and that graveyard of political reputations, the Home Office. We need to deliver only what works and, above all, we need to use evidence, evidence and more evidence. So what can and must we do?

First, we need someone to emulate John Major's leadership and courage, and that needs to come from the top. As the noble Baroness, Lady Tyler, suggested, we need a cross-government task force under Sue Street mark 2 and an initiative that will join the dots and provide clarity of understanding, direction, long-term intent and commitment to resource allocation. I suggest that the report it produces should be called “Working Together for our Future, our Children”. Secondly, we need to create an independent expert panel to advise the Government and to develop and refine strategy and best practice. Thirdly, we need to accelerate concerted support for local areas to deliver effective and timely intervention. Fourthly, we need long-term investment backed by cross-party commitment.

I have three specific questions for the Minister, two of which he already knows about. First, will he identify the John Major of today, with the courage and leadership to put children first, and put the case to him or her with all the force he can muster? Secondly, what steps are Her Majesty's Government taking to explore proposals to impose a legal duty on local authorities and other statutory deliverers to provide effective early intervention? How do they propose to ensure that sufficient funds are available, particularly for those areas that have been most impacted by severe reductions? Lastly, do the Government agree that a key performance indicator must be to measure early intervention's ability to improve social mobility—and, if so, how are they going to measure it?

I would like to put on the record my admiration for and gratitude to the Sutton Trust and Sir Peter Lampl, who would be a great Member of this House, for setting an example to us all and reminding us of the talent we possess and what young people are capable of.

1.01 pm

Lord Haskel (Lab): My Lords, I rarely trouble the House with my views on young people's welfare; I usually give the House my views on much easier and simpler matters, such as the economy, technology and business. However, when I read my noble friend's note about her debate, her comments about a second bite at the cherry struck a chord with me, as it probably did with many of us who are parents and grandparents. A second bite often works—maybe because we do it better—and I agree with my noble friend Lady Massey that it is best provided locally.

I live in Richmond, a fairly prosperous place to the west of London, but, even so, we have our problems. The Richmond child mental health needs assessment in 2012 estimated that nearly a third of 16 to 19 year-olds have some form of mental health issue, and so we certainly have a local need.

In Richmond we have an excellent small theatre, which started in the Orange Tree pub and then expanded by taking over a chapel, which is virtually next door. It produces excellent theatre. However, in addition, for some 30 years now, it has run an education and participatory programme based on theatre: Shakespeare for primary and secondary schools, both at the school and at the theatre, frequently to coincide with the exam curriculum; six participatory groups for young people to perform for friends and families; weekly youth theatre classes; and participatory theatre for young people on the autism spectrum and their families. These all provide opportunities to learn, to be creative, and to participate. These are the kind of activities that many noble Lords have emphasised.

At this point I ought to declare that I put my money where my mouth is in that my family charity has been a supporter of this project for many years. It will probably continue to be so because I have no doubt that these activities give children and young people the opportunities to develop communication skills and aspiration and to become more resilient.

You do not have to take it from me. I asked the Orange Tree for some feedback it had received and I am grateful to Alex Jones and Emma Kendall for their briefing. One parent recently said that her daughter is out of school and struggling with chronic social anxiety but wants to keep attending one of the youth theatre groups, and she hopes that this will be the key to getting her back to school. Others speak of how the opportunity to build confidence, to work collaboratively and to challenge themselves and their view of the world helps with aspiration. Another spoke of how learning to express themselves creatively using body and voice gave their child confidence where there was none. This is just the kind of thing that the noble Baroness, Lady Bull, spoke about. Several spoke of the positive outcomes that have lasted beyond engagement with the project.

My noble friend is right to move this Motion. The value of engaging with the arts and creative learning, especially as a second bite at the cherry, is certainly rewarding, as the noble Lord, Lord Baker, said—he told us how much—and research from the Cultural Learning Alliance confirms this. Indeed, its research shows that this is particularly helpful to students from low-income families. Our own All-Party Group on Arts, Health and Wellbeing was given evidence on how participatory arts activities help to alleviate anxiety, depression and stress, thereby improving health, well-being and happiness.

Many noble Lords spoke of funding for early intervention. We have just had a Budget and the Red Book tells us that youth services will remain in the scope of the welfare cap. This means that there is no prospect of more funding; indeed, the prospect is for further cuts. Yes, local authorities have a duty to provide leisure time activities for young people, but the requirement is vague and therefore near the bottom of the priority list. While some councils continue to provide good quality youth services, the All-Party Group on Youth Affairs was told that 600 council youth centres have gone since 2012, as my noble friend said.

The task of providing for these young people will continue to fall more and more on charities, voluntary groups and local projects such as the Orange Tree theatre. I hope my noble friend's debate today will inspire us all to support these programmes in kind and in spirit. However, I say to the Minister that this should be in addition to, not instead of, local services. Ben Bradley MP, a Conservative member of the All-Party Group on Youth Affairs, said:

“When you look at the preventive element of youth work you see how good quality youth work intervention early on can save you further down the line. I think it should be a big priority”.

He is certainly right and I hope the Government are listening.

1.08 pm

Lord Loomba (CB): My Lords, I thank the noble Baroness, Lady Massey, for securing this important debate, which seeks to emphasise the importance of helping children at an early stage in their development and ensuring that their life chances are not limited by a lack of support and knowledge. It is a humanitarian cause very close to my heart.

Much has been said about early interventions by many speakers before me and in the other place last year. However, I should like to focus on the effects on children and young people of a lack of early intervention. Some of these are brought about by poor parenting, which can affect a child's development and lead to their falling behind their peers in education and social mobility. Indeed, it is well recognised that poor parenting is a risk factor in mental health problems.

We also know that, for children from more advantaged backgrounds, parents are able to support their children in their schooling. From choosing the best school to attend, to paying for out-of-school activities, better-off parents continue to have the upper hand in navigating the education system and preventing their children falling behind in school. Many commentators on early intervention note that the educational gap that starts in the early years for children at risk of poor outcomes gets wider as they get older. Often, they cannot achieve their true potential and become locked in a vicious cycle of deprivation.

A lot of the commendable work is done by Barnardo's, the UK's leading children's charity—I declare an interest as a vice-president—which picks up the pieces when things have gone wrong and children are suffering. From problems such as abuse, through to truancy and neglect, these factors all have an impact on a child's well-being as they navigate the choppy waters of growing up. Indeed, a well-respected report by Graham Allen MP in 2011 showed that,

“children assessed as ‘at risk’ at age three, on reaching age 21, had two and a half times as many criminal convictions as the group deemed not to be at risk”.

Now, Barnardo's chief executive, Javed Khan, has said that excluded children who are not receiving education are more likely to fall victim to exploitation by criminal gangs, especially with a shortage of places at pupil referral units. We are all aware of the terrible toll of knife crime, particularly in London, and we need to ensure that vulnerable young people are not left to

[LORD LOOMBA]

their own devices and do not become prey to manipulative criminals. This echoes Graham Allen's report, which concluded that "intervention happens too late".

The Government have put a lot of money into helping children receive good education, such as 15 hours of free childcare for two year-olds whose parents meet certain benefit-related criteria, and 30 hours of free childcare for three to four year-olds of certain working parents. However, Barnardo's is calling for an increase in ring-fenced funding for early intervention services to make up the present shortfall. It is also asking for a national strategy, consulting with charities, children and families, with a better focus on the long term. Does the Minister agree that prevention is very important? If the Government, as suggested by Barnardo's, were to ring-fence more money for early intervention initiatives, we would see our children—our future generation—growing up better both socially and mentally, thus committing less or no crime and contributing much more to our society. I am sure the benefits would outweigh the cost of the Government's early intervention and investment. Prevention is better than cure.

1.14 pm

Lord Touhig (Lab): My Lords, my noble friend Lady Massey deserves credit for securing this debate as it allows us to reflect on, consider and share best practice on the important issue of intervention in a young person's life that can make a positive difference.

We have known for decades that the impact of bad things that happen in a child's early years will be devastating in adult life. Physical and sexual abuse, deprivation and poverty, school exclusions and drug abuse make it inevitable that these young people will face a grim life and a bad future without support and intervention. Noble Lords have already given many examples of the consequences for young adults of enduring adverse childhood experiences. I want to look at the problem from the point of view of children for whom early intervention is particularly relevant: children with special educational needs. I am here referring to children who are on the autism spectrum.

Autism is a lifelong condition that affects more than one in 100 children and young people. Intervening early in these children's lives to support their communication, learning and development increases the chances that they will succeed at school and make good progress with their education.

I will come back to this in a moment, but first I would like to share with the House the views, comments and experiences of one such autistic child. He is Japanese, his name is Naoki Higashida and five years ago he published a book, *The Reason I Jump*. It is one young person's voice from the silence of autism. He was just 13 when he wrote it. When he was small, he said, he did not know that he had special needs; he only discovered this when other people told him that he was different from everyone else and this was a problem. He wrote:

"True enough. It was hard for me to act like a normal person. ... I have no problem reading books ... and singing, but as soon as I try to speak with someone, my words just vanish ... Sure,

sometimes I manage a few words – but even these can come out the complete opposite to what I want to say ... I can't respond appropriately when I'm told to do something, and whenever I get nervous I run off from wherever I happen to be".

During what he describes as his,

"frustrating, miserable, helpless days",

Naoki imagined what it would be like if everyone in the world was autistic. If autism was regarded simply as a personality type, things would be much easier and happier. That was his view, but in truth, it is not that way, and that is why early intervention in the lives of those on the spectrum is so very important.

One such early intervention for young people on the autism spectrum is the EarlyBird programme, run by the National Autistic Society. Here I should declare an interest as a vice-president of the NAS. EarlyBird is a three-month programme of group training and individual home visits for families of pre-school children. Its aim is to help parents understand their child better and how to support them, how to get into their child's world, find ways to develop their interaction and communication skills and understand how the child behaves and reacts.

Children on the autism spectrum do not experience the world in the same way that we expect of most children who are in the early year stages of development and learning. Early intervention programmes can help these children learn and develop the skills they need, understand their environment, and reduce their levels of stress and anxiety. However, children might be able to access this intervention only if they have a diagnosis, and the length of time that many families wait for an autism diagnosis means that too few autistic children are able to benefit from the intervention of the EarlyBird programme.

I have first-hand experience of this. A family I knew waited four years for a diagnosis for their child. Their family GP really did not show a lot of interest. It just so happened that I discovered that I knew the senior partner in the practice and asked him for help. That started the progress to getting a diagnosis. That was a chance happening; no one should have to depend on chance for a diagnosis of autism.

Research by the National Autistic Society found that children wait, on average, three and a half years from the point at which their parents first seek help to the point at which they receive a diagnosis of autism. This is despite NHS guidelines stating that children and adults who might be on the autism spectrum should be assessed within three months.

Diagnosis matters. It enables a child on the autism spectrum to be better understood by their parents, teachers and others. It should also open up access to crucial help and support. The failure in many parts of our country to diagnose children promptly enough means that they miss out on early years interventions that could have long-term benefits for them. Will the Government commit to implementing the guidelines on waiting times for diagnosis so that no child has to wait years to access the help and support they need and deserve?

1.20 pm

Lord Watson of Invergowrie (Lab): My Lords, we are all indebted to my noble friend Lady Massey, so long a champion of the disadvantaged, for securing this debate, which has produced some very high-quality contributions.

Social mobility is a term thrown around rather too loosely these days for my liking. We all imagine we know what it means—basically, each individual being afforded the opportunity to maximise their abilities and to move up the social ladder, achieving a standard of living and perhaps a status above that of their parents. That at least has been the theory, but now millennials are set to become the first generation since records began to have a standard of living likely to be lower than that of their parents, with house ownership often not a realistic aim. I am clear that the most crucial stage of life is early years. It is not so much concerned with social mobility, but more about social justice, a term I prefer when we talk about social mobility in its wider sense.

Of course, it is possible to effect that wider social mobility at later stages of life by improving the quality of primary education, through the UTCs—again nobly espoused by the noble Lord, Lord Baker—increasing the availability of high-quality apprenticeships for key jobs, or increasing equality of access to higher education. But, for any Government, prioritising investment in early years early intervention should be an obvious step, not purely for the benefit it brings to disadvantaged children and their families. Studies have shown that early preventive interventions prove much more cost effective than later reactive ones.

The noble Lord, Lord Russell, rightly commended the work of the Sutton Trust, which produced an excellent mobility manifesto in 2017. It has brought to noble Lords' attention that increasing the UK's social mobility to the average level across western Europe would increase annual GDP by 2%. That, at 2016 values, equated to around £39 billion—by coincidence, almost exactly the same as that year's entire education budget. Even increasing social mobility to the level of the next best-performing country, the Netherlands, could produce an increase of around 1.3% in GDP. I believe that this is what my noble friend Lady Massey had in mind when she talked about the economics of early intervention. These are huge sums that could make a huge difference to the resources available to Government to improve the lives of not just the most disadvantaged.

A year ago, the Department for Education published its plan to improve social mobility through education, *Unlocking Talent, Fulfilling Potential*, to which the noble Baroness, Lady Bull, referred. It contained a pledge to form a partnership with Public Health England to enable health visitors and other early years practitioners to identify and support children's early speech, language and communication needs. The plan stated:

"We will develop training and guidance to support these professionals in targeted areas. And we will also develop an effective early language assessment tool for health visitors and early years practitioners to help to check children's early language development".

That is a worthy aim, but where does that pledge stand today in terms of its rollout?

Many noble Lords have highlighted that how children develop at an early stage in their lives is crucial for their future health and well-being. The parent-child relationship is vital to children's development, learning, achievement and wider well-being. Poor parenting is a risk factor for mental health problems, while good parent-child relationships reduce the risk of children adopting unhealthy lifestyle choices. It is impossible to overemphasise the impact on the youngest children that high-quality early intervention can have on later life chances. A child's development score at just 22 months can serve as an accurate predictor of educational outcomes at 26 years.

Of course, the main aim of the Sure Start programme, introduced by the Labour Government 20 years ago, was to help parents to provide children with the best possible start in life through improvement of childcare, early education, health and family support, with an emphasis on outreach and community development. When Labour left office there were over 3,600 children's centres, reaching 2.8 million children and their families. It was a remarkable achievement for families, providing parenting support, childcare for children and job training for adults, as well as healthcare and advice.

Under the coalition and Conservative Governments, 1,200 Sure Start centres have been lost. The charity Action for Children found that budgets for children's centres across England have dropped by £450 million in the last five years—a decrease of 42%. The Sure Start programme was hugely successful in integrating early learning and childcare for a minimum of 10 hours a day, five days a week, 48 weeks a year. It is deeply depressing to see it withering on the vine under this Government—a symbol of their failure to support disadvantaged families. As my noble friend Lady Massey said, the Government's alternative of family hubs is a much less-focused offering, often outwith the community in which a family is based, which naturally restricts the extent to which they are used. The policy driving these hubs is cost saving—the austerity to which my noble friend Lady Young referred—not early intervention.

Unlocking Talent, Fulfilling Potential contained five core ambitions, the first of which was addressing early years and closing the "word gap". That is a crucial task, because children who are behind in language development at five or six are less likely to reach the expected standard in English at 11. They are much less likely to achieve the expected level in maths. Children who arrive at school in a strong position in terms of their development will find it easier to learn, while those already behind often find it impossible to narrow, far less close, the gap.

In that document, a commitment to a £100 million investment to help close the gap between disadvantaged children and their peers was set out. That is a very modest sum. In fact, it is merely a quarter of the amount the Chancellor announced, some might think rather patronisingly, three days ago for "little extras" in schools. Does the Minister seriously believe that £100 million will have any appreciable effect on closing that gap? If so, it would be enlightening to hear what little extras he envisages that money might fund.

[LORD WATSON OF INVERGOWRIE]

Getting the right workforce is key to the delivery of childcare in early years, to provide the interventions that can make a real difference to a child's development. Earlier this year, a report by the Education Policy Institute found that there are risks to the quality, capacity and sustainability of providers in that sector, where pay is typically lower than in other sectors of the economy and much lower in PVI's—the private sector—than in school-based settings. The workforce still suffers from low status in society and in the education system itself, making it difficult to attract qualified staff.

We certainly endorse the Sutton Trust's recommendation that the Government should move towards early years teachers having qualified teacher status, with the increase in pay, conditions and status that would entail. That point was made by the noble Baroness, Lady Tyler. Labour believes that the workforce will need to be expanded if we are to move to a system that offers not just childcare but high-quality early years education, a workforce with high qualification levels, and graduate leadership in settings. Our aim is to bring about a transformation in the early years workforce, with all staff qualified to level 3 or working towards that level of qualification, and a strengthened role for level 4 and level 5 qualifications to create clear progression routes for staff. The target is a ratio of one graduate per 10 children for two year-olds and under, and one graduate per 17 three and four year-olds. A Labour Government will introduce a national education service, with one of its key developments a focus on early intervention, with a funding rate allowing childcare providers to invest gradually in upskilling their workforce as more staff gain the necessary qualifications.

As my noble friend Lady McIntosh said, warm words and good intentions are not enough from the Government. As far as Labour is concerned, it is a question of political ambition. We state clearly that we have that ambition; if the Government have it, they do a passable job of keeping it hidden. The Minister's Government like to talk the talk on social mobility and early intervention. It is long past time they began to walk the walk. I am happy to echo the words of my noble friend Lord Pendry, who said that if they cannot demonstrate that they are a caring Government, they should make way for one who will.

1.29 pm

The Parliamentary Under-Secretary of State, Department for Education (Lord Agnew of Oulton) (Con): My Lords, I congratulate the noble Baroness, Lady Massey, on securing this important debate. I am grateful for this opportunity to set out the Government's actions to improve children's social mobility and life chances through early intervention. We have had many serious contributions today and I will attempt to answer the many questions that have been raised, but if I am not able to answer them all I will, of course, write to any noble Lords I have missed.

The Government are committed to early intervention and building the evidence base to underpin it. Early intervention means effective prevention, identification and evidence-based intervention across multiple professions, which places the child at the centre. The noble

Baroness, Lady Massey, and the noble Lord, Lord Watson, are right that early intervention saves money and saves wasted lives. We can all agree on that. I welcome my right honourable friend Andrea Leadsom's ministerial working group, which will review how to improve the support available to families in the first two years of a child's life. Early intervention is a cross-government concern.

Research suggests that there are short and long-term educational and socioemotional benefits of attending early childhood education and care. This Government have prioritised investment in early education. This includes 15 hours of free early education per week for all three and four year-olds and an additional 15 hours per week for three and four year-olds of working parents. Since 2013 we have invested over £2 billion in early education for disadvantaged two year-olds and nearly 750,000 children have benefited from this. I take on board the comments of the noble Baroness, Lady Morgan, about the high salary entitlement that can trigger this support and I will certainly refer this to the Treasury for the next spending review.

The noble Baroness, Lady Bull, and the noble Lords, Lord Watson and Lord Russell, asked questions on early years and I hope I will be able to address their points. The noble Lord, Lord Russell, asked what assessment will be made of whether new spending on preschool children is improving social mobility. The free entitlements are just one part of the overall package for social mobility in the early years. We announced a range of initiatives to support disadvantaged children in our social mobility action plan, *Unlocking Talent, Fulfilling Potential*, investing £100 million across early years programmes, and we will be evaluating the impact. To answer the question of the noble Lord, Lord Watson, we are in the process of raising a tender exercise for that at the moment.

We are determined to close the gap between disadvantaged children and their peers and the early years are crucial to getting this right. The gap for children achieving a good level of development continues to narrow, from 19 percentage points in 2013 to 17 percentage points in 2017. We continue to monitor the progress of children in early years through the publication of the early years foundation stage profile. The study of early education and development also began in 2013 and is following almost 6,000 children between the ages of two and seven to understand the benefits of early education and care in England.

The noble Lord, Lord Watson, asked that we ensure that nursery settings are led by someone with a relevant degree-level qualification. We recognise the importance of having a highly skilled early years workforce. Recruiting graduate early years teachers into the private, voluntary and independent early years sector remains a challenge, despite significant investment by successive Governments since 2006. It is therefore important that we consider complementary approaches to developing the skills of the early years workforce. This is why, as announced in the social mobility action plan, we will be investing £20 million in early years professional development activity in disadvantaged areas. We remain committed to ensuring that there are routes to graduate-level qualifications into the early years sector, as well as the

existing early years initial teacher training programme that offers funded places and bursaries. We will also be developing apprenticeship pathways, enabling those in the early years workforce to progress up to a graduate-level qualification.

The noble Baroness, Lady Bull, asked how we will prioritise the potential for the early arts as a method of learning. Expressive arts and design is one of the seven areas of learning in the early years foundation stage. It provides a framework for teachers to assess how children's artistic, creative and imaginative development is progressing, reflecting the importance of creativity in the early years. Expressive art and design is one of the most important ways for a young person's mind to develop. I reassure all speakers today that the Government are focused on that.

The evidence is clear that the home learning environment is one of the biggest influences on a child's vocabulary at the age of three and that its quality varies depending on socioeconomic and other factors. We are committed to supporting parents to improve the quality and quantity of adult-child interactions to help unlock the power of learning in the home. That is why we are holding a summit this month where we will convene businesses, broadcasters and a broad range of other organisations to launch a coalition to explore innovative ways to boost early language development and reading in the home. We recognise the importance of growing the evidence base and are working with the Education Endowment Foundation on a £5 million trial of evidence-based home learning support programmes in the north of England.

Local authorities sit at the heart of delivering effective early intervention services. We want to support this, which is why we are working with the Local Government Association to develop our early years local government programme, which is worth £8.5 million. The programme focuses on improving how the local services that work together to improve children's outcomes in the early years are delivered, with a particular focus on early language. Children's centres have an important role to play, but it is right that local councils continue to decide how to use them as part of their wider system of local services.

The noble Lords, Lord Loomba and Lord Touhig, and the noble Baroness, Lady McIntosh, all mentioned the importance of early intervention. Good-quality relationships between parents are critical for child outcomes. The reducing parental conflict programme will support all local areas to embed parental-conflict support into wider services for children and will work to ensure that evidence-based interventions are more widely available. We know that alcohol misuse can severely impact on parental conflict, which is why we are investing £6 million to improve the outcomes of children of alcohol-dependent parents.

We have committed over £920 million to the troubled families programme from 2015 to 2020. This focuses on preventive services and aims to achieve significant and sustained improvement for up to 400,000 families with multiple high-cost problems by 2020. The programme, delivered through local authorities and their partners, advocates a whole-family integrated approach across multiple services.

In addition to targeted work, we have national health programmes that support early intervention. These include the healthy child programme, which aims to identify issues early. It is led by health visitors and includes five mandated health reviews, advice, guidance and support to improve outcomes and to support the families of children from birth to five years. Building on this, my department is working in partnership with Public Health England to equip health visitors to support families with early language in the home and ensure that any speech delays are picked up early and the right support put in place.

Engagement with maternity services may be the first time that a woman experiences regular and in-depth interaction with the health and care system. The maternity workforce is well placed to support the long-term health and well-being of women and their babies. In March 2018 we announced a pledge to give the majority of women continuity of care from the same midwives throughout their pregnancy, labour and birth by 2021. The maternity transformation programme led by NHS England is leading system-wide activity to improve well-being, reduce risk and tackle inequalities from the preconception period through to eight weeks after birth. The Government are also investing £365 million between 2015 and 2021 in perinatal mental health services to improve outcomes for mothers and children.

There has been a tremendous focus on children's mental health from speakers today. The noble Baroness, Lady Young, and the noble Lords, Lord Haskel and Lord Touhig, all raised this important area. One important initiative is Public Health England promoting local adoption of what is known as the prevention concordat for better mental health, which focuses on galvanising action to prevent mental health problems and promote good mental health in all local areas. The design is consciously cross-sector so that professionals from a diverse spectrum of organisations can engage and play their part.

The noble Baroness, Lady McIntosh, asked about the amount of financial capacity in the system. We have announced a package of some £300 million for children and young people's mental health: £215 million from the Department of Health and Social Care for mental health support teams and £95 million in DfE funding for training designated senior leads for mental health in schools.

The noble Baroness, Lady Young, asked about the impact of outdoor schools on mental health. I congratulate the noble Baroness on her involvement in this area. There is no doubt that exposure to open countryside has an enormously positive impact on young people. The early years foundation stage picks up elements of attachment through personal, social and emotional development. As part of this stage, providers must provide access to an outdoor play area or, if that is not possible, ensure that outdoor activities are planned and undertaken daily. On a personal note, I am the Minister who deals with any application for disposal of land in schools, and I have made it very clear to all schools that apply to me that disposals are conditional on improvement of sporting facilities in those schools.

[LORD AGNEW OF OULTON]

The noble Baronesses, Lady Massey and Lady Young, and the noble Lord, Lord Pendry, asked about obesity. I have to express a slight conflict of interest here: as a farmer who grows 3,500 tonnes of sugar beet a year I am slightly on the other side, but I absolutely support the obesity strategy, through which we aim to take 45 million kilograms of sugar out of the food system every year. It is absolutely clear to me that sugar is highly addictive: I am certainly one of its victims and I fight the addiction every day. The more we can do in the early stages for children, to remove that dependency on sugar, the better. It astonishes me that you can buy fizzy drinks in supermarkets for less than you pay for bottled water.

We want to support all young people to be happy, healthy and safe. This is why we are making relationships education compulsory in all primary schools, relationships and sex education compulsory in all secondary schools, and health education compulsory for primary and secondary state-funded schools. In health education, there is a focus on avoiding the damaging effects and risks of drugs and excessive alcohol. The Government are committed to supporting the life chances of children who need particular support from the state. Children in need and looked-after children fall behind from the early years, and these poor outcomes are entrenched throughout childhood and adolescence.

Since the Munro review of child protection in England, which highlighted that the use of evidence is fundamental to social work, the Government have prioritised innovation, learning from evidence and best practice. We have invested almost £200 million since 2014 in the children's social care innovation programme to develop, test and spread innovative new ways of supporting vulnerable children and improving their outcomes. Through the children in need review, we are building the evidence on what works to improve the educational outcomes of children in need, both in and out of school. We are seeking to understand why their educational outcomes are so poor and what needs to be in place to achieve consistently better educational outcomes.

The noble Baroness, Lady Young, asked about the impact of funding on social care demand. The drivers of demand are complex: for example, the sector-led care crisis review found many overlapping factors contributing to the rise in care proceedings and children entering care. There is not a uniform picture but instead, significant variation. We have invested almost £270 million since 2014 to help local authorities learn from what works and to support improvements. We have invested in the Early Intervention Foundation to help build evidence in early intervention strategies. We have invested £10 million since 2014 in the What Works Centre for Children's Social Care to improve the evidence base in children's social care, with the aim of translating this into better practice. In the autumn Budget the Government announced £84 million in targeted, evidence-based interventions, with the aim of reducing demand and saving money for local authorities. Most importantly, this is about improving the quality of services for our most vulnerable children.

Through our partners in practice programme, we are working with 20 of the best local authorities to deepen our understanding of what excellent children's

social care looks like and working with other local authorities to improve their practice through sector improvement support. A number of speakers asked about this. The noble Lord, Lord Russell, asked about the APPG. I give recognition to the noble Baroness, Lady Tyler, as co-chair of the APPG for Children's report, *Storing Up Trouble*. Since 2010, 45 of what were previously inadequate local authorities in which we have intervened have left inadequacy behind and not returned. This is not intervention for intervention's sake but improving the lives of children and families. Recently we have gone further, investing £20 million in regional improvement to get ahead of failure.

Our partners in practice programme, which, by the way, has now grown to include 20 of our best authorities, is sharing and spreading excellence across the country. The APPG report recommends that the department works with the What Works Centre for Children's Social Care and sector partners to evaluate new and developing approaches to meeting the needs of children and families. I am pleased to say that this is already happening. An early priority for the What Works Centre is to understand what works to safely reduce the need for children to enter care and to build our confidence that children are entering care only when that is the best option for them. There are promising signs emerging from our £200 million innovation programme.

On the question from the noble Baroness, Lady McIntosh, about the lack of capacity, since the 2015 spending review we have made more than £200 billion available up to 2020 for councils to deliver local services. This includes children's services. Funding is important but so is how it is used.

My noble friend Lord Farmer mentioned the boarding school partnerships initiative. I am a huge supporter of this and tried very hard to raise its profile across government and, more importantly, across local authorities. Like my noble friend, I too was in a boarding school. My parents' marriage collapsed and it was that stability and continuity that gave me the courage to continue my education. My noble friend raised the statistics that came out of the report, albeit a small one, from Norfolk. The figures are very powerful, particularly on outcomes—the percentage of children who came off the register as well as the overall cost. I am endeavouring to increase local authorities' awareness of this. Almost 60 boarding schools have now committed to bursaries and to helping vulnerable children. My particular focus here is looked-after children who, as we know, get a very raw deal in life.

The noble Baroness, Lady Massey, asked whether I agree that the school system is vital in preparing the whole child, as I would describe a young person. The Government have invested more than £12 billion in the pupil premium over the last seven years, particularly aimed at the most vulnerable members of society. The Progress 8 measure is aimed very much at encouraging schools to lift up lesser-attaining pupils when they enter school. I accept that data can be somewhat dry, but from my business experience, what gets measured gets done. We are seeing some tremendous improvements in these areas.

I commend my noble friend Lord Baker for his passion for education and for everything he has done in his long career in politics. No Peer in this Chamber has spent more time in my office in the last year than my noble friend. I share his passion for technical education. We cannot always agree on everything, but I have tried very hard to help as much as I can. The UTC programme is important, dealing with a cohort of children who are clearly more suited to a technical education. I do not believe that the picture is as bleak as he paints: we now have the T-level programme, to which we are committing some £500 million a year. The EBacc programme, which I know is controversial in this House, is aimed particularly at those from less advantaged backgrounds whose ability to go to good universities is restricted.

Baroness McIntosh of Hudnall: My Lords, I know the noble Lord is coming to the end of his remarks, but I hope we have enough time for me just to say that it is not controversial in this House only; it is controversial at large. There are very many people who believe that the EBacc is misguided in the narrowness of its base.

Lord Agnew of Oulton: I accept that the noble Baroness says that it is controversial; we will have to agree to differ at this time. I would like to pick up on a slightly more positive issue that she raised in the debate on music and facilitating subjects the other day. I have spoken to two Ministers in the department since, and have agreed that we will write to some universities to test their appetite for adding music A-level to the facilitating subject range.

I apologise, I am running out of time, but I want to say I am very grateful to all noble Lords who have spoken today. All of you have shown great passion and expertise in this area. We all agree that early intervention is vital to promote children's attainment, health and well-being through their lives. The Government, across departments, will continue to make progress on this agenda, to improve the life chances of this nation's children, particularly those in the most need of support.

1.50 pm

Baroness Massey of Darwen: My Lords, I thank the Minister for that response and for his sincerity. He will recognise that too much is not working for families and young people, and that what gets measured does not necessarily get done. I thank all noble Lords for their contributions. I will not focus on any single noble Lord; they know who they are and they have helped me to develop some conclusions. I said at the beginning of this debate that I thought—rather selfishly—that noble Lords would say what I wanted them to say. Well, they have, and they have done more: they have been brilliant. They have provided many examples and anecdotes of which we should take note. The debate has been thoughtful and powerful. I wish it had been a seminar, rather than a series of speeches. We may have got a lot out of talking to each other.

I have a number of things to say to the Minister; one is a request. First, we should tackle the social determinants of health and education, such as poverty and homelessness, as a matter of priority.

Secondly, we should ensure that young people's education, at every stage, is broad and balanced—many people have said this—recognising that an over-emphasis on drilling pupils to pass tests is counterproductive and may result in mental health deficiencies. Young people do better all round, including academically, when their education contains, yes, intellectual challenge, but also when it focuses on the arts, physical activity and social skills.

Thirdly, the Minister has touched on how we have loads of measurements and analyses. Can we please look more at what works. The Minister did mention this—I do not think we do enough of it. We have many brilliant and successful examples at a local level of people working with children and parents. Let us look locally seriously; we cannot keep depriving local authorities of funding. They are where it happens. They are currently unable to support young people and their development. They are forced to focus on crisis, rather than creativity and action.

Finally, would the Minister be prepared to talk to me and others about developing a national holistic policy for children and youth, which would be cross-governmental and involve our many excellent NGOs and other stakeholders? Such a policy might provide a holistic focus on action, rather than just words. With that, I beg to move.

Motion agreed.

Gambling: Fixed-Odds Betting Terminals *Statement*

1.54 pm

The Earl of Courtown (Con): My Lords, with the leave of the House I will repeat a Statement made by my right honourable friend the Secretary of State in the other place:

“The Government do not have a new approach to fixed-odds betting terminals. The reduction in stakes for FOBTs is an important change and the right thing to do, but there are several factors to consider in determining the date from when it should take effect. The most important of course is to do this as soon as possible to prevent further harm. The Government were urged in an Early Day Motion in June of this year by the FOBT APPG not to wait until April 2020 to do so, but it was also right to consider planning to reduce the effect of job losses for those working in betting shops on the high street, and to allow time for that planning to take effect.

It also has to be recognised that, right though this change is, money for public services coming from use of FOBTs has to be replaced or public services will have less funding. The Chancellor has decided to do that with an increase in remote gaming duty, and it is right that this increase happens at the same time as the FOBT stake change.

There also needs to be a proper period of notice, after setting the new rate, before that change to remote gaming duty takes effect. The Government have therefore concluded that October 2019 is the best date to make both changes. However, the Government have always

[THE EARL OF COURTOWN]

made it clear that the issue of problem gambling is complex and cannot be addressed through these measures alone. So work has been continuing to strengthen protections around gaming machines, online gambling, gambling advertising and treatment for problem gamblers. The Gambling Commission launched a consultation on protections around online gambling last month, and this examines stronger age-verification rules and proposals to require operators to set limits on consumers' spending until affordability checks can be conducted.

There will be tough new guidance from the Committee on Advertising Practice on protecting vulnerable people, with further guidance on protecting children and young people introduced before the end of the year. Public Health England will carry out a review of the evidence on the public health impacts of gambling-related harm. As part of the next licence competition, the age limit for playing National Lottery games will be reviewed, to take into account developments in the market and the risk of harm to young people.

While we want a healthy gambling industry that contributes to the economy, we also need one that does all it can to protect players. This is a significant change that will help stop extreme losses by those who can least afford it, and we are taking decisive action to ensure we have a responsible gambling industry that protects the most vulnerable in our society”.

1.57 pm

Lord Stevenson of Balmacara (Lab): My Lords, I am grateful to the Minister for responding on behalf of his colleague in DCMS on this matter. But this is a disgraceful situation. After two years of consideration, it was finally dragged out of the Government that there should be action taken against FOBTs—and it is now going to take two years until we can implement it. This does not seem the right way to approach something which is recognised in the Statement, and by all in this House, to be a really significant problem in need of urgent remedy. We are not talking just about the personal cost to people who are involved in problem gambling—an issue that we will come to in a later debate today. It is not just because of the loss of funds that flow out of families affected by this. It is also that these machines—situated, as they are, on the high street—are a blight on many of our local communities. They cause problems simply because of their presence, and they are funded largely by the FOBT income that they get.

This is, as the Minister said, a complex issue, but it is complex in a more complicated way than he was prepared to admit—even though we have, in the Statement in the other place that was read out to us today, what effectively amounts to a campaign against problem gambling. We in this House have been arguing for this for several years. Now, at last, it is beginning to get some shape, only because they seem to be embarrassed about their inability to replace lost income in a rather confusing world which requires there to be equity in this area of support and not in other areas of our public life.

We have not ignored the issues that the noble Lord mentioned. Of course problem gambling—which we will discuss in the QSD that is about to start—is made

up of very different elements of activity, including education, social organisation and the way in which it has to be treated like a drug: it is an addiction but a substanceless one. Without a much broader approach, none of this will work effectively. If we get a proper policy initiative out of this which will deal with all the aspects that I have mentioned, some good will obviously have come of it. But it is absolutely disgraceful that the Government are taking so long to implement something which clearly needs to be sorted today.

When the Government responded on the FOBTs issue, they were also asked to consider the wider question of whether they wished to look at the playing of casino-type games on machines such as FOBTs. There is evidence that that is also causing harm—but they chose not to act on it. Will the Minister confirm whether action will be taken on that, because it is a scandal waiting to happen?

The Earl of Courtown: My Lords, I thank the noble Lord, Lord Stevenson, for his questions. He talked about a number of things involving problem gambling, a broader approach and other games. I will start where he ended. In so far as other games are concerned, one must remember that it is clear that gambling-related problems are related not just to one product. This was taken into account when, in May, the response to the *Consultation on Proposals for Changes to Gaming Machines and Social Responsibility Measures* set out a comprehensive package of measures covering changes to the stake on B2 gaming machines, online gambling, advertising and research, and education and treatment. I will write to him with more detail on that issue.

As far as the timing of regulations is concerned, we have said that we intend to lay the draft regulations for the usual process of approval as soon as possible. We would expect operators to look to bring in the changes as soon as possible as well. In the meantime, we would expect them to look at their businesses and prepare them for the introduction of the stake reduction, to mitigate any impact. As the noble Lord is aware, I have stood at this Dispatch Box on a number of occasions on this issue and I am perfectly aware of the feelings around the House.

Lord Clement-Jones (LD): My Lords, I cannot help but agree with the noble Lord, Lord Stevenson: this is disgraceful. The Chancellor has entirely resisted and ignored a powerful cross-party body of opinion. There is a kind of Alice in Wonderland quality about the Statement. It says:

“There also needs to be a proper period of notice, after setting the new rate, before that change to Remote Gaming Duty takes effect. The Government has therefore concluded that October 2019 is the best date to make both changes”.

What is the logic of this? I see no particular reason. Is it because the Government have bought the bookmaking industry's case in the series of red herrings that it put forward? It was talking about the time to implement technically and time to make preparations, all of which has been punctured by the all-party group on gambling abuse. The question of job losses has been punctured by not only the Landman Economics report but the CEBR report. In fact, the industry now derives 43% of its income from online gambling. The economic and

the moral arguments, which were very well put by the noble Lord, Lord Stevenson, are very important in these circumstances, as are the societal arguments.

I have some questions for the Minister. First, what is the view of the DCMS Minister in this respect? Pledges were made by Tracey Crouch on this matter. Has she made a separate statement from that of the Treasury? I have seen no such statement. Secondly, has an independent outside assessment been made of the human costs of the delay involved, including the possible fatalities? Thirdly, was any independent economic advice taken or even a review made of the CEBR report? That report says not only that the gambling industry will be handed hundreds of millions in extra revenue, but that if the Treasury had brought forward the date further then it would itself benefit. We are in an Alice in Wonderland situation where the Treasury is making a decision which confounds all moral, societal and economic logic. I look forward to the Minister's reply.

The Earl of Courtown: My Lords, I will be brief because other people no doubt want to get up as well. The noble Lord, Lord Clement-Jones, mentioned that we are in essence supporting the gambling industry on this. Nothing could be further from the truth. We have to take the job losses into account. We are interested not in the profit margins of the gambling industry but in trying to mitigate any job losses that happen in the future. I repeat what I said in the Statement: the Government were urged in an Early Day Motion in June by the FOBT APPG not to wait until April 2020 and we are not doing so. He also mentioned my honourable friend the Minister for Sport. I have had the great pleasure and honour of working with her for a number of years and she is an exceptionally fine Minister.

Lord Alton of Liverpool (CB): My Lords, what will the tax yield be from delaying this between now and implementation? What funds will flow into the Treasury which would not otherwise have come and might that money be used to support the voluntary levy, which is inadequate to help charities such as GambleAware to deal with gambling addiction? Does the noble Earl contest these figures from GambleAware: that there are 430,000 problem gamblers; that around 500 suicides annually are linked to gambling; and that 2 million may be at risk from gambling? Will he return to the question that I asked on Tuesday about how advertising is directed unscrupulously at children and young people, especially through things such as virtual games?

The Earl of Courtown: My Lords, I will try to be as quick as I can. My noble friend Lord Younger answered the noble Lord's question earlier this week but it is important that advertising is restricted, particularly when pinpointing younger people. For example, the sports clothes worn by young people are not allowed to have the advertising logos of some of the gambling companies that sponsor sport. The noble Lord also asked a number of questions relating to the tax take and so on. I do not have that information to hand and I will write to him on that issue.

The Lord Bishop of Portsmouth: My Lords, may I briefly make two points? The Minister has indicated that he is aware of the strong feelings in this House.

He and other members of Her Majesty's Government must have been aware, particularly on Tuesday when this matter arose at Question Time, that that concern comes from all sides of this House. He may not be aware that after playing a part on Monday, as I sat in the Commons Gallery for the Chancellor's Autumn Budget Statement, I used the word "disappointed" about the Chancellor's decision to delay implementing this change. The Minister may not be aware that the most reverend Primate the Archbishop of Canterbury has subsequently gone further and described it as appalling. On a slightly more positive note, there was an indication in the other place in response to a question from Peter Bone MP that there would be consideration of a clampdown on gambling advertising. Can we be quite clear whether that is part of what the Government are considering?

The Earl of Courtown: The right reverend Prelate is quite right that there will be further restrictions on how gambling advertising will be allowed—I will have to write to him on the exact details—particularly with vulnerable people in mind; and that, so far as the effects of gambling are concerned, it is important to have the right structure to support individuals.

Gambling: Addiction

Question for Short Debate

2.10 pm

Asked by The Lord Bishop of Portsmouth

To ask Her Majesty's Government what steps they are taking to (1) reduce the number of problem gamblers hospitalised each year, and (2) protect vulnerable people from gambling addiction.

The Lord Bishop of Portsmouth: My Lords, the right reverend Prelate the Bishop of St Albans has had, at very short notice, to remain in his diocese. He apologises for being unable to be here and to ask this Question. On his behalf and with his permission, I beg leave to ask the Question standing in his name on the Order Paper. He and I are grateful to those participating in this short debate, and look forward to their contributions.

There is a seamless transition between the last item of business and this one. The right reverend Prelate's interest in this subject comes from the people who have contacted him directly to explain how gambling has destroyed their lives. The Church has often campaigned on behalf of victims, and we on these Benches want to contribute towards some solutions.

First, I make a few points on the nature and extent of problem gambling. Many people—many of us—enjoy a flutter. The most recent health survey statistics for England reveal that more than half the population have engaged in some form of gambling in the past year. However, about 300,000 people are classified as problem gamblers and 3.6% of the population—around 1.6 million people—are at "low or moderate risk" due to their gambling. These are likely to be conservative estimates, with some research concluding that there

[THE LORD BISHOP OF PORTSMOUTH]
are around 430,000 problem gamblers in the UK. Last year, almost 30,000 people called the national gambling helpline, the highest number of calls it has ever received.

Research also suggests that problem gamblers are more likely to be found in areas of deprivation; among people on lower incomes; among the homeless—more than 10% of those without homes are problem gamblers—among the unemployed; among those with mental health issues; among people with “low intellectual functioning”; among people from some minority-ethnic groups; and among children and teenagers. It is not just the problem gambler who suffers, however: it is thought that, for every addict, between six and 10 other people—family, friends or neighbours—are also significantly affected.

In the response to a Written Question from the noble Lord, Lord Chadlington, we discovered that for the first time the UK has seen more than 100 people hospitalised due to gambling addiction, a number that has increased by more than 60% over the past five years. Problem gambling costs the National Health Service between £260 million and £1.2 billion every year.

Then we come to the tragedy of gambling-related suicides. Statistics are a little hard to come by but it is estimated that between one and two suicides every day are wholly or partly due to gambling. The social, financial and human consequences of problem gambling are enormous.

What is to be done? The most immediate action required is for Her Majesty’s Government to bring forward the implementation date for the reduction in stakes on fixed-odds betting terminals from £100 to £2. It is a simple step for the Chancellor to do the right thing and bring the date forward. Secondly, Her Majesty’s Government need to ensure that we have properly funded independent research on problem gambling in this country. The voluntary levy on gambling companies is not working. Simon Stevens, head of the NHS, pointed out that some foreign-owned betting companies refuse to contribute to the £10 million fund to support treatment of gambling addicts. Worryingly, eight gambling firms whose names are on Premier League team shirts are reportedly refusing to contribute. Football risks being compromised by those close links with gambling.

Since it is now acknowledged that problem gambling is a public health issue, various public bodies should have a formal requirement placed on them to collect data. We should consider the possibility of, for example, local authorities identifying when gambling has been the cause, or one of the causes, of homelessness; of accident and emergency departments logging admissions linked to problem gambling; of coroners recording when gambling is one of the contributory factors in a suicide; of police call-outs linked to gambling being logged; of courts and prisons keeping records of those who claim that problem gambling has been one of the reasons for their offending.

I am sure that Her Majesty’s Government took note of the temperature of the Chamber at Question Time on Tuesday and in the House a few minutes ago. Noble Lords from all Benches expressed their frustration that the implementation date has been put back to next October. It is a simple step for the Chancellor to do the right thing and bring the date forward.

We need, also, to find ways to roll out best practice more widely. The Young Gamblers Education Trust is doing excellent work in schools, and its programmes need to be more widely available. The Local Government Association is considering how existing legislation can be implemented more effectively and how public health teams, health and well-being boards and clinical commissioning groups can better co-operate to address this issue.

Finally, we need to take a fresh look at the Gambling Act 2005. The world has changed very significantly in the last 14 years, not least in the way that many gambling companies that operate here in the UK have moved offshore. They have tended to privatise their profits while nationalising the social and financial costs. Through levies and other forms of taxation they need to make a fair and equitable contribution to the costs of supporting and treating those with gambling addictions. I am pleased that Her Majesty’s Government are now looking into that area. That review also needs to take into account, as I mentioned a few minutes ago, the extraordinary growth in gambling adverts. I am sure that other noble Lords will wish to comment on this area.

Another aspect of the review should be a close look at online games. While the majority of these are within the strict letter of the current law, they are socialising and normalising the gambling experience among young people. This area is a minefield. Some “loot boxes” are nothing more than a means for the player to buy merchandise. However others are, to all intents and purposes, gambling by another name. It is clear that this normalisation of gambling may have a negative impact on the next generations and condition them in dangerous ways.

The best way forward is for this House to undertake post-legislative scrutiny of the 2005 Act to see whether it is still fit for purpose or needs amending. To that end, the right reverend Prelate the Bishop of St Albans will host a meeting in the House on 20 November to discuss the topic.

I look forward to the speeches that follow and hope that we can make significant progress in confronting and ameliorating problem gambling in this country.

2.19 pm

Baroness Bloomfield of Hinton Waldrist (Con): My Lords, I am grateful to the right reverend Prelate the Bishop of St Albans for securing this timely debate and to the right reverend Prelate the Bishop of Portsmouth for taking over at such short notice. The debate is timely because today is the start of Responsible Gambling Week. I commend the right reverend Prelate the Bishop of St Albans for his consistent work in this area, as I commend others present here today, notably my noble friend Lord Chadlington, in whose name we debated gambling advertising last year.

I plan to speak only briefly on this subject, on which noble Lords will know I have been a regular contributor, particularly on reducing the stakes on FOBTs and on the industry’s too-prominent advertising at sporting events. I should also put on the record the recent support secured from Bet365 for the Royal Marsden Hospital, of whose campaign board I am a member.

The more we can highlight gambling addiction and bring it to the attention of the Government, the public and, of course, the industry itself, the greater the chances of slowing the spread of this severe mental illness and researching ways in which it can be successfully treated. Simon Stevens describes gambling addiction as one of the new threats facing the NHS. An estimated 430,000 people in the UK have a gambling problem. We can argue about whether this is a stable or a rising number, but the truth is that each statistic can represent a family in emotional and financial crisis. The link between problem gambling and stress, depression and other mental health problems is proven, so the extra £2 billion announced in the Budget to support mental health is welcome.

DSM-5, or the *Diagnostic and Statistical Manual of Mental Disorders*, identifies persistent and recurrent problematic gambling behaviours based on nine depressingly observable patterns, any four of which lead to significant impairment or distress. GambleAware is the charity funded by the industry to provide finance for research, education and treatment in relation to gambling. For an industry with a total gambling yield of £13.9 billion, this year's target of raising only £10 million for this purpose seems a little meagre and, as we have heard, many of the foreign-based online firms are not contributing at all. I acknowledge that many firms invest much more than this in training for their staff and in developing algorithms to identify those with a problem at an early stage, so at least, if not more, important will be the way the industry can focus its efforts on spotting the early signs of addiction. The commitment to reducing gambling-related harm is not a competitive exercise. It is a lot easier for land-based companies to spot problems. There are generally layers of fully trained staff between the entrance and the gaming tables who can spot visible signs of stress or anger and engage face-to-face with an individual in crisis.

There are other harm-minimisation initiatives. Through the Remote Gambling Association, companies across the online industry are working together towards the development of good practice guidelines around responsible gambling. Such companies have systems to track gambling behaviour in real time, identify indicators of problematic activity and then interact with the customer. It is harder to do this online, but that is no reason not to invest in research into more innovative ways of doing so.

All companies—except bookies, which appears a very strange anomaly—are subject to money laundering regulations, including “know your client”. This industry is already heavily regulated but there is even more the Government could be doing to focus on the prevention and control of addictive behaviour. While I wholeheartedly welcome the announcement on restricting the stake on FOBTs to £2, why on earth not for another year? There are 35,000 of these machines located in Britain's bookmakers. The industry claims that complex technical adjustments need to be made, but these can be done within months. GambleAware research identifies that around 80% of FOBT gamblers exhibit problem gambling behaviour at stakes in excess of £13 per spin, so while problem gambling rates may not be rising, it is important to distinguish overall figures from the capacity of

these machines to do harm. Frankly, I am appalled by the delay in implementing a bold and almost universally popular move by the Government.

Be in no doubt about the cost to the UK economy and to the health service of not tackling these issues. The Centre for Economics and Business Research estimates that the cost of problem gambling is some £1.5 billion a year when its impact on wider social welfare is taken into account, including areas such as employment, mental health and financial stability. It is purely a tragic coincidence that the delay in reducing the stake on FOBTs will hand the bookies a £1.8 billion windfall.

2.24 pm

Baroness Benjamin (LD): My Lords, I am grateful for the opportunity to speak in this debate to highlight the fact that the number of young people taking their lives because of gambling addiction is becoming a disastrous epidemic. For many years now Odds/Off has advocated change regarding young people and gambling because research shows a direct correlation between young people's mental health and well-being and gambling.

It is not rare for university students to fall victim to gambling addiction. We do not have the true statistics because a lot of students are embarrassed. Some tell their parents, who pay off their debts in secret to avoid outsiders' judgment. Some decide that life is just not worth living any more because they have spent all they have on gambling. The Gambling Commission has said that if the results are reflected across the UK, just over 100,000 students may be in some form of gambling debt. The gambling culture in universities is huge, yet it is treated as harmless. Those involved with Odds/Off have seen it first-hand. Just recently, one student told it about how they gambled with their rent and lost it all. Students are struggling financially due to further education costs. So what do they do? They desperately try to make more money, so they turn to gambling, which they see as an easy form of making money, but we all know that in reality there is only one winner: the gambling companies. Anxiety and stress cloud judgment and before students know it, they are problem gambling themselves into devastating debt. So many students have gone down this path. One casino in Leeds is less than 200 yards from student accommodation. It is no coincidence that its bright lights can be seen from the windows of the students' accommodation. The “Victoria Derbyshire” programme found that one of the UK's biggest casino brands, Grosvenor Casinos, runs a student poker league and offers free drinks and student discounts at casinos. Betting apps on mobile phones make it even easier for students to spend their entire bank balance in bed while nursing a hangover. This is not a rare occurrence.

A large majority of addicts start gambling aged between 11 and 16. Many problem gamblers start gambling at this age and do not fully understand the seriousness and reality of this dependency until it is too late. Gambling addiction devastates lives under the radar and is extremely embarrassing, especially for pre-teens and teenagers in secondary school. Having no income can force pupils into stealing for a stake and encourages out-of-character actions that will have a negative impact on home and school life.

[BARONESS BENJAMIN]

How can we stop this? To start, as a gesture to show that they are serious, the Government should immediately reconsider their decision and bring forward the date on which the maximum fixed-odds betting stake is lowered to £2. Awareness of the life-threatening effects of gambling needs to start in secondary schools. There must be more education about this danger, more awareness and abuse prevention. Gambling addiction should be given the same level of importance as drugs and alcohol, so PSHE classes should also cover gambling abuse and how to resist temptation. Such a crisis deserves some form of government funding and betting companies should be taxed to fund this service, perhaps by increasing the gambling levy. Odds/Off is doing what it can on very little, but the financial strain may eventually dictate that it cannot sustain its services and continue to make a difference to the well-being of children and young people.

We are dealing with a life-or-death situation. Without funding, services cannot exist. I truly believe that creating awareness at grass-roots level in secondary schools, which is what Odds/Off does, would result in a decrease in gambling-related deaths in young people. It would also prevent mental health disorders, as many cases of anxiety and depression in problem and ex-problem gamblers are brought on because of gambling and leave permanent mental scars. The NHS is already overburdened so let us not add to its weight of responsibilities. Let us put into practice preventive measures to deal with the epidemic of gambling addiction among our young people. This needs our urgent attention.

As I always say, childhood lasts a lifetime, so let us not create a life of misery for children and young people through gambling addiction as they progress into adulthood. We must not stand by and let that happen.

2.30 pm

Lord Alton of Liverpool (CB): My Lords, in preparing for today's debate, I was struck by some of the observations made by Marc Etches, the chief executive of the charity GambleAware, about the problem of collecting reliable data on the number of cases of people hospitalised as a result of problem gambling. When the Minister comes to reply, it might be helpful if she would tell us how the figures are compiled and what account is taken of comorbidity, which might include, for example, depression, anxiety or substance addiction. If the only issue is gambling addiction, GPs are not in a position to make a referral to an NHS-funded treatment centre. Why can that not be changed?

A better gauge for measuring the scale of the problem would be to look at the number of referrals to GambleAware or the national gambling helpline, which are the gateways to a network of charitably funded treatment services. The charity says that in the 12 months to 31 March 2018 its national problem gambling treatment service helped some 8,800 people, which it estimates is just 2% of the 430,000 estimated problem gamblers. It also believes that there are 2 million gamblers considered as being at risk of problem gambling. GambleAware has plans to triple the number of treatment places in the three years to 2020-21, including funding for a new northern problem gambling centre. However, I echo

the words of the noble Baroness, Lady Benjamin, a few moments ago: it cannot do these things without resources.

Surely it is a matter of principle that the highly profitable gambling industry should fund treatment for gambling addiction. I pressed the noble Viscount, Lord Younger of Leckie, on that very point on Tuesday, arguing that the voluntary levy should be compulsory, as many companies simply do not pay the voluntary one. I was disappointed that the noble Viscount once again repeated the mantra that,

“we do not intend to make it compulsory”.

He said:

“The voluntary system is working well at the moment”—

which many of us contest. At least he added,

“but we always keep it under review”.—[*Official Report*, 30/10/18; col. 1220.]

Perhaps this Minister could tell us how many companies pay the levy, which ones do not, and what the Government will do with the findings of the review that is to be undertaken. Will they also immediately raise the levy from 0.1% to 1%? That would provide a yield of £130 million to help those who have become addicted. GambleAware says:

“This national problem gambling treatment service needs to be expanded, better publicised, and integrated with NHS and other statutory services ...Gambling needs to be addressed as a public health issue”.

Last year the Chief Medical Officer for Wales focused on gambling addiction in his annual report. It would be good to know what evidence has been collected by his counterparts in England. Perhaps the Minister will be able to tell us. However, in the repeat of the Urgent Question earlier on, the noble Earl, Lord Courtown, said it was only part of the required strategy, and in many ways it is simply dealing with symptoms rather than causes.

We were all delighted, as the noble Baroness, Lady Bloomfield, reminded us, when the Government announced their readiness to reduce the stakes on fixed-odds betting machines from £100 to £2—but, as the noble Lord, Lord Stevenson, said in his intervention earlier, we were deeply disappointed that the new stakes will not come into effect for another 12 months. These machines are to be found in every community where there is poverty. They target and exploit the poor and for too long Governments have been complicit, happy to take their share of the stakes—hundreds of millions of pounds—while wholly aware of the extraordinary social costs involved. That is a dereliction of duty. I look forward to the reply of the noble Earl, Lord Courtown, who promised to answer my question on what the exact yield will be between this year and next as a result of not implementing this decision immediately.

Then there is the question of advertising, raised so often by the admirable noble Lord, Lord Chadlington, and others during our debate in Grand Committee on 12 September. The gambling industry will spend around £312 million this year on seductive advertising, much of it aimed at the young and the poor. Despite the noble Earl's remarks, this advertising is too often linked to sporting events. The noble Baroness the Minister followed up on our debate and said in a letter to me:

“The average child sees around three gambling adverts on TV per week”.

She said that there would be,

“significant new research into the effects of marketing and advertising on children, young people and other vulnerable people”.

So once again there is to be a review, but I cannot help thinking that we need action rather than more reviews and consultations. On several occasions I have asked whether the Government would consider changing the Gambling Commission’s licensing codes and provision 3.2.11 of its social responsibility code, which concerns not promoting gambling to children, particularly as it applies to remote gambling in the same way that it is currently applied to non-remote gambling. Again, I would like to hear from the Minister what progress we are making on that.

On Tuesday I asked about the way in which virtual games such as “Fortnite” specifically target children and seek to normalise the idea that gambling is fun and a good thing to do. Tell that to the families of those who have committed suicide. As the right reverend Prelate the Bishop of Portsmouth reminded us, around 500 young people are believed to commit suicide every year, while many others become seriously ill. In answering me on Tuesday the noble Viscount was unable to say what action was being taken to control these games, other than that a parent had smashed an appliance on which he saw his son viewing such a game. If the Government approve of this direct action, would it not save a lot of trouble and aggravation simply to ban the use of advertising and virtual gambling targeted at children?

Britain is suffering from a gambling epidemic. We need to accept that this is not a fringe issue but one that requires a coherent and strategic approach. I hope that this timely debate initiated by the right reverend Prelate takes us another step in that direction.

2.36 pm

Lord Chadlington (Con): My Lords, I join others in thanking the right reverend Prelates the Bishop of St Albans and the Bishop of Portsmouth for initiating and introducing this debate. I also look forward to co-hosting on 20 November the seminars to which the right reverend Prelate referred.

It is not the absolute numbers of those hospitalised that led to my Question, but the fact that the trend is so clearly and inexorably upwards—as is gambling advertising spend, as is the number of problem gamblers, as is the number of young people playing gambling games that groom them to gamble, and as is the number of people taking their lives where gambling is either a comorbidity factor or the single factor. It is no longer enough to recite a litany of statistics that are all well known in your Lordship’s House. We must be more practical. So the question is: what can be done to reduce the number of problem gamblers who are hospitalised? Here is a proposal.

Yesterday I was privileged to take the Secretary of State for Health to the National Problem Gambling Clinic in London, the only dedicated NHS gambling clinic in the United Kingdom. The Health Secretary could see first-hand the professional work and pastoral care that the clinic has been undertaking for the last

10 years in treating some 5,000 patients, over 90% of whom were self-referrals. Although we do not have a geographical breakdown of the hospitalisation analysis to which the QSD refers, we have enough reliable research to identify the key areas in the UK where problem gambling is most rife. Sadly, as I have commented before, they are often the most deprived areas of the country.

Each gambling clinic requires funding of, broadly speaking, £500,000 a year. We could establish 10 or even 20 of these centres in those key areas of the UK where we know there is an intense gambling problem. It would cost us upwards of £10 million. That is a lot of money but a very modest sum compared with the £1.2 billion that gambling costs the Exchequer every year.

Before establishing such centres we need some demand analysis and, as none was readily available, I conducted my own. One of the most interesting results is that, unlike with other addictions such as alcohol and drugs, 60% of the public do not know where to get help if a loved one, employee or friend develops a gambling habit. Even health professionals struggle to know where to refer a problem gambler.

With a network of gambling clinics in the UK, there would be national signposts and support in the most distressed areas where help could readily be found. The cost of establishing the centres should be met by the gambling industry itself, with the centres run independently by the NHS. That is a further reason for the Government to review the voluntary gambling levy, currently producing about £10 million or £12 million. Raise it to 1% and we would have £130 million or £140 million. With those funds, we could not only get those clinics up and running around the country—they could be based on the west London model, which has been so successful—but conduct better research, educate young people on the dangers of gambling, provide more support for affected families and train more doctors and nurses.

The Gambling Act 2005 has, as one of its three objectives,

“protecting children and other vulnerable persons from being harmed ... by gambling”.

But we are failing to do that—dramatically. Of the 430,000 problem gamblers in this country, nearly 10% are young people aged between 11 and 15. Just 8,000 of those 430,000 are in treatment. This equates to just 2% of all gambling addicts in the country, compared with up to 20% of those addicted to alcohol or drugs.

If the Government are to take up the challenge, establish the centres and reduce hospitalisation as a result, they must do so with more energy than they have shown over the implementation of the FOBT decision. We know that these are incredibly dangerous products. More than half of FOBT users are either addicted or in danger of becoming addicted to gambling. I am working with 17 families in which a child has committed suicide. They started their gambling life on FOBTs.

This is the beginning of a constructive plan to reduce hospitalisation of gambling addicts, reduce the cost of gambling to the Exchequer and begin to stop the gambling epidemic that threatens our country. To

[LORD CHADLINGTON]

make it a success, the Government have to act more decisively, pay less attention to the gambling lobby than they have on FOBTs and put the people, particularly the young people, of Britain first.

2.42 pm

Lord Thomas of Gresford (LD): My Lords, when the fun stops, stop gambling. I think that that was intended as a government warning, in tiny letters at the bottom of the television screen which you need a microscope to see. But the message is ambiguous and insidious. It is not surprising that one gambling organisation has taken over the warning as its own message. It is flashed up fully on Sky Sports screens at frequent intervals with the word “fun” in the largest capital letters, lit up with flashing light bulbs. The message is not that gambling is dangerous but that it is fun.

GambleAware has found that 370,000 children under 16 have spent their own money on gambling, and 25,000 may be problem gamblers. The noble Lord, Lord Chadlington, gave similar figures a moment ago. This is the effect of gambling advertisements on television, especially during sports coverage. The watershed at 9 pm is meaningless.

The problem is highlighted by the campaign by casino operators 32Red. On its website, it is proud of its strategy to use sports sponsorship as an effective route to drive up brand growth. It states:

“Our football, racing and boxing sponsorships helped see 32Red separate itself from our competitive set of casino first operators from 2016-17”.

It has deals with six leading football clubs in the Champions League and the Premier League and estimates that football shirts branded with its logo get continuous exposure of the brand in 26% of football coverage on television on a Saturday afternoon. It follows that up with the sponsorship of the Ant and Dec show on ITV on Saturday evening. I do not know whether it is one of the eight firms to which the right reverend Prelate the Bishop of Portsmouth referred as refusing to contribute to the levy, but I would not be at all surprised.

The important point is that logos on football shirts and TV sponsoring get around the restrictions in the UK code of advertising practice, the CAP code. True it is that shirts for youngsters must be marketed without the logo, but that is insidious in itself. Children want the big shirt, the adult shirt, with the same logo as the players. Gambling becomes legitimised as an adult activity and makes children and young people want to do it when they are old enough. I remember cigarette advertising in my youth when it seemed cool to smoke. Long drags were supposed to be the way to a girl’s heart; we now know that they are the way to a heart disease. The CAP code expressly forbids adverts which suggest that gambling is a rite of passage, but there are subtle ways of implying that it is. I listened with great care to the passionate and powerful speech of my noble friend Lady Benjamin, who talked about the problems that students face.

The 32Red campaign was highly successful. It set itself a target of achieving £100 million turnover in four years and achieved it with a year to spare.

In 2017, it sold the business for £176 million, four times the value of the company at the start of its campaign three years before. Under new owners but using the same strategy, the company is looking to be the number one UK casino operator. It is interesting that, in June this year, it was fined £2 million by the Gambling Commission as a penalty for failing to take steps to protect an addict who had fallen under its spell.

These gambling companies constantly look for new blood to suck. If a person has a bet online, his email address is captured. He will consent to the receipt of electronic marketing. Unless he expressly withdraws their consent, he can expect to receive to his mobile, iPad or PC tailored offers in the nature of free bets or cash incentives, beamed at him at frequent intervals to deepen his commitment.

No doubt that is good business for the operators, but what about the societal costs to which noble Lords have referred? These loopholes must be closed. The IPPR study for GambleAware in December 2016 charted the costs associated with gambling at £1.2 billion per year. Mental health services, police intervention and homelessness are major components of that figure. The largest costs are wrapped up in the health service and the welfare and criminal justice systems.

The problem is that the Government pocket more than £2 billion a year from their various levies, and their announcement this week, to which noble Lords have referred, to delay the introduction of the £2 ceiling for fixed-odds betting terminals is an indication that they are reluctant to lose this nice little earner. When the noble Earl, Lord Courtown, spoke about “extreme losses”, I think he had the Government in mind, rather than gamblers. The PwC report covered by the *Guardian* in 2016 demonstrated the weakness in the industry’s own attempt to tackle addiction.

“When the fun stops”? What fun for the tens of thousands for whom gambling is an addiction that destroys their lives, sometimes literally, and the lives and living of their families?

2.49 pm

Lord Stevenson of Balmacara (Lab): My Lords, after the brief aperitif of an Urgent Question, we come to the main course. It has been a very good debate, although with vestiges of the resonances of the response from the Minister at the Dispatch Box—the Alice in Wonderland approach of the Government. I very much hope that we will hear more concrete proposals when we hear from the noble Baroness when she responds.

Taking up the theme of Alice in Wonderland, I was struck while listening to the debate that we often engage with the issue of gambling by using language which does not reflect its seriousness. We talk about having a flutter. I mean no disrespect to the right reverend Prelate, but talking about a flutter and having fun is exactly the problem that we have to face in this issue. I am glad that he mentioned it, although, on reflection, he might feel that that was not the right way to do it. Even the term “problem gambler” takes us on a different and wrong path. People with an addiction who happen to gamble is what we are talking about, and they need to be taken seriously on their terms.

Why on earth do we live in an Alice in Wonderland world where a problem as serious as a gambling addiction does not have an appropriate response in the National Health Service? Our NHS should be able to receive referrals wherever people are in the country, instead of having the opportunity only, as we heard, of an excellent but very small clinic dealing with only a small proportion of those involved.

I am very grateful to the right reverend Prelate the Bishop of Portsmouth for introducing the debate today. He spoke as if he were the Bishop of St Albans, with his long campaigning career. We have also had others contributing, who have their own records, which I admire and wish we could emulate in a more complete way.

This is such a serious issue, and what is so extraordinary is its growth. We do not seem to know enough about the rate of gambling and the increasing understanding that it is a substanceless addiction. It is different from other addictions because it seems to be that people with this addiction are more likely to relapse. There are estimates that a large number of people with the problem also think about suicide, which is not necessarily the case in other areas. The rate of suicide is so high as to make one wince that we are even considering these issues without a strong campaign and policy to try to resolve it.

Even so, the costs in themselves are worth considering. I am surprised that the Government do not want to look at them more closely. As we have heard, we may not have seen the worst, which may well come, as new technology opens up new opportunities for people to get involved in this dreadful world.

What can we do? That is a question that many people have asked. First, I would start with the advertising industry. We have to sort it out—both the direct advertising that we see on screen and when looking at newspapers and in other places, and the indirect stuff that is picked up peripherally, along with live and recorded football matches, for example. They have to be addressed. As the noble Lord has just said, we must look back to what we have done in the past, such as for tobacco in 1965, and stop all advertising promoting gambling on television, particularly during live or recorded sporting events before and after, so that it does not catch people tuning in or staying on afterwards. Other countries have done this, and we must learn the lesson. Also in this area, it is absolutely time to put the Advertising Standards Authority on a statutory basis and remove the link between it and the industry which funds it, which makes a mockery; it could be an independent body.

Secondly, we need to look at independent research, which has been raised by many people. Yes, there is research, and it does good work sometimes. The amounts are tiny and are raised by a voluntary levy, which is not paid by all. It is time to get that sorted. It is not working, so let us fix it.

Thirdly, we have to protect children better by banning games that encourage and groom them to gamble. I would include bingo, which is one of the biggest scandals happening at the moment. It used to be a social game for grannies, but it now seems to be a way into the wider world of gambling because of the opt-in payments and the ability to get on to it. This

may be addressed by the excellent amendment to the Data Protection Act made by the noble Baroness, Lady Kidron. I will want to come back to that.

Fourthly, we must invest properly in offering help to those who are in danger of being or have become addicted. All this activity needs to have an end product so that GPs can refer people to receive the treatment they need.

Fifthly, the number of suicides is such an extraordinarily worrying issue that there has to be some way of looking more closely at the figures to make sure that we get the correct information. If the figures become clear, and coroners have a statutory obligation to record them when there is some link, we will get the action that is required.

The helpful suggestion by the right reverend Prelate of a post-legislative review of the Gambling Act 2005 was a very good one, and it should be added to our list. It is said that 69% of people in the UK think that betting is dangerous for family life, and 78% fear that there are too many opportunities to do it. I think that the political parties should come together and agree across party that this is something that now needs to be dealt with as a matter of priority. The majority of people think that gambling should not be encouraged, so it would be appropriate to put in the sort of bans I have been talking about.

It used to be the case that the betting shops on our high streets were primarily for betting on horse racing. As they have become broader in their approach, and particularly because of FOBTs, they have become places where gambling can take place, and danger resides in that. It went wrong at the point when casinos were not the only places; they were properly staffed and properly organised to make sure that those who went in and had problems were looked at properly.

As I said before, there is a real problem that the epidemic to come, arising probably from new technology, needs much more radical measures. I wonder whether the Minister might reflect on the issues that have now come up in a number of government departments about the idea of placing a duty of care on gambling organisations to make sure that they have responsibility to those who join them in gambling.

2.55 pm

Baroness Manzoor (Con): My Lords, I am sorry that the right reverend Prelate the Bishop of St Albans has been taken ill, and I wish him a speedy recovery. The right reverend Prelate the Bishop of Portsmouth, in stepping in at very short notice, outlined that there are wider societal costs related to gambling. That was echoed by the noble Lord, Lord Thomas of Gresford.

The debate has been very thoughtful, interesting and indeed, passionate. I recognise the strong feelings across the House on this issue. As noble Lords have said, good policy starts from good data. I agree with the right reverend Prelate that statistics are important, but we need data. The noble Lord, Lord Alton, also raised that issue. We have estimates that currently, some 340,000 people in Britain are problem gamblers. We also know that the rates of problem gambling in Britain have remained relatively stable over many years at under 1% of the population.

[BARONESS MANZOOR]

However, I agree with the noble Lord, Lord Alton, that we do not know enough about where and who these people are, what works in terms of support, and how we can effectively stop people tipping over into problem gambling in the first place. We are therefore taking steps to improve our knowledge. The National Institute for Health Research has launched a call for research in this area and is now analysing the results. A decision is expected early next year. Furthermore, Public Health England is being commissioned to carry out an evidence review of the health aspects of gambling-related harm to inform action on prevention and treatment.

I agree with the noble Baroness, Lady Benjamin, and others, that prevention is better than cure. We take gambling-related harm seriously and have announced a strong package of measures to tackle it. That is not to say that more cannot be done, which I recognise. The Chancellor of the Exchequer confirmed in the Budget that the new stake limits for fixed-odds betting terminals will come into force when the remote gaming duty is increased to 21% in October next year. We are committed to reducing harm from gambling by limiting the ability to suffer high session losses and, as the right reverend Prelate said, mitigating risk for the most vulnerable players for whom even moderate losses might be harmful. The noble Baroness, Lady Benjamin, highlighted the issue of student gambling and made a passionate case. Others across the House will recognise those issues.

However, we are clear that gambling-related harm is not just about one product or a limited set of parameters such as stakes and prizes. The Government's response to the gambling review, to which noble Lords have alluded, announced decisive action across a range of areas, including improving player protection measures on gaming machines and strengthening protections on gambling advertising and online gambling. It also outlined initiatives to boost research, education and treatment for problem gamblers. Here I apologise, because I recognise what the noble Lord, Lord Stevenson, said about identifying it as "problem" gambling rather than an addiction. We need to look at our language; I take that point on board and will ensure that I, at least, talk about "addiction". We are looking at improving the evidence on treatment and strengthening the voluntary system for funding support.

Since the response was published, the Responsible Gambling Strategy Board has published a paper proposing ways to measure and monitor the impact of gambling-related harms. My noble friend Lord Chadlington and the noble Lord, Lord Stevenson, highlighted the importance of support and treatment for people for whom gambling has become a problem. I am sorry that we have to have such centres, but I am delighted that noble Lords were able to go with the Secretary of State to see the centre. Indeed, I believe that the previous Secretary of State also visited it.

The Gambling Commission requires all operators to make a contribution towards research into, education about and treatment of gambling-related harm. As noble Lords know, GambleAware, as the principal funding body, commissions treatment services, including a national gambling helpline and counselling services,

and funding for the National Problem Gambling Clinic, which provides a valuable addition to publicly funded treatment for other addictions and mental health conditions. As my noble friend Baroness Bloomfield said, the Chancellor also recently announced a real-terms increase of £2 billion over the next five years for mental health services. There is a strong link between mental health issues and forms of addiction.

The noble Lord, Lord Alton, stated that we need to start looking at how we can separate these various issues. I recognise, as indeed does the department, that as we move into collating more data we will be able to address this particular issue. There is still a lot more we need to know about the scale of the problem, and the evidence review by Public Health England on the health aspects of gambling-related harm will inform action on prevention and treatment. I am glad to say that the National Institute for Health and Care Excellence, NICE, has also been commissioned to explore guidelines on non-chemical addictions, including gambling, which will in time give further support to clinicians seeking to support addicted gamblers.

The right reverend Prelate and other noble Lords, including the noble Lords, Lord Alton, Lord Stevenson and Lord Chadlington, highlighted the risks associated with gambling and, in particular, increased levels of suicide. Every suicide is a preventable tragedy and it is vital that we are doing all we can to address this problem. I am delighted to say that my honourable friend Jackie Doyle-Price has been appointed as the first ever Minister for suicide prevention and will be driving implementation of the national suicide prevention strategy. I am pleased that the National Suicide Prevention Strategy Advisory Group has already met GambleAware, the Responsible Gambling Strategy Board and GamCare to discuss the risks of suicide related to gambling addiction and is keen to engage further as the research in this area develops. The outcomes from research will help us to develop policies that will focus on the right interventions for the right people at the right time. We are not quite yet there, though, without the data.

I turn now to specific issues that noble Lords put to me. If there are any issues or questions that were put to me that I do not answer, I will write to all noble Lords who have taken part in the debate and place a copy of that letter in the Library.

The right reverend Prelate the Bishop of Portsmouth asked about online operations. All online operations are regulated by the Gambling Commission and must help to fund treatment. The Gambling Commission is working with other regulators to monitor issues of loot boxes in video games. I hope that the right reverend Prelate realises that that is an issue we are keen to move forward on.

My noble friend Baroness Bloomfield stated that more money is needed. As I have said, we are building evidence on what treatments are needed and what works. We have been clear that funding will need to increase in the future. Donations are well on track to meet target for this year, which I think is £10 million—forgive me if I have got that wrong.

The noble Baroness, Lady Benjamin, talked about the need for more awareness of this issue. It is a major responsibility of gambling advertising companies and

we will work with them to ensure that we help to raise awareness of the risks. Of course, GambleAware is increasing funding for gambling education.

The noble Lord, Lord Alton, asked how the figures on gambling addiction are compiled. Improving access to psychological data is under review and NHS England will consider introducing gambling addiction within this data. Research has also been done on how suicides are linked to gambling. I am afraid that we do not yet have accurate figures on that.

My noble friend Lord Chadlington asked about the need for a network of NHS clinics. GambleAware is working with the NHS and partners in Leeds to provide more specialist support, and pilots could be rolled out across the country.

The noble Lord, Lord Thomas, and other noble Lords raised the important issue of the normalisation of gambling by advertising. Of course, gambling is a legitimate leisure activity for adults, but I recognise the issues he raised about the timing of advertisements during sports activities and so on. I understand that strong safeguards have been put in place. Advertising and sponsorship must be responsible and must not be targeted at children. The noble Lord will be aware that GambleAware and others, and the codes of practice, ensure that there is a watershed, which is 9 o'clock.

I have been handed a note to say that my time is up. I will conclude by saying that we have taken some important steps, but I know that there is a lot more we can do. It is vital that we continue to invest in research, monitor the progress and keep action under review to ensure that our ambitions are met. It has been an excellent debate and I thank all noble Lords who have taken part.

Benefits: Reductions

Motion to Take Note

3.08 pm

Moved by Lord Bassam of Brighton

That this House takes note of the impact on family life of multiple reductions in welfare benefits, universal credit, tax credits, housing benefits and child benefit.

Lord Bassam of Brighton (Lab): My Lords, before I begin my contribution I ought first to declare my interest as a member of the CPAG board; I am a trustee. I also offer a disclaimer: there are no jokes in this script and there are a lot of statistics. Labour Peers have tabled today's debate to enable a focus on the impact of cumulative cuts to a multiple range of benefits. During the debate I am sure that many colleagues will wish to join me in paying tribute to Baroness Hollis, who recently passed away. Patricia was a big figure nationally and locally in her home town of Norwich. She was greatly respected for her work, championing measures that attacked poverty and promoting the interests of women in the social security and pension system. She also pioneered moves to bring greater equality to pensions. She was a first-class DWP Minister. When she became a Peer in 1990, she

had already made a name for herself as a councillor in Norwich and had completed a five-year term as leader of the council. She had integrity and a fine intellect.

When Patricia made an argument everyone listened, even when they did not want to hear it. She was one of those who, early on, saw the harm and long-term damage that council house sales would do to the social fabric of our communities. From the time of her elevation she became a highly effective spokeswoman for the Labour Party on housing, local government, disability and social security. During her time in opposition in the 1990s she led moves to ensure pension sharing when couples divorce. This later became law. Again in opposition she led—indeed rose—from the Privy Council Benches to oppose cuts to tax credits, which, if carried through, would have devastated the household budgets of the working poor. When she wound up that debate, you could literally have heard a pin drop, and you could certainly see and feel the discomfort her argument generated on Benches all around the Chamber. So today I intend to invite the Government to instigate an annual “Hollis Debate” to be held in her memory, to consider what best can be done to tackle poverty and its causes.

Patricia's passion in tackling poverty was borne of personal experience—something both she and I shared, and which helped hone her arguments. Her father was a farm labourer and her mother worked in service—which, curiously, were jobs which my mother undertook in raising me in rural Essex during hard times. More importantly, Patricia Hollis argued rightly that we need to stop looking at the cuts to benefits in isolation, instead looking holistically at the impact of multiple cuts. Too often, opposition has focused on the singularity of a cut—say to child benefit or housing support. Consequently, Labour will insist today that we look across the range of income support measures which the Government have systematically reduced over the last eight years. Only then will we have an accurate picture of how the Government have increased poverty.

It is worth just reminding ourselves of the legacy left by the last Labour Government in terms of poverty reduction. We invested substantially in health, education and particularly childcare. Both child and pensioner poverty rates were falling when we left office, and the economy was growing. We tried to cement these gains in countering child poverty through the Child Poverty Act, which set targets and defined needs. During our time in government we attacked poverty by using tax credits to make work pay, and by increasing the value of key benefits like child benefit, which had the double benefit of putting more money in the pockets of the poor—but usually of mothers. This enabled Labour to take over 1.1 million out of child poverty. Many of these measures have now been reversed, so it is estimated that 5.1 million children will be in families below the accepted poverty threshold by 2021. Why?

Most commentators would argue that it is because of the way in which, since 2010, many of the income support cuts have been loaded. The dual reduction in child benefit through freezes in value and the two-child cap will mean that, by 2021, the value of the benefit will be 23% lower than in 2010. The austerity budgets of Chancellors Osborne and Hammond have loaded

[LORD BASSAM OF BRIGHTON]
deficit reduction on to cuts in spending at about 80% as opposed to increased taxation at roughly 20%. This policy continues, and is clear when we look at the detail of the Budget. The Resolution Foundation found that social security cuts will continue to hit the poorest hardest. It calculates that the richest fifth of households will gain £390 a year by 2023-24, whereas the poorest will lose an average of £400. With the increase in the higher tax band rising to £50,000 next April yielding a net gain of £540, those on benefits will lose out because of the continuing freeze on benefits, leading to a loss of a further £200 a year.

Coupled to these cuts have been reductions brought about by the overall benefit cap, set at £20,000—£23,000 in London—and the changes in tax credits. These latter changes have been particularly damaging, because they impact on families of “just about managing” parents in work. It is thought that roughly two-thirds of children in poverty are in families where parents are working. The problem for them is the combination of income support cuts linked to pay pegged at national minimum wage levels, and insecure work and zero-hours contracts.

The CPAG has undertaken research into the cumulative impact of social security cuts on family incomes. The losses are dramatic. Lone parents with children will be £1,940 a year worse off on average as a result of cuts in the legacy benefit system, and £2,380 worse off as a result of universal credit cuts. Of particular concern is the breaking of the link between need and entitlement—a fundamental principle in a means-tested social security system. Two examples of this are of course the benefit cap and the two-child limit, and a third the bedroom tax.

We know that working-age benefits have been hit hardest, with some benefits simply abolished, and many frozen or uprated at rates lower than inflation. The Child Poverty Act was abolished, and when Iain Duncan Smith was Secretary of State he famously even tried to get rid of a definition of poverty. Studies by the IFS, the Resolution Foundation and the Human Rights Commission show that the cumulative distributional effect of these measures has fallen on those on the lowest incomes in work and with children, and that lone parents in particular have been the biggest losers, making George Osborne’s claim that “we’re all in this together” a cynical lie.

What depresses me most is that, despite Mr Hammond’s claims that “austerity is almost over” this week as he announced modest reversals of the universal credit cuts, there are more to come. The IFS has demonstrated that 75% of the cuts announced in 2015 are yet to arrive. By 2020, £40 billion will have disappeared from social benefits. Compare that with the £2.7 billion the Chancellor claimed to be putting back. Current plans are projected to remove a further £15 billion-worth of support.

All this comes at a cost: an insecure family life, an increased reliance on food banks, access only to poorer-quality housing, and reduced childcare support such as Sure Start—some 600 centres have closed to date. We have hungry children using breakfast clubs often funded by the schools themselves, at precisely the

same time that free school meals are cut. We can see the effects. Our streets house more homeless people, elderly people are neglected, and our social care system is creaking. The IFS estimates that all the gains made by Labour in reducing poverty will be undone by 2020.

It does not have to be this way. We know how to tackle poverty, and especially child poverty. During Labour’s last time in government the UK was the best-performing OECD country at taking children out of low-income households and providing good wraparound childcare through Sure Start. We used the national minimum wage, along with tax credits, to help lift working families out of poverty. We protected pensioner incomes and obliged enrolment in workplace pension schemes to ensure universal coverage. Earlier Labour Governments promoted equal pay and tackled wage discrimination in the workplace. Taken together with the founding of the welfare state, Labour has historically put in place measures that lifted working people out of poverty. That is a record to be truly proud of.

We need as a nation to reinvigorate interest in ending poverty. One way to achieve this is to better inform the public debate and ensure that, at a time when we have close to full employment, there is an understanding that it comes with people in work who are poor. Zero-hours contracts, part-time working, the operation of the gig economy and reduced rights at work are all features of modern working life. But if we develop the conversation about poverty, poverty pay, the poverty of the workplace and the poverty of work experience, we will at least have gone some way towards Patricia Hollis’s belief that, if people understood the arguments about poverty and social justice, they would want to bring that poverty to an end. That is a legacy worth following. Let Baroness Hollis’s insights and example of fighting poverty during her long years in public service be our inspiration and our guide, and let us name that debate in her honour.

3.19 pm

Baroness Jenkin of Kennington (Con): My Lords, I start by putting the current benefits system in context. Welfare spending has increased fourfold in cash terms over the past 30 years and has more than doubled in real terms after adjusting for inflation. In 2016-17 about 25% of GDP—around £484 billion—was spent on the welfare state, which includes health, education, social services and housing as well as social security and tax credits. Some £217 billion of this was spent on benefit payments, equivalent to 28% of total public spending. At any one time, over half of all families receive income from at least one benefit; most people will receive one or more welfare payments for well over a third of their lives, including child benefit when young and the state pension when retired.

These are vast sums of money. The Government have a duty to the taxpayer to ensure that the money is well spent and properly targeted, and provides support to those most in need; this is what the welfare reforms are designed to do. Since 2010, the minimum wage has risen and we have seen the introduction of the living wage. Thanks to the national living wage, full-time

minimum-wage workers have had an annual boost of £2,000 since 2016. Seven years ago the personal allowance—the amount people can earn before paying income tax—was £6,965. Since 2015, 1.7 million people have been taken out of paying tax altogether and taxes have been reduced for 32 million people. The typical basic rate taxpayer now pays £1,075 less in income tax than in 2010. People have been helped to keep more of the money they earn.

The key to all this is jobs. The UK is currently experiencing record employment levels—3.3 million jobs have been created since 2010, three-quarters of which are full-time and permanent—and wages are set to rise above inflation for each of the next five years. Fewer than 3% of current jobs are on zero-hours contracts. The number of women in work has broken records to reach 15.26 million and youth unemployment has fallen by over 40% since 2010.

I am sure other noble Lords will talk in greater detail about universal credit, which is designed to make work pay; once fully rolled out, it will pay more than £60 billion a year to around 7 million claimants—again, a very substantial amount of money. Any massive change of this kind leads to rollout problems, as we experienced with the introduction of tax credits, but those calling to dismantle UC risk throwing the baby out with the bathwater. I have asked colleagues in the other place about their constituents' experiences and they tell me that many of the teething problems are due to human error—a work coach has not offered an advance or a claimant has forgotten to sign the claimant commitment.

For the most disadvantaged, financial support is available through UC on day one; we need to invest in better training for jobcentre and DWP staff, as well as organisations like Citizens Advice, who offer support to claimants. Noble Lords will welcome the additional support announced in the Budget. As the chief executive of the Trussell Trust said:

“These are significant improvements that will make a real difference to many people supported by universal credit in the future”.

Although UC pays up to 85% of childcare costs regardless of the number of hours worked—compared to 70% under the legacy system—the cost of childcare is still too high and the provisions within UC do not go far enough to cover that cost. So when a parent who has childcare costs gets a job and increases their hours, the cost of childcare eats into their income. This problem is particularly acute for single parents.

The best way to support families is to reduce the number of households where no one works. Children living in couple households where no adult works have a more than 64% chance of living in poverty, compared with just a 1% chance for those living with two adults in full-time work. Having one parent in work compared to no parents in work is linked to better educational outcomes and a higher probability of employment for children in the long term. Unemployment can lead to family breakdown, which can mean dire consequences for family finances and increased risk that a child grows up in economic hardship.

My final point is on the couple penalty. Under UC, as under the legacy system, parents are better off separated rather than married or cohabiting as a couple

under the same roof. This is madness. Women are 40% more likely to enter poverty if they divorce than if they remain married. Lone-parent families are twice as likely to be in the bottom income quintile as two-parent families. Children in lone-parent households are twice as likely to be in the bottom 20% of child outcomes as children in married families. I urge the Government to focus on policies which ensure that families are supported and that there is no disincentive to creating and maintaining a strong family unit.

3.24 pm

Baroness Lister of Burtersett (Lab): My Lords, I am grateful for the opportunity to debate this important issue and to pay tribute once again to my noble friend Baroness Hollis—Patricia—whose forensic analysis and passion held the Government to account so effectively, particularly in their treatment of disadvantaged women. Women are disproportionately affected by the cuts we are debating today. Still the main carers and managers of poverty, it is women who bear the brunt of the social security cuts on family life, especially as they try to protect their children.

Looming over the debate, and more importantly over low-income families, is the so-called managed migration of universal credit. Welcome as the Budget changes are, they do nothing to rectify UC's fundamental design flaws, which become increasingly apparent as families suffer the consequences. One such flaw is payment—including money for children—into one account, which has been widely condemned for facilitating economic abuse and potentially aggravating domestic violence. Women subject to domestic violence are also being put at risk by two other cuts, which are especially harmful to larger and some minority-ethnic families: the two-child limit and the benefit cap. Both break the long-standing principle that entitlement to safety-net benefits should reflect a family's needs. Over 70,000 families, two-thirds of whom were in work, lost up to £2,780 in the first year of the two-child limit. It is difficult to see how such a crude cut, directed at children, can support family life. The Government have refused to publish their family test assessment, despite an FOI request which was turned down on utterly flimsy grounds. I wonder why.

One reason the majority of those affected are in work is that larger families out of work will be caught by the benefit cap. A Policy in Practice study revealed “significant human costs” and questioned its application to lone parents of very young children, who are not required to undertake work-related activities. What assessment have the Government made of the impact of the cap on the family life of this group, for whom paid work is often simply not feasible? According to the Chartered Institute of Housing, the lowered benefit cap is hurting children and causing stress and,

“significant hardship to households who have no realistic prospect of escaping it”.

As we have heard, aggravating the effect of these and other specific cuts is the steady erosion of the real value of most working-age benefits, paid in and out of work. The Resolution Foundation calculates that the freeze has meant a real cut in benefits of over 6%; child benefit, a bedrock of family finances, will by next

[BARONESS LISTER OF BURTERSETT]

April be worth 14% less for second and subsequent children than when introduced in the late 1970s. The Prime Minister recently identified as a key challenge, “helping people with the cost of living”.—[*Official Report, Commons*, 31/10/18; col. 904.]

Could the Minister explain how freezing benefits helps people on the lowest incomes with the cost of living, which since last year has risen faster than anticipated when the freeze was first announced? Why, if there is money to cut taxes, which will provide low-income families with little or no help, is there no money to lift the freeze?

The Government have also devolved responsibility for the crisis support provided by the national Social Fund to local authorities, without ring-fencing the inadequate devolved resources. According to Church Action on Poverty, at least 28 authorities have closed their provisions completely and many more have cut them back significantly. The ultimate safety net is being shredded, yet the Government simply wash their hands of all responsibility—an example of the institutional indifference they show towards the impact of their policies on vulnerable and marginalised groups.

While the evidence shows that parents living in poverty typically demonstrate great resourcefulness and resilience in struggling to get by and protect their children, it also shows just how damaging the impact of poverty and homelessness can be on family life. The Social Mobility Commission has pointed to the impact of stress from material deprivation on parenting and family relationships. According to the Tavistock Institute, the evidence,

“demonstrates the salience of stress within families experiencing poverty, and in particular maternal mental ill-health, couple relationship quality and levels of conflict”.

Government policy is deliberately increasing the pressure on these families.

I wish that the Minister could have heard at a Women’s Institute meeting here last week the primary head teacher from an area where UC has been in operation for two years, with, she reported, a huge impact. She said that poverty was worse in her community than she could remember, and she talked about children complaining of hunger stomach pains, sometimes taking food out of rubbish bins, and some with shoes with holes or kept together with elastic bands.

I call on the Government to think again and to stop penalising families who already have so little. There is growing criticism of the DWP’s culture of denial and indifference towards the effects of its policies. In the words of George Bernard Shaw, indifference towards our fellow human beings is “the essence of inhumanity”.

3.31 pm

Lord Farmer (Con): My Lords, I thank the noble Lord, Lord Bassam, for giving us the opportunity to talk again about the benefits that will accrue to families and society as we test, learn about and, crucially, invest our way into developing a world-class benefits system. Although the implementation of universal credit has been a bumpy ride, tellingly, civil servants and politicians from other countries want to learn

how we have gone from having one of the highest levels of workless households in Europe to one of the highest levels of employment in Europe.

Any nostalgia about the tax credits system that universal credit seeks to replace ignores the very real difficulties that it presented to claimants and society. Instead of providing a safe runway into employment, it trapped many families in a shadowland of complete welfare dependency, with some saying, “I cannot afford to work”. Cliff edges and high marginal tax rates severely sapped any ambition or incentive to progress in work. Couple penalties made it financially foolish to live with—or to admit to living with—the father of one’s children. Fraudulently claiming as a single parent was incentivised to the extent that a 2006 analysis by the Institute for Fiscal Studies concluded that the Government were paying benefits to around 200,000 more lone parents than lived in the UK. Claimants found themselves in £5.86 billion of debt because of overpayment and other errors in the legacy system. Despite a sustained period of economic growth and job creation between 1992 and 2008, a sizeable group of working-age people were left behind, locked out of the benefits of prosperity. I will not labour those points because there was consensus among politicians of all colours that change was essential and that a new approach which made work pay was urgently needed.

Yet delivering that was always going to be an epic feat requiring grit and perseverance. Nick Timmins called it,

“the mother and father of all challenges”,

an earlier and less ambitious version of which Gordon Brown’s Government had decisively ducked. On the technological front, the senior responsible owner for the universal credit project in August 2015 told *Civil Service World*:

“If you spool the world back to 2010, we [in government] didn’t even have things like smartphones and iPads then, so it was just a very bad time, I think, to start developing an IT project”.

Reading that reminded me of the gutsiness and almost insuperable difficulties of getting a man on the moon before the end of the 1960s. Signage in the Kennedy Space Center reveals:

“A million mysteries had to be solved if we were to get astronauts to the moon and back in safety ... we had to invent everything from scratch ... with ... computers the size of boxcars, slide rulers instead of calculators, and communications systems not much better than jungle drums – at least in the beginning”.

Unwavering political leadership was decisive. President Kennedy said:

“We choose to”,

do these things,

“not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one we are willing to accept, one we are unwilling to postpone, and one which we intend to win”.

He said that failure was not an option. The same could be said today about why we must collaborate to overcome the difficulties of UC.

Many on the Opposition Benches seem to want to throw in the towel, possibly for reasons of political opportunism. Perhaps they have not had first-hand experience of the calibre and dedication of work coaches

like the ones I met on a recent visit to a London Jobcentre Plus. Two things were impressed upon me: first, the freedom that UC gave work coaches to do whatever it took to help someone get into work; and, secondly, how utterly demoralising it is for them and how terrifying it is for prospective claimants when the media are saturated with negativity about the new system. More money has been allocated, so the scaremongering must stop, and solutions must be found. In the debate in the other place last month, two Conservative MPs described how they had pulled together new local support partnerships to ensure that no one was left behind. Sadly, no Labour speakers described doing anything so constructive. Most just criticised without suggesting any improvements.

Now that we have an extra £1 billion to help welfare claimants transfer to UC, we should all work together to ensure that this precious public money is used wisely. Therefore, I ask my noble friend the Minister to apprise the House as to how this fund will be disbursed and how she will avail herself of front-line experience and wisdom to that end.

3.37 pm

Baroness Pitkeathley (Lab): My Lords, I thank my noble friend Lord Bassam for securing this debate and I endorse his tribute to our late noble friend Baroness Hollis. I was grateful to her personally when I came into this House for her advice and for the expert tutorials that she generously provided to me. Beyond that, her support for the carers issue in opposition and in government was of great importance, both in the campaigning that we did for legislative change that supported carers and in establishing the place of carers in the social security policy agenda. The United Kingdom's 6.5 million carers owe her a huge debt of gratitude. Noble Lords will remember that she spoke on many an occasion during her time in the House about carers' incomes and benefits, pressing for positive change. She would not be pleased—and neither am I—about the position in which carers find themselves today.

Carers have directly seen the impact of reductions on their households. Although the carer's allowance has continued to rise every year in line with the consumer prices index, which has been welcomed, wider household benefits have been frozen, meaning that the overall context in which carers are managing in their households is significantly worse. According to the New Policy Institute, 2.1 million carers are in poverty. Carers UK's State of Caring survey this year found that 37% of all carers who responded were struggling to make ends meet in very challenging caring situations, 20% said that they were in debt as a direct result of caring and 45% of all respondents said that they could not meet their bills without struggling. This group said they were cutting back on food and heating to make ends meet. This could be potentially detrimental not only to their own health and well-being but to that of the person for whom they are caring.

Those most likely to be struggling financially were parents of disabled children; sandwich carers—those who were caring for both children and older parents; and those caring for someone towards the end of their life. Those hardest pressed were on benefits One said:

“My biggest worry is government changes to benefits, and not knowing what the future holds and whether everything we have now will be taken away”.

Another said:

“I spend my time terrified about benefits and benefit cuts and how we will live if things get any worse for us”.

This is in the context of the reductions in the vital care on which families rely—the social care provided to disabled children and adults. Since 2010, over £6 billion has been taken from local authority budgets, more than one-third of their spending.

Carers UK has measured the reduction in increased costs to families who can ill afford such changes. This amounted to one in seven families who have seen a cut, closure or increased costs of services. This is not a one-off. It has been a year-on-year trend where families have had little choice but to go without. It is not surprising that the rates of ill health are high: 72% of carers report having a mental health problem and 67% say they are in poor physical health. Last year, Carers UK found that 40% of carers had not had a single day off in a year. Very often, if they get a carer's assessment—which is rare nowadays because you are assessed only if your needs are seen as critical and you are in need of respite care—the care is not available because of local authority problems with their budgets.

In opening his Budget Statement the other day, the Chancellor promised a budget for the strivers, the chaffers and the carers. There are some measures that will ease the pressure on some families, and these are to be welcomed, but the Chancellor has failed to make the spending commitments to improve financial support for unpaid carers or the investment in the care services which are absolutely crucial for them and their families. The challenges that carers have faced with universal credit are similar to other groups, except that they have the challenge of caring on top of the other stresses and worries to do with the benefit.

I would like to hear the Minister's comments on the issues with carer's allowance when she winds up the debate. Carer's allowance—the specific benefit for carers—is still the lowest of all benefits. In the Budget, it was announced that the national living wage will increase to £8.21—a welcome measure—but it will place low-wage workers even more out of kilter with the benefits system. Carers cannot earn sufficient to benefit from tax credits if they are then to keep below the earnings threshold of £120 a week. If you fall foul of that rule as a carer, you lose 100% of your carer's allowance. You also lose credit towards your state pension, thus building up poverty for the future.

Baroness Hollis fought this all her life. She understood the situation well and always advocated for better pension rights, including for carers. This situation needs to be addressed.

Carers make a huge contribution to society—I never tire of telling your Lordships that it is estimated at £132 billion a year—and the least we can do is ensure that they do not make that contribution in poverty.

3.44 pm

The Lord Bishop of Portsmouth: My Lords, one of the pleasures of your Lordships' House is the range of views we hear and the expertise of those who express

[THE LORD BISHOP OF PORTSMOUTH]
them with integrity and conviction—among them Baroness Hollis speaking from the Bench opposite ours.

The same is true of the Church. In one recent elegant, erudite theological treatise, the noble and right reverend Lord, Lord Williams of Oystermouth, wrote of how the words of an act of worship are pregnant with meaning, but greater significance is often discerned in the silence in between. The same is true in relation to this debate of Monday's Budget. Its silences were just as significant as the words of the Chancellor, especially for families with children, as they are disproportionately represented among those in poverty.

The Chancellor was virtually silent on some measures that merit praise. He gave only a cursory nod to the pilot loan scheme for low-income families—although the Red Book is more forthcoming. This excellent initiative deserves proclamation. It is of particular interest to these Benches as it is based on an Australian scheme in which the churches and community groups are much involved. New money for universal credit deserves a couple of cheers. It would be churlish not to acknowledge and congratulate the Chancellor on raising the work allowance, but it would be negligent not to point out that this is less new money and more about returning towards where we were before cuts in 2015—in fact, somewhere behind.

It would also be negligent not to express anxiety about the likely impacts of other welfare cuts coming down the tracks—notably on low-income families with children and on families with disabled children in particular. They face a dramatic, unjust, shameful reduction in the additional support they currently receive and continue to need.

The silence I most regret was on the two-child limit. I accept that people should be encouraged to make informed, responsible choices about their lives and families, but we are faced with the undeniable, irreducible fact that the two-child limit will tip and trap low-income families into poverty. We are left with the utter perversity of the system making it harder for them to work their way out of poverty, however much they try. I cannot accept the Government's rationale. Ministers argue that people should make their choices informed by whether they can afford to have a child. Indeed they should, but people's lives are unpredictable. The blessing of a child now cannot anticipate future redundancy or relationship breakdown. It is also manifestly unjust that from next February, children born before this policy saw the light of day will bear the brunt of it. Families were not able to make an informed choice because they could not have known that there was a choice to make. Above all, we are left with the shocking fact that children already in need will be in greater need and the state will be saying that it is acceptable to withdraw a lifeline for those children and their families.

I also draw your Lordships' attention to the heavy burden that the two-child limit is likely to place on some faith communities. During the passage of the Bill, we were told that the Government, "looked through people's faith" to the choices that they made. I beg to differ. Faith is not something transparent to look

through: it is the lens through which many people make choices. For some faith groups, having more than two children is the cultural and religion norm, even expectation. That might be the Roman Catholic community; it might be the Muslim and Jewish communities. It is also likely to have an even more disproportionate impact on such communities when many within them already live in poverty.

This House has been far from silent on the two-child limit and we should not be silent now. It takes no account of life's inevitable ups and downs and it is detrimental to family life, tipping and trapping families and children in poverty, making it harder for them to work their way out. It makes vulnerable children even more vulnerable. I ask the Government to think again, and, as a bare minimum, to not extend the limit to families with three or more children before this policy was implemented. They should—and must—act more widely if they are to avoid damaging the family life of hundreds of thousands of low-income families and so blighting the welfare and chances in life of a whole generation of vulnerable children.

3.50 pm

Baroness Bryan of Partick (Lab): My Lords, I thank my noble friend Lord Bassam for raising this important and timely issue for debate. I joined this House too late to actually know Patricia, but her work was well known outside this House and very much appreciated.

The debate is particularly timely for me because universal credit was rolled out in my own local area of Partick in Glasgow just yesterday: yes, frighteningly on Halloween. After the horror stories about how the introduction has gone elsewhere—it was not scaremongering—many people have been dreading this moment. Thanks to devolution in Scotland, there have been some mitigations. For example, claimants can choose to have their benefit paid twice a month, rather than monthly, and they can opt to have their housing element paid directly to their landlord. Will the Minister consider the benefits of adopting similar policies? However, as universal credit is a reserved issue, most of the problems identified can affect people in Scotland as much as anywhere else.

Many parents are aware that the transfer can be chaotic. The Resolution Foundation reports that 20% of new claims are not being paid on time or in full. I am sure that the Minister would agree that the financial impact of mistakes during the transfer should be borne by the Government rather than the individuals affected by it. Most analysis has shown that, overall, universal credit is less generous than the benefits it replaces. There is a consensus that the impact on children's health and well-being, educational attainment and life chances is considerable.

I very much appreciated the briefing papers from the House of Lords Library and the Children's Commissioner. Both those pieces of independent research paint a dismal picture of the impact this process has had; as we know, the cuts in benefits experienced by many families are not confined to those on universal credit but have been felt across the whole benefit system. In fact, it feels as though there has been a tidal wave of attacks on family life. As has been mentioned,

these include the bedroom tax; the reduction and removal of the family element for in-work benefits; the pernicious two-child limit with its special circumstances clause, which is commonly called the rape clause; and the sanctions system, which has had such a damaging impact on claimants' morale and self-esteem, often leaving them at the lowest ebb in their lives and sometimes even suicidal.

The Child Poverty Action Group has pointed out that this week's Budget was a missed opportunity. It stated:

"This should have been the Budget to bring families in from the cold".

As my noble friend Lord Bassam said, child benefit has lost 23% of its real value since 2010. The CPAG states:

"If there is substance to the claim that austerity is ending, ending the freeze and allowing family benefits to rise again with rents and inflation must be a priority".

The result of these ongoing cuts is that we live in a society where poverty rates among children are higher than in any other group. Unfortunately, some politicians focus so much on the bottom line that they can forget that these are real families and real children. In justifying the two-child limit recently, a Member of the Scottish Parliament said:

"It is fair that people on benefits cannot have as many children as they like",

while those in work "have to make decisions" on this. It must have slipped her mind that most people on benefits are in work, but regardless I do not believe that even the most hard-hearted would justify pushing a family into poverty because a couple who thought they were financially secure enough to have a third child found that their circumstances had changed, or believe that someone with an unplanned pregnancy should have to choose between an abortion or hardship for their family, or that a woman who had been raped or is in an abusive relationship should have to justify herself to the DWP. I am sure that noble Lords agree that we forget the reality of people's lives at our peril.

3.55 pm

Baroness Wyld (Con): My Lords, I thank the noble Lord, Lord Bassam, for introducing this debate, particularly for framing it in the context of family life. He probably will not be surprised to hear that I do not agree with all his points, but too often work and benefits are talked about in terms of systems and processes rather than people's experience. He also made a very moving tribute to Baroness Hollis, who I did not meet but clearly made a huge contribution to this House.

We have come to the point in the debate where we start to echo people, but I am afraid that I want to echo noble Lords by talking about jobs. It is a natural place to start, because they are ultimately what the vast majority of people want. Every child I have ever met, from any background and environment, talked and wrote about their dream jobs when they were at school. It is the duty of any Government to deliver an economic and social climate that enables those who can to achieve their economic potential. I sometimes think it is a bit too easy to take for granted the record employment levels we have heard about and forget the dark days of the great recession of the late 2000s.

Of course, there is definitely more to do to break particular cycles of unemployment and deprivation. I have spoken in this House before about social mobility and the importance of knowing how to open the door to opportunity. Still too many times school leaders, when I meet them, speak of children and young people growing up in houses where they have never seen anyone go to work. They have no sense of the benefits of working life, or even how to make a first step into work. Of course there are complex reasons behind this—I fully understand and know from my own family experience that there are times when people simply cannot go to work because of disability or ill health—but there is also evidence that some people need more active support to make the move into or back into the workplace. The Government would be failing them and their families if they did not continue to make this their driving ambition.

I want to ask my noble friend the Minister about a specific group of people: those who have been diagnosed with a mental illness. This is something we have experience of in my family. It came out of the blue. We found ourselves having to navigate the benefits system 20 years ago. It was confusing, faceless and frankly pretty patronising to somebody who had worked for over 25 years. They just wanted to be helped to get through the day and, in time, to get back on their feet. In times of crisis or illness the world is a frightening enough place. People must have confidence that they will not be even more disadvantaged due to problems with implementation or bureaucracy.

I want to be clear that I support the Government's determination to simplify the system. I completely agree with the points that my noble friend Lord Farmer made. Realistically, rollout of such major reforms will always require the Government to take stock at regular intervals along the way, but can my noble friend the Minister please tell the House what safeguards the Government have in place to help those with mental illnesses as they navigate the system and move over to universal credit?

In addition, what steps are the Government taking to ensure that people who have been diagnosed with a mental health problem are considered with sensitivity and understanding as they navigate their working lives? Many of those with mental illnesses walk a fine line between wanting to and being able to work. This situation is not static, but let us start from the premise that those with a mental illness deserve the same opportunity to work as anyone else and should not face barriers or discrimination in the workplace or on the road into the workplace. Like everyone else, they should live in a country where work pays and contributes to self-esteem and well-being. Like everyone else, when they are unable to work they should have confidence that the state will support their individual needs.

My noble friend Lord Farmer talked compellingly about the job coaches he met on a visit to a jobcentre. He told your Lordships' House about their sterling work to provide much-needed continuity of support to individuals. Can my noble friend the Minister say whether these job coaches will be trained so that they have the additional understanding and sensitivity to help people with mental health needs?

[BARONESS WYLD]

Finally, I welcome the raft of measures the Government are introducing to support children and young people who experience mental health problems. However, it is essential that the Government join these up to support these people during major transition periods in their lives. We know that a real danger point for young people with mental health problems is when they reach adulthood and either move into adult services or try to navigate the world of work or of financial support and benefits.

Does my noble friend the Minister agree that the DWP should work more closely with the DfE and the DHSC to help young people with mental health problems figure out their path to adulthood? I firmly believe that this Government are committed to helping all to reach their potential. The noble Baroness, Lady Lister, used the word “indifference” and I respectfully say to her that that is unfair and goes too far. It is only through genuine joined-up thinking that this can be achieved.

4 pm

Lord Livermore (Lab): My Lords, I congratulate my noble friend Lord Bassam on securing this debate and on his powerful opening speech. I did not know Lady Hollis nearly as well as many other noble Lords speaking today, but I know—both from her formidable reputation and from having had the pleasure of hearing her speak—that she was a consistent, eloquent and uniquely powerful voice for so many who too often have no voice of their own and I greatly admired her for it. How desperately do so many in our country need that powerful voice today. I know that many of my noble friends, in speaking up for the most vulnerable in society, will continue the work and maintain the legacy of Lady Hollis.

During the last Labour Government, I worked for 10 years in the Treasury. Welfare reform was central to the mission of the then Chancellor. The principles underpinning his reforms remain both relevant and right today: to ensure work always pays more than welfare and to prioritise support on to children and, in so doing, to reduce child poverty. It is a tragedy then—for so many families’ prospects, for our nation’s prosperity and for the fabric of our society—that over the past eight years successive cuts to the UK’s social security system have undermined every one of those principles.

Since 2010, we have repeatedly been told that those cuts were an economic necessity. The Government’s policy of austerity—of not just reducing the deficit but of aiming to run a surplus—was used to justify over £12 billion of cuts to the welfare system. Yet in his Budget speech on Monday the Chancellor announced that austerity is coming to an end. He abandoned his fiscal objective of running a budget surplus in the next decade and instead embarked on a £55 billion giveaway. If there is so much money to spend and austerity really is over, any cuts that the Chancellor now imposes must surely be a matter not of economic necessity but of political choice.

Let us look at the choices that this Government have made. We should, of course, begin by welcoming the £1,000 increase in universal credit work allowances,

which, while it does not address some of the underlying design flaws, puts back some three-quarters of the cuts made to universal credit by George Osborne. However, more than 75% of the benefit cuts that the former Chancellor announced in 2015 remain government policy, with the freeze in working-age benefits still continuing next year. Of the £12 billion of planned welfare cuts by the end of this decade, only a quarter have now been reversed and over £4 billion of further working-age benefit cuts are due over the next five years.

Even with the new universal credit measures, those in the bottom 30% of the income distribution will still gain less from the increase in work allowances than they will lose from the continued benefits freeze. As a result, a couple with children in the bottom half of the income distribution will lose £200 a year, while a single parent working full-time on the minimum wage will still be £1,940 a year worse off. To reverse these cuts would cost the Exchequer £1.5 billion, but clearly this was not a choice that the Chancellor was willing to make.

Instead, the Chancellor chose to announce tax cuts costing £2.8 billion, 90% of which benefit the top half of the income distribution. Nearly half the gain goes to the top 10% alone. Looking at the overall effect of the Budget, the richest 10% of households will gain 14 times more than the poorest 10%. The IFS has calculated the distributional impact of changes to tax and benefits since 2015. It is strongly regressive. The poorest decile loses £1,100 a year, while the richest decile gains £400 a year. While some of the richest working-age families with children gain £1,000 a year, the poorest lose £3,000 every year—15% of their income. These are quite some choices that the Government have made.

These are not the inevitable consequences of reducing the deficit. No longer are they the necessary result of austerity; rather, they are deliberate policy choices reflecting the Government’s values. Their choice is to continue to cut ever deeper into working families’ incomes, not out of economic necessity, but out of ideological determination. The choice to spend £2.8 billion on tax cuts, half of which benefits the richest 10%, while it is still their policy to cut £1.5 billion from low-income and middle-income families, is a bad one. It is a bad choice for the Government to make and a bad choice for the Opposition to support.

Look back at the distributional impact of Labour Budgets over the 10 years that Gordon Brown was Chancellor and you will see a 12% increase in net income for the poorest 10% of families and a 5% decrease for the very richest. That is what progressive tax and benefit reform looks like and those who now claim to be more progressive could learn much from it. The reality is that austerity may have ended for a few at the top, but it is far from over for many hard-working lower-income and middle-income families. By cutting support to them, this Government break the promise that work will always pay more than welfare. By their choices, they betray a generation of children and, by their actions, they expose a Government deliberately targeting the very poorest in society while handing billions back to the better-off.

4.07 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I congratulate my noble friend Lord Bassam on securing this debate and on his words about Lady Hollis. I wanted to speak in this debate as a tribute to our wonderful colleague, who died just a couple of weeks ago and who always fought to bring justice to our social security and pensions systems. Had she still been here, she would be leading this debate, forensically focusing on the facts so graphically and soberly presented in the Library briefing, while forcing us to face up to their human costs. I want to look at those costs in terms of housing. I declare an interest as chair of the National Housing Federation, the trade body for housing associations in England.

Patricia was a very effective member of the federation's Peers network. She fought hard to amend the housing benefit impact of the social sector size criteria—the bedroom tax—to ensure that a bereaved family was not affected in the first year after a child's death. She pressed for people who have just lost their job not to be immediately affected. It is disappointing to see that this level of sensitivity has not been carried through to universal credit: under universal credit the exemption for a bereaved family is just three months and there is no exception for people who have just lost their job. Since 2010, social security reform, restriction on access to benefits and the reduction in entitlements have made life more difficult and have left those on the lowest income with less money.

The housing sector's ability to continue to facilitate access to good-quality affordable housing has become increasingly difficult, with many of our members citing the impact of some social security changes as a barrier. The impact of these reforms, combined with an acute shortage of socially rented homes, has seen numbers, costs and pressures rise in the private rented sector. Now, more money goes to private landlords in the form of housing benefit than is invested in the root cause—a lack of truly affordable housing. We now see cases where low-income households are struggling to access the private rented sector.

A report by Shelter and the National Housing Federation found that five of England's leading letting agents actively discriminate against tenants on housing benefit. As of May 2018, 1,092,000 claimants rely on housing benefit to help with expensive housing rents. The majority are women, especially single mothers with childcare responsibilities. People who receive disability benefits are also three times more likely to need a housing benefit top-up. Homelessness has increased dramatically, as has rough sleeping, and 123,000 children are living in temporary accommodation. The Minister told the House, in response to my question on the rough sleeping strategy, that the model to assess the effects of government policy would be ready in December. Can the Minister today confirm that this is on track?

Housing associations' experience of universal credit so far has shown that the five-week waiting time, payment delays, mistakes made by the system and a lack of support and information are causing considerable distress and financial difficulties for many tenants. Housing associations invest a great deal of their own resources in supporting people to make and manage a

universal credit claim. Yet our evidence shows higher levels of arrears for those in receipt of universal credit, compared to those on housing benefit. There needs to be a far more effective partnership between DWP and social landlords so that this support for vulnerable people can be provided more effectively.

I support the original aim of universal credit, of providing an adequate income for all households whether in work or not—Lady Hollis supported it, too—but to ensure that universal credit meets its original aim there needs to be real improvement in the design and the administration of the system.

The £1 billion promised in Monday's Budget must be used urgently to resolve these problems, although I fear that it will not be enough. The promises to increase work allowances by £1,000 is welcome, but the Government must ensure that people receive the money that they desperately need, when they need it, before even more people are moved on to the system. There must be an understanding of how DWP policies, or those from the Treasury, align with the Government's housing ambitions. I echo my noble friend Lord Bassam's comment about cross-departmental policies. Housing policy must be co-ordinated across all departments and over a longer period of time. The only way to sustainably bring down housing costs and cut homelessness is to increase capital investment in social housing, alongside creating a social security system that is fair and delivers for those on low incomes. That is the only way to create a secure environment for tenants and families.

4.12 pm

Lord Sherbourne of Didsbury (Con): My Lords, it a pleasure to follow the noble Baroness, whose speeches I always listen to with great interest. She has great expertise in housing, about which she has been speaking this afternoon.

This debate is about the impact of government policy on family life. I want to focus my remarks on the way in which this Government, and their reforms, are making life better for families by increasing social mobility and improving life chances. It is worth remembering that to be successful in this regard, all Governments must do three fundamental things. First, they must continue to manage the nation's finances in a prudent way in order to avoid the financial crash which we know can cause huge social damage. Secondly, they must go on ensuring that we have an enterprising economy, because that is only way to generate the jobs that give people the wages and salaries they need. It is the only way to generate the taxation which sustains our vital public services. Thirdly, we need a welfare system which protects those who cannot protect themselves and those who need additional help, but it must be a system which does not blunt incentives. As Lord Beveridge said in his report:

"The State ... should not stifle incentive, opportunity, responsibility".

It should be a welfare system which is financially robust and viable for the long-term.

That brings me to universal credit, which I strongly support because, I am afraid, Labour's system of tax credits turned out to be something of a shambles. Tax

[LORD SHERBOURNE OF DIDSBURY] credits were impossibly complicated. Hopeless computer systems left people out of pocket and, tragically, they kept millions of people trapped on out-of-work benefits.

Last week the *Economist* magazine, which is no uncritical supporter of universal credit, wrote:

“Universal credit has a lot going for it. Streamlining benefits into one monthly payment will eventually make the system easier to administer. It removes perverse incentives whereby somebody moving from welfare to work can lose about as much in benefits as they earn. Allowing people to make a single application for all their benefits should improve take-up, and so reduce poverty.”

That was before the improvements and enhancements announced in Monday’s Budget, which have been welcomed by many charities such as the Trussell Trust, the Resolution Foundation, the Joseph Rowntree Foundation and the CPAG.

Is universal credit a perfect system? No, of course not. It is a major reform and there were bound to be problems—I readily admit that—so people in this House are right to be eagle-eyed and vigilant, as they should be. Those people include the noble Baroness, Lady Lister, and of course the late Baroness Hollis, who many colleagues have mentioned and who is a real loss to this House. The Government should listen to their criticisms; the Budget has shown that the Government are listening and responding. The Government are now providing increased funding to give additional protection to existing welfare claimants as they move on to universal credit. In addition, work allowances are being increased.

Perhaps I might make one additional point, because the responsibility of the Government goes beyond the welfare system. I want to talk about the provision now being made by the Government for health and the National Health Service. Many noble Lords have talked about the impact on people with mental health issues, so I very much welcome the increase in spending on the NHS by over £20 billion a year by 2023-24. I welcome in particular the fact that mental health will take an increasing share of the NHS budget. For all these reasons, I welcome and support everything the Government are doing to help families.

4.17 pm

Baroness Donaghy (Lab): My Lords, I thank my noble friend Lord Bassam for initiating this timely debate. When the Welfare Reform Bill was being taken through this House, Baroness Hollis asked me what contribution I could make. I explained that I had worked for 40 years, so I knew nothing of welfare benefits. “That’s fine”, she said. “You can cover the self-employed”, and I did. It did not occur to me that I had a choice; that is how compelling and charismatic Patricia Hollis was. I mugged up on the subject, with the help of the Low Pay Unit, and spoke several times.

I learned enough to realise that the proposed universal credit system was unsuitable for the self-employed. It is rigid and mean. It does not take sufficient account of fluctuating earnings or seasonal variations. The Budget announcement only extends the 12-month grace period, so it will change nothing. When I last spoke on this subject, the Minister made no reference whatever to the self-employed. My first question therefore has

to be: is she able to say what improvements will be made to the universal credit system to help the self-employed?

When what became the Welfare Reform Act was going through the House my party, as has been said, supported the general thrust. It was accepted that the current system needed to change and there was a hope that a comprehensive system would assist those who needed help the most.

The shadow Secretary of State for Work and Pensions, Margaret Greenwood, said on 17 October that,

“universal credit was designed to lift people out of poverty”.—[*Official Report*, Commons, 17/10/18; col. 648.]

I do not believe that was the intention. It was designed to save money and force people into low-paid jobs. I believe that people should be incentivised into work, but universal credit gives a Hobson’s choice of bumping along the bottom of the economy.

I always had reservations about the universal credit system, not just because of the self-employed but because it was not universal—it left out a number of important areas and meant that most families with a disabled child would be worse off. Combined with the cuts in disabled living allowances for most people with disabilities it meant that the disabled would not be lifted out of poverty. Changing the definition of poverty does not change the experience of poverty.

I was concerned about putting housing benefit into universal credit. I felt that local authorities were best placed to administer that scheme. I may be wrong, but it was a genuine concern that I still hold. Is the housing benefit bill too big? Of course it is. However, if there was a major shift—as my noble friend Lady Warwick has said—in the development of social housing, that bill could be brought down. Indeed, social housing is diminishing under this Government, despite successive announcements.

My major concern about universal credit was its complexity, and the fact that it would be hugely difficult and expensive to administer properly. I am an administrator by trade, and I think that the project is doomed to failure unless there are radical changes. I am not talking about the difficulties faced by claimants; the Child Poverty Action Group has already set those out very clearly. I am talking about the administration of the universal credit system itself.

This is the calm before the storm, as everyone knows. Only 9% of families with children are on universal credit. The Budget provided some small ameliorations but no equivalence between universal credit and legacy benefits. There is still a single claim for everyone in the household, despite our warnings of the danger of that in violent and controlling situations. The third child still gets nothing. Single women with young children will still be the hardest hit.

The National Audit Office and the Resolution Foundation have questioned the feasibility of the current switchover plans. Will the Minister say whether these organisations are wrong? It is important to remember that local authorities deliver over 800 services to their communities—they are best placed to understand family circumstances and bring services together. They need additional funding to enable them to deliver these services, and the Local Government Association points

to the interaction between homelessness, the reduction in support for housing costs and the increase in the number of households in temporary accommodation.

We hear that the extreme right wing of the Conservative Party is calling for more money for universal credit—not because they have suddenly discovered poor people but to make a political point about Brexit savings. Beware, therefore, the big, bad wolf in grandmother's clothing. It is the personal experience that counts: a young woman who volunteers in a food bank and has lost all faith in government; a friend who fell behind with her rent because of the bedroom tax; having to clothe your baby from a baby care bank; or feeling powerless, hopeless and done to. This is the real impact.

4.23 pm

Lord Shinkwin (Con): My Lords, I too thank the noble Lord, Lord Bassam, for securing this debate. I will focus my remarks on universal credit as it affects disabled people. However, first I join other noble Lords in paying warm tribute to Baroness Hollis of Heigham. No one could doubt her passionate commitment and her expert knowledge of the system. I think the House misses her deeply.

More than one-third of claimants moving on to universal credit—UC as it is more generally known—through a process of managed migration will be disabled people, so it is crucial that the Government get the regulations governing managed migration right, and I look forward to seeing the recommendations of the Social Security Advisory Committee on the regulations and the Government's response shortly.

Notwithstanding that, it is important to reassure disabled claimants that the Government are determined not only that UC should be a success, but that UC should help most those who need most help. That is why I welcome the fact that around 1 million disabled people will gain, on average, £110 more a month through UC. I also welcome the fact that the severe disability premium transitional payment rates reflect the extra financial support provided through the more generous limited capability for work-related activity component. Indeed, the rate for these UC claimants is significantly higher, at £328.32 a month, than £163.15 per month on the equivalent employment and support allowance support group. Targeting support to the most vulnerable through the severe disability premium will benefit 500,000 people.

I also take comfort from the way the Government are listening and acting in response to issues raised by colleagues in the other place, such as the well-respected champion of social justice Iain Duncan Smith, who has publicly welcomed the Budget announcements on UC. The Government's "test and learn" approach is surely wise because it allows them to make improvements to the system as it gradually rolls out. Changing the start date of the process of managed migration from January to July 2019 and focusing initially on a limited number of claimants should also provide reassurance to those who may be under the misleading impression that change will happen overnight. It is not.

As I spent nearly all of my working life in the charity sector before I entered your Lordships' House, I have seen first-hand the excellent work that it does. I

was therefore pleased to learn that the DWP is going to fund Citizens Advice to provide universal support to help those claimants who find the transition to UC challenging—for example, if they struggle to use online services. This is an excellent idea, and I encourage my noble friend and her fellow Ministers at the DWP to explore how other charities with a recognisable, trusted brand can help mitigate disabled people's concerns about transition—for example, by contacting those who have not responded to successive communications, whether written or by phone, from the DWP.

I shall finish with a general point, which I have arrived at having listened to various contributions from the Benches opposite which I found really depressing because they were made in a vacuum of ideological deficit denial and a total inability to accept responsibility for the high level of debt that the profligacy of Gordon Brown visited upon this country as an enduring legacy of his spending. I simply say that that would become so much worse under the Marxist McDonnell Chancellor if Labour were to win the next general election.

My final point is that a failure to tackle that and to reduce the deficit poses the single greatest threat to disabled people's security. When the welfare system becomes unsustainable, those who need the most help are the most vulnerable. Disabled people like me do not have the most to gain from reckless debt-creating spending. We have the most to lose.

4.30 pm

Baroness Andrews (Lab): My Lords, like every other noble Lord who has spoken, I am very grateful to my noble friend Lord Bassam for initiating this debate. It is a poignant debate as well as a timely one because we are remembering our dear friend Patricia. One of Patricia's favourite words was "decency", and we know exactly what she meant by that. I was her Whip for some time when I was a social security specialist in this House. I do not think that a Whip has ever learned more or done less. Sitting beside Patricia for the pension and social security debates, I was enormously impressed. I used to pray that she would stay in good health so that I would never have to take over from her. We will miss her hugely all around the House.

Patricia and I both grew up in a society that had the benefit of the post-war social contract defined by national insurance, the National Health Service and free secondary education—the elements of a decent life. It laid the foundation for a family life that was free from fear. The tragedy is that we could have predicted in the past 10 years that fear would return, and indeed it has. I very much regret the way that the noble Lord, Lord Shinkwin, finished his contribution; I was very appreciative of it until that point. The point is that we have seen the return of fear: not just being unable to envisage owning your own home, but the immediate day-to-day fear that comes from not being able to pay your rent or bills, or to buy food.

How did we ever come to this point? Patricia was an accomplished historian, and it is worth reflecting on the years between 1997 and 2010 when we are now certain, by irrefutable measures, that child poverty fell by one-third due to a combination of more affordable childcare, the minimum wage, access to jobs, better

[BARONESS ANDREWS]

benefits and better services—years in which family incomes grew. The years between 1997 and 2010 proved that when Governments are serious about reducing child and family poverty, they can do it, and Patricia was part of that Labour Government.

The past eight years have shown how very easy those measures are to undo, even things that you think are certain and deep in the system. Year-on-year cuts in public spending have removed vital services, such as children's services, that have an immediate impact on how people live and work. There was a real cut of £12 billion in welfare benefits in 2015, £3 billion of which were cuts to work allowances in universal credit, a scheme predicated on “making work pay”—one of the many paradoxes to be exposed; the rest was an accumulation of cuts in working benefits, tax credits, housing benefits, council tax benefits and of course child benefits. Of course I welcome the £1.7 billion that the Chancellor announced yesterday to increase working allowances, but there is a limit to how grateful we can be to a Government who are simply trying to repair the damage that they themselves have deliberately inflicted with calculated policies. And, as we have been told by many people around the House, there is indeed more to come.

We have heard a lot about jobs in this debate so far. The changing picture of family and child poverty is not about unemployment; it is more about the deregulated, insecure and unstable workplace that so many families are now in thrall to. In the middle of that massive economic change has come universal credit, the biggest and riskiest change in social security for decades and the biggest IT project, with all that that implies.

UC may well be defensible in principle, but it simply fails to acknowledge the realities of working life. It is a system based on an assumption of what is average, on monthly assessment, on erratic payments determined by arbitrary dates and calculated delays in payment, with a total reliance on IT. Families are flummoxed by how much or how little they receive. Many of them are for the first time in their lives in debt, in housing arrears, dependent on food banks.

The PAC said that universal credit is taking too long to pay people the money they need to live on. The Select Committee on Work and Pensions said that the universal support system needs to be completely overhauled if it is not to threaten not only the well-being of claimants, but the scheme itself. Every expert—and I include two ex-Prime Ministers—has said the same. The time for patching up is long gone. Another delay will solve nothing. It is imperative to embark on fundamental redesign to remove the structural disincentives, absurdities and perversities in the system. Does the Minister—who is not in her place—agree with that analysis and that there should be no mass migration until that is sorted? Does she also agree with the Resolution Foundation, which states:

“Reforming while cutting is reckless, and doing so on the back of a catastrophic decade for low-to-middle income families’ living standards is plain wrong”?

The effects are nationwide and in every community. I live in what looks like a very affluent community in Lewes, but there are pockets of poverty. We have three

food banks. The wonderful volunteers who run the Fitzjohn's Food Bank tell me that food bank usage has doubled over the past year. It has provided 43,000 meals. A mother came in the other day in total distress, having lost half her universal credit without warning. It is extremely anxious about the move to universal credit. That is just one food bank.

The rise of food banks is ascribable not just to universal credit. That is the problem: the causes go much deeper. That is why the damage relief Budget this week, which prioritised an increase in tax relief for top earners, is a disgrace. It simply puts the country on a faster track to even greater inequality.

In conclusion, we are witnessing fundamental changes in the welfare state that are dismantling the idea of the social contract and the notion of an unconditional social citizenship which included all families in the prospect of a decent life. Universal credit overrides the real choices that people face and attaches conditions to accessing and keeping work. Risk is no longer pooled; resources are no longer fairly shared. The burden is being borne by poorer families with fewer means to change their circumstances.

Patricia Hollis would never have been silent on that. She would never have stopped until she had persuaded the Government that they had to change. That is her legacy, and that is our duty.

4.37 pm

Baroness Pidding (Con): My Lords, first, I join all other noble Lords in congratulating the noble Lord, Lord Bassam of Brighton, on securing this important and timely debate and in paying tribute to the tireless work of the late Baroness Hollis.

For too long, the benefits system has been a byzantine nightmare: a complicated arrangement of six different benefits coming from three different government departments. This complexity created obstacles for claimants entering the workplace. Under the previous Labour Government, our benefit system created a poverty and dependency trap for claimants and their families where, ironically, it could be more worthwhile to claim benefits from the state than to work.

The old system disincentivised work through cliff edges at 16, 24 and 30 hours worked per week. Workers claiming benefits could increase their hours but gain essentially no financial benefit from doing so. That meant that those choosing to work could have an effective tax rate of more than 90% on their income.

Universal credit changes that. It makes work pay. Because universal credit incentivises work and does away with the old system of cliff edges, 86% of people on universal credit are trying to increase their working hours. They are doing so because they can be sure that, the more money they earn, the more money they will get to keep for themselves. Indeed, analysis shows that people in work and claiming universal credit are on average £600 a year better off as a result.

Universal credit is projected to help an additional 200,000 people into work, adding £8 billion per year to the economy when fully rolled out. That is more money for the Government to spend on our public services and infrastructure. But, more crucially, those

200,000 more people in work are 200,000 more people taking pride in earning for themselves and their families. In turn, that means many more children growing up in homes with working parents, rather than in workless households. We know from research that children do worse in workless households. Children in workless families are almost twice as likely to fail at all stages of their education as those in households with at least one parent working.

However, no system is perfect, and I welcome the Chancellor's commitment to spend an additional £4.5 billion to help with the full rollout. The *Economist* argued recently that universal credit was a policy worth implementing, and suggested that, if done properly, this reform could be a "shining example for others".

The Government have committed £51 million pounds to Citizen's Advice centres to deliver support for new claimants. They have provided online guidance—immediate access to work coaches—to support claimants, and have trained 1,800 universal credit work coaches to support claimants with mental health issues. The end result is worth it. We must have a benefits system that is easier for claimants to navigate, and that supports and incentivises working. We need a benefits system that encourages those that are structurally unemployed into employment, so that their children do not fall victim to the same fate. The previous benefits system—which incentivised claiming from the state over work—is not fair to those claiming it, to their families, and to hard-working UK taxpayers who ultimately finance it.

Because of this Government's commitment to get Britain back to work, there are thousands of families where children grow up seeing their parents coming home from work every day. We cannot overestimate the positive effect of this: such behaviour sends an immensely powerful message to the next generation. We need a benefits system that supports this, not one that actively discourages claimants from seeking work.

In closing, I pose two questions to my noble friend the Minister. Does she agree that, whereas the legacy system stifled work opportunities, universal credit unlocks them, and that it is crucial to continue to roll out universal credit to extend opportunities to work to all?

4.43 pm

Lord Young of Norwood Green (Lab): My Lords, I too congratulate my noble friend Lord Bassam on introducing this debate, and I echo the tributes that have been paid to Lady Hollis.

I want to focus on a couple of aspects, and start by quoting from the *Times* on 15 October. Paul Johnson is director of the Institute for Fiscal Studies—not exactly a left-wing organisation, so a reputable source, I trust the Minister will agree. He focused on the allegation that universal credit is a poll tax moment. At the end of the article, he says:

"The same point pertains here as to the recent two-child limit in means-tested benefits. The idea is that nobody will lose in cash terms as they transition on to universal credit. They will be protected. Again, only new claimants, or people who have a change in circumstances, will lose relative to the existing system.

Whatever one thinks of the long-term effects, that doesn't look like it will create a poll tax moment. What might create such a moment, though, is the third issue—the administration of the

system. That is already creating some problems when new claimants move on to universal credit. There are all sorts of risks here, but perhaps the biggest are likely to arise as up to two million families presently receiving tax credits and benefits transfer across to the new system".

I trust the Minister is listening. The article continues:

"Under current proposals, they will actively have to reapply. The transfer won't happen automatically. If they don't reapply, they will lose their benefits, including any transitional protection. The scope for large numbers of people to end up losing benefits in unintended ways is clearly huge. That is what should be keeping ministers awake at night.

It is hard to overstate just how big a change universal credit will be. It will create millions of winners and losers. Any poll tax moment, though, is most likely to occur for administrative reasons. The first priority for avoiding such a moment should be to ensure that existing claimants transfer as easily and seamlessly as possible".

That is what I want to focus on, because it is fundamentally important. I am not one of those who is calling for the scrapping of universal credit; to be honest, that way lies madness. I do not believe that going back to the previous system would be feasible. I could not help reflecting that, if there was someone else who I would have liked to be in the Chamber, it would be the noble Lord, Lord Freud—who, after all, was one of the main architects. It would have been interesting to hear his reflections.

Like many people, I welcome the cash injections in the Budget: I have to say that they were necessary. Not only Members on this side of the House, but those on the other side, were saying how much they were needed and that the Osborne formula had gone too far. I would like confirmation from the Minister about the waiting time—it was once six weeks, was reduced to five weeks and now is going to be reduced to three weeks. I am sure I read about that somewhere, but could not find it.

Politics is about the language of priorities and choices. I cannot help reflecting on something in the Budget that is important. Raising the tax threshold is good; it is hard to argue against that. It was interesting to hear the analysis, which has been referred to by a number of noble Lords today—namely, that it benefits more people at the middle and top end, and those at the lowest end benefit the least. If the Government really want to help those people—and I think that they probably do; I am going to give them the benefit of the doubt, although I am probably out of keeping with many of my comrades here—then the best thing they could have done was to raise the national insurance threshold. That would have had a bigger impact.

I will turn briefly to the Library briefing—another superb document. Sometimes they are so weighty that they overwhelm you, but with this one they have obviously discovered that less is more, and it is really helpful. The briefing quotes from a report by the Resolution Foundation, which points out that once universal credit is in a,

"steady state we expect working families to be, on average, £625 a year worse off".

The report continues that this means that, overall, universal credit is set to be,

"almost £3 billion a year less generous than the tax credit system it replaces".

[LORD YOUNG OF NORWOOD GREEN]

I am sure that the Resolution Foundation is not making that up, and it is a concern.

To return to the question of transition, the noble Baroness, Lady Jenkin, said at the beginning of the debate—and it was not a throwaway remark—that DWP staff need more training. They might do; I am sure that they would benefit, but that is not the problem and the challenge that they face. I happen to be in contact with somebody who actually works for the DWP, and I recommend that the Minister goes and talks to the staff—not the job coaches, but the staff who are dealing with claimants on a day-to-day basis. They are under enormous pressure. They want to do the best they can; they are dealing with complex cases, but often find that they have to give a small amount of time to those cases because they have to go on and deal with the others. It is a really serious problem: people sometimes literally break down in tears because of the pressures they face. I could not help smiling when I heard recently that a regional manager came round and thanked them. That was it. What the regional manager ought to have done was sit down with them for half an hour and ask them what challenges they were facing.

The most important thing that the Government need to do, if they do not want universal credit to be seen as universal discredit, is to ensure that that transition takes place in an orderly way, so that people feel confident about the change to universal credit. So much of the analysis by the noble Lord, Lord Shinkwin, who is not now in the Chamber, was ideological and unfair, in my view; but that is a debate for another time. He said that there was going to be some kind of a pause. There should be, because you need to give time to ensure that the DWP staff are ready to cope with that enormous workload. I would welcome the Minister's response to that point.

4.50 pm

Lord Kirkwood of Kirkhope (LD): My Lords, it is a pleasure to follow the noble Lord, Lord Young of Norwood Green. I particularly like his idea that it would be useful to hear what the noble Lord, Lord Freud, thought about Patricia Hollis. I think that through gritted teeth, he would give a generous appreciation of the experience he had in Committee in 2012 during the passage of the Welfare Reform Act, where she took the noble Lord to pieces and put him back together again. I must say that I had something of the same treatment. In 2003, when I was chairman of a Select Committee, we went to the extreme of requiring the then Minister, Lady Hollis, who was in charge of reform of the child support systems, to give evidence during the Summer Recess. We invited her twice; she came, and got a bit fed up with all of that. At the end, it seemed that it was me, as chairman, not her, who was answering the questions. I hope the House will understand if I say that on that occasion, I was pleased to see the back of her. She was a very effective Minister, and we will miss her. I will certainly sign up for the annual debate—I want to put in an application in perpetuity to recognise her work.

This has been a valuable debate, and we can take some positives out of it. I take the view generally that we are in some difficulty, particularly in the economic context, in spite of some of the advantages of the Budget that we saw on Monday. We face uncertain times as we withdraw from Europe—or not, as the case may be. I wonder whether we are properly prepared to help vulnerable families.

The systems we have in place work perfectly well for people like me and, indeed, for other Members who took part in the debate this afternoon who were defending universal credit. I defend the architecture of universal credit; I have been arguing for a working-age benefit that is blind to work for 35 years, and that is what the architecture provides. Before 2008, the noble Lord, Lord Farmer, who has distinguished experience in this area that I respect, did valuable work constructing a report called *Dynamic Benefits*. However, that was a very different proposition. Because of the levels at which the taper rates and working allowances were set, it was a poverty reduction measure that did not have as many of the behavioural nonsenses we are suffering from, which were added in the implementation. The noble Baroness, Lady Lister, knows better than anybody about the ways in which the money is allocated, the periodicity of payment and some of the other flaws that will need to be ironed out—and which can be. Our Conservative colleagues do not therefore need to be defensive about the architecture of universal credit. We just want the original version, and want the money put back into it.

Lord Farmer: I would just like to correct the noble Lord: the Lord Farmer he was talking about was not me.

Lord Kirkwood of Kirkhope: I beg the noble Lord's pardon. I had understood from the way he was making his argument that he was involved in the Centre for Social Justice work that led to—

Lord Farmer: I was indeed involved with the Centre for Social Justice work, but as a supporter and an encourager from outside.

Lord Kirkwood of Kirkhope: It sounds as if the noble Lord is being a bit defensive about the results of the work, but I will move on.

There was a theme in the debate: that all this is doable not just by the DWP, and that is correct. We need to work with local government colleagues much more; indeed, there was a very good Local Government Association briefing on this. The noble Baroness, Lady Wyld, talked about the need to put more effort into mental health; we need the Department of Health to assist with that.

The noble Baroness, Lady Warwick, spoke about housing, which is absolutely critical. We are handing huge amounts of money to private landlords at the moment, and that is destined to get worse. A recent Centre for Social Justice report suggests that we will be paying £75 billion by 2050 if we go on at current rates. That is clearly impossible. There is a welcome understanding across the House that the DWP needs

to use its important influence within government to get more cross-departmental support for the development of these policies. It may seem that there is enough to do at the moment, but that is important.

I keep saying that the arguments across the House leave us talking past one another. Members of the Government, perhaps understandably, say that reasonable people should be able to work their way through the complications of applying for benefits and so on. But universal credit has some real complexities, an example being digital access. “Digital by default” is a real problem for many families. It will lessen as the system develops, because more people will be educated at school to use technology, but people are frightened. A couple of noble Lords mentioned fear; the noble Baroness, Lady Pitkeathley, for example, mentioned the real fear that people have when making applications.

The Government are saying that for people like me, should I need to apply for universal credit, it is a breeze. I know it is because I have been to the centres and listened to applications being made. The system works, and there are other advantages too. Indeed, in theory, in future nobody should miss out on benefits because take-up is accounted for under universal credit. It can be massively beneficial for people like me; but for those with big household debts, two or three credit cards that they do not know how to pay off, a disability, a lack of digital skills or family problems, it can be very difficult.

The Government need to fix this, and I guess the best vehicle for doing so is universal support. I welcome the extra £1 billion that is coming in. We will talk about that in more detail when we get the managed migration regulations, because that is where this sits. It would be helpful to get an idea of when the regulations will be coming, together with the SSAC report to which the noble Lord, Lord Shinkwin, rightly referred.

If people on the Government side are trying to defend the situation and are frightened that universal credit will be swept away, the one thing they can do is ask for more support, because it works. They got more money from the Chancellor—I did not expect that package. It was down to Conservative Members of Parliament saying, “We need to do something about this”. They now need to go back and say, “We need more put into universal support” to help the 10% to 15% of households who will really struggle to find a way through the difficulties, in addition to the sanctions that they face. There are things we need to do to guarantee the future of universal credit as a successor to the legacy benefits that the noble Lord, Lord Bassam, has rightly raised in his Motion.

Between now and next November’s comprehensive spending review, we need to put more support into universal credit so that it can be guaranteed to work. If I were to get the assurance of extra resources, I would become a stout defender—subject to dealing with the behavioural issues that still need to be fixed. I would be much more encouraged to defend the architecture of universal credit if it had a more effective system of universal support attached to it.

The noble Lord, Lord Livermore, was absolutely correct to mention the real mistake that was made. The decision to put money into tax allowance increases

as opposed to unfreezing benefits was unconscionable. It was a political choice and, at this stage in the game, when we face uncertainty over Europe and everything else, flatly wrong. It was a big mistake. It was a choice that the Government made and they will be held to account for it, and rightly so.

Finally, I was encouraged by reference in the Red Book to providing better access to affordable credit. A lot of the families that I am talking about, and continue to be concerned about, are at the mercy of loan sharks day in, day out. Using assets from dormant bank accounts can help to deal with that. It is not a huge amount of money but if it works, it could be extended. I hope the Government will take that forward, because it would be a very positive move.

This has been a very good debate. Such a debate should be held annually, but we need not just to “take note” of things; we need to get them fixed.

5 pm

Baroness Drake (Lab): My Lords, I too congratulate my noble friend Lord Bassam on securing today’s debate and on his powerful contribution. The debate, with so many excellent contributions, has drawn out very clearly the need to look at social security as a whole and at the impact that it has on the day-to-day life that people and families in the UK lead, not just as a spreadsheet of discrete numbers.

In the recent Public Accounts Committee report on universal credit, some of the most striking criticisms were that the department has “persistently dismissed evidence” and,

“refuses to measure what it does not want to see”.

I am sure that the Minister has listened carefully to every contribution today, even where it has been of a nature that the Government might not wish to hear. Discussing what a system aspires to achieve is but one element; assessing the evidence of actual outcomes is quite another.

Four million children—30%—live in poverty in England according to the Child Poverty Action Group. In Wales, the figure is 200,000. The Institute for Fiscal Studies predicts a further increase of 400,000 by 2021. The Equality and Human Rights Commission estimates a higher number, at 5.5 million children. One can vary the data source, but that does not vary the message: levels of child poverty are rising. Falling state support for those on low incomes, cuts to benefits and tax credits, rising household debt, rising private sector rents, a labour market with more part-time or self-employed workers or workers on insecure contracts are pushing children into poverty. Most of the projected increase in absolute poverty is due to the two-child limit on child benefits.

Child protection inquiries have risen by over 150% and the number of children in care is the highest since the advent of the Children Act 1989. Perhaps I may quote from the Children’s Commissioner briefing, which states that the,

“biggest losers under universal credit are ... families with children, especially single parents. The Government have never fully justified this. When presented with ... IFS and Resolution Foundation research, the ... Secretary of State ... said there would be ‘winners and losers’. There is no clear rationale for making children the losers when they already have higher levels of poverty”.

[BARONESS DRAKE]

David Cameron, in announcing the family test in August 2014, said that he wanted to introduce a family test,

“as part of the impact assessment for all domestic policies ... that means every single domestic policy that government comes up with will be examined for its impact on the family”.

Few family test results have been published.

The *Care Crisis Review* was facilitated by the Family Rights Group and funded by the Nuffield Foundation. It captures the complex contributions at play and recommends that the DWP and DfE should lead a review into the impact of benefit rules and policies, and the projected effect of benefit changes on children entering or remaining in care. The Child Poverty Action Group calls for a root-and-branch review of universal credit, echoing concerns expressed by the Children’s Commissioner, the Resolution Foundation and many others.

The funding announcement in the Budget this week for some claimants of universal credit is welcome, but it is a kind of recognition by the Government that their flagship scheme is not working in all parts. What is missing is an admission that much more has to change. There are flaws in the design and the delivery of universal credit. Unacceptable and unrealistic waiting times, rent arrears, single household payments and the impact on domestic abuse victims are just a few of the issues that people are facing. This system is causing anxiety and hardship wherever it is rolled out. Can the Minister tell the House what plans the Government have to recognise these issues and overhaul universal credit to make it fit for purpose?

The Budget was a missed opportunity to bring children in from the cold. Child benefit—core money for struggling families in and out of work—will have lost nearly a quarter of its real value by 2020. I agree that jobs and enterprise are important, but increases in employment cannot conceal that two-thirds of poor children have parents in work. The noble Lord, Lord Livermore, demonstrated so ably that higher personal tax allowances are not pro poor children. The increases in the Budget are very small against cuts introduced since 2015 and still to come. The benefit freeze continues. Since 2010, £37 billion of funding has gone from social security.

I would like to take a little time to refer to the 200,000 children in kinship care. The *Care Crisis Review* concludes that,

“a significant untapped resource ... exists for some children in and on the edge of care, namely, their wider family and community ... supporting this resource could safely avert more children needing to come into care or could help them thrive in the care system”.

Kinship carers try to provide stable homes with little or no financial support, often giving up their jobs for often traumatised children who would otherwise go into the care system. A recent survey by Family Rights Group and Grandparents Plus found that for 94% of such carers, caring had caused financial hardship, despite keeping children out of care and saving the state millions of pounds; and 41% of those receiving some form of local authority allowance have had it reduced or removed.

Notwithstanding the commitment that children in kinship care would be exempt from the two-child limit on benefits and tax credits, the Government still penalise some kinship carers, including siblings who were raising their younger brothers and sisters and who subsequently had a child of their own. Child Poverty Action Group had to go to the High Court to win the declaration that government policy was perverse and unlawful. The Budget rectifies that unfairness from November 2018, but I ask the Minister whether it will be retrospective to when the two-child limit was introduced.

For some families, exempting kinship care children from the two-child limit provides little relief if the additional benefits are restricted by the benefit cap. Kinship care and adoptive households should be exempt from the benefit cap. In keeping with the *Care Crisis Review*, the Government should at least discount income received from tax credits and child benefit for kinship care children from the benefit cap and add it to the list of benefits that are not treated as income when the cap is calculated.

Finally, I too wish to pay tribute to the amazing Baroness Hollis, her wonderful achievements and unquenchable commitment to those less well off—from supporting black workers at Selma when a young undergraduate, to winning literary prizes and taking on the Government over cuts in tax credits. My noble friend Lady Sherlock and I were privileged to be her roommates for eight years and to witness her extraordinary mental and physical resilience and generosity of spirit in the face of what became an overwhelming illness. Patricia rooted her contribution in the reality of people’s experience. Her benchmarks always included what it would like to be the single mum in Norwich, her beloved city. The single mums of Norwich and across the UK had a doughty fighter in Patricia. O that she were here today to do justice—far more than I can do—to the issues that she cared about. My noble friend Lady Sherlock and I were ringside as she prepared for the battle with George Osborne on the statutory instrument on tax credits. Her determination, eloquence and intellect were awesome, even though she was so unwell. We were proud of her. We had had many private and moving conversations in the sanctuary of our little office. She was an extraordinary woman.

5.10 pm

The Parliamentary Under-Secretary of State, Department for Work and Pensions (Baroness Buscombe) (Con): My Lords, I join all other noble Lords in congratulating the noble Lord, Lord Bassam, on securing this debate. It gives me great pleasure to respond. Once again, I pay tribute to the life of Lady Hollis. I have already said once before that she and I were opponents back at the beginning of this century. That said, I will never forget the hug that she gave me when I was appointed to this position. The noble Lord suggested an annual debate in her honour. No doubt he will take that matter up with the usual channels.

This is a Government who support families. Our welfare system supports those who are vulnerable and helps people into work. Let me dispel the idea that we are not providing financial support for families: this country spends more than any other developed nation

on family benefits. Through our employment success—with 1,000 more people in work on average each and every day since 2010—we are creating a great working nation. Let us not forget that, under the last Labour Government, the number of households in which no one had ever worked almost doubled. Every time Labour is in government, it leaves office with unemployment higher than when it entered office, so ripping the heart out of families across the country, denying people the dignity of work, and removing aspiration from a generation. This was a consequence of the Labour Party's mismanagement of the economy and its perverse welfare system. It was a system that, through a complicated mix of benefits and tax credits, created effective tax rates of more than 90% for some and cliff edges at 16, 24 and 30 hours, thereby discouraging further work and punishing families for doing the right thing. This was a broken system that did not support families: rather it trapped people out of work.

As noble Lords will know, under the last Labour Government, 1.4 million people spent the best part of Labour's last decade on unemployment benefits. This resulted in the benefits bill soaring by £84 billion in today's prices, a rise of more than 60% in real terms. As my noble friend Lady Jenkin said, vast sums of money were being spent, while people were being locked into a life on welfare. This was why we had to introduce a benefits freeze. The system was simply not sustainable. We even had people claiming more than £100,000 a year in housing benefit. This meant that households were contributing £8,350 a year—up by nearly £3,000 from 1997-98—to fund the welfare system. How does that help families and how is it fair?

In stark contrast, this Government have helped more than 3.3 million more people into work since 2010. On average, that is 1,000 more jobs each and every day, and the vast majority of these are full-time, permanent roles. I want to stress that: they are not zero-hours contracts and they are not part-time. We have created more new jobs in the UK since 2010 than France, Spain, Ireland, Netherlands, Austria, and Norway combined. Youth unemployment has more than halved under this Government. There are now 964,000 fewer workless households in the UK since 2010, close to a record low. This means there are 637,000 fewer children growing up in workless households since 2010. This is the best support that we can provide for families, because—I say this to the noble Lord, Lord Bassam—work is the best route out of poverty, including getting people out of in-work poverty. Children in households where all adults are working are around five times less likely to be in poverty than those in workless households. Compared with 2010, there are now 1 million fewer people in absolute poverty, including 500,000 fewer working-age adults and 300,000 fewer children.

Work sets children up for the future. Children who grow up in workless families are more likely to be workless themselves as adults, compared to children with working parents. I say to the right reverend Prelate the Bishop of Portsmouth and the noble Baroness, Lady Lister of Burtersett, that it is a tough choice, but the same considerations and choices faced by people not in receipt of benefits should also be faced by those claiming benefits—those able to work.

We are not complacent and I do not accept any reference to us being a department in denial. I find that a shocking statement, referencing the 83,000 people who work tirelessly in the Department for Work and Pensions. I thank the noble Lord, Lord Young of Norwood Green, for his reference to those brilliant people. We do all we can to support them, and we must do more, because they do an amazing job throughout the United Kingdom. While there are almost a million fewer workless households than in 2010, there are still 3 million where no member of the household is in employment. We want to help those people.

The two-child policy has been referenced as a reason why many people are in poverty. That policy was brought in only in April 2017. It is important to stress that it is not retrospective and that we have child benefit, which continues for each and every child. While there are almost 1 million fewer workless households, the department has great ambitions to return many more people to work, such as our target to increase the number of disabled people in work by 1 million. It can be done. We currently have more than 800,000 job vacancies across the country. These great ambitions are the reason why we created universal credit, in recognition that the punitive legacy system took opportunities from families, creating—I repeat that extraordinary quote from my noble friend Lord Farmer's brilliant speech—

“a shadowland of complete welfare dependency, with some saying, ‘I cannot afford to work’”.

Instead, we want to give people the dignity of work and we have changed the welfare system to give people a hand up rather than a handout.

As we have heard, universal credit is an up-to-date system that replaces six benefits with one monthly payment and ensures that work pays. The taper system means that people can take on more hours and part-time seasonal work, as the benefit adjusts to their earnings. There are no cliff edges. I am proud that work transforms lives, because it helps to improve the well-being of families—their health, and their children's prospects and preparation for later life. Of course, it improves their chances of building a pension through, for example, automatic enrolment. We will help an extra 200,000 people in work and empower people to work an extra 113 million hours a week. Those in work under universal credit earn on average £600 extra a year. That is how we will deliver a sustainable welfare system.

Make no mistake, we are supporting families that need support. This country spends more than any other developed nation on family benefits. Through universal credit, around 1 million disabled households will receive an extra £110 on average per month through more generous support. Universal credit pays up to 85% of childcare costs, compared with 70% under legacy, regardless of the number of hours worked, unlike tax credits. This provides the extra cash boost to pay for childcare and allows people to work extra hours.

Working families in England can also claim up to 30 hours' free childcare for three and four year-olds from support from other government departments. This has helped drive profound cultural change in this country, with 1.6 million more women in work

[BARONESS BUSCOMBE]

since 2010. As a working mother, I know so well that most women really want to work and stay connected. I agree with my noble friend Lady Pidding that universal credit unlocks work opportunities for everyone, unlike the legacy system—and, yes, we will not stop the rollout of UC.

We know that work does not just pay financially—it does much more than that, it provides people with a sense of purpose, identity and personal achievement—all those things that we in your Lordships' House experience and perhaps sometimes take for granted in our own lives. It also helps with physical and mental health as it tackles loneliness head-on. It allows people to develop their skills and transform their lives. That is what this Conservative Government are doing, and we are doing it through universal credit.

We will make a success of universal credit by being an open department that listens. In response to my noble friend Lord Sherbourne, who is so right, it is important that we listen. We are travelling the country to speak to experts, workers and those on UC to understand where the system can be improved. That is quite right. As the noble Lord, Lord Young, said, we need to keep listening and travelling the country. This year, my ministerial colleagues and I have met with over 500 colleagues, charities and stakeholders; visited over 50 jobcentres, service centres and pension centres; tabled 35 Written Ministerial Statements and appeared 15 times in front of Select Committees.

As a Government we have listened to concerns and responded. This week, the Chancellor announced significant changes in the Budget that will make a huge difference to working families and those moving to universal credit. For those in work, we have put an extra £1.7 billion a year into work allowances, increasing the amount that hard-working families can earn before universal credit is tapered away. This provides 2.4 million families with an extra £630 a year. This is a pay rise of 7% or more for these workers, showing that hard work pays off. This measure will increase the incentive to enter work and focuses support on some of the most vulnerable—parents, disabled people and carers, as referenced by the noble Baroness, Lady Pitkeathley—who may face greater barriers to entering employment.

We will also support those moving to universal credit, especially the vulnerable. My noble friend Lord Farmer asked about the £1 billion package announced by the Chancellor in his Budget. This will provide two additional weeks of legacy out-of-work benefits for people moving on to universal credit, providing claimants with extra money during the five-week period before receiving their universal credit payment. I think that is possibly where the noble Lord, Lord Young of Norwood Green, suggested three weeks. People will receive an extra two weeks of benefits to help them with a more seamless transition from legacy on to universal credit. This is extra money that does not have to be paid back. It will provide 1.1 million people with an average one-off additional payment of £200, on top of the two additional weeks of housing benefit announced in autumn 2017 and put into place this year.

We think that about 700,000 people have been missing out on their benefits under legacy. We have worked that out to be to the value of about £2.4 billion.

There will be a significant change in how people find out about what they can receive, because they will have constant contact with, and will work together with, their work coach.

We have gone further in the Budget to support families. We will support those in debt by reducing the normal maximum deduction rates from 40% to 30% of a person's standard allowance. This will have a huge impact, helping over 600,000 families at any one point when rollout is complete. It will provide them with on average £295 extra a year as their debts are repaid over a longer period.

With particular respect to the self-employed, I say to the noble Baroness, Lady Donaghy, that we will support new businesses by opening up a 12-month grace period before the minimum income floor comes into effect. In 2023-24, around 130,000 self-employed households will benefit from exemptions from the minimum income floor, giving them the opportunity to grow a successful business. This is alongside extending new enterprise allowance contracts, which provide support for those out of work to set up a business and become self-employed. This will add to the 45 new businesses a day that have been created since the introduction of the scheme in 2011. We have listened, we have acted and we continue to listen.

Next month, universal credit will be in place in every jobcentre in the country, and this autumn we will bring forward regulations to deliver the managed migration phase of universal credit, to move people without a change of circumstances. These are positive regulations which allow us to protect 500,000 people's severe disability premium at the point of migration; and deliver transitional protection for those we move, to ensure that at the point of moving those who are manage-migrated do not lose a penny. We will take a measured approach to delivering managed migration. It will start later: this is not a pause but we will be taking longer to introduce the managed migration, because we need to do test and learn to make sure that we get the system right. The process will start later in 2019.

Lord Young of Norwood Green: The Minister says, "It is not a pause, we will take a little longer". Will she just clarify that? What does she mean exactly?

Baroness Buscombe: Let me clarify: we are not stopping the rollout. The rollout for all people coming on to universal credit will be completed by the end of December 2018, and they will continue on universal credit. The system will carry on and all those new people will come on, but we are not going to start moving people from legacy benefit over to the universal credit system until July 2019. We want to spend the first six months of next year building a system that works, through a process of test and learn, to make sure we get it right for those people. I promise that we will work with all our stakeholders to make sure that people do not fall through the cracks. I think the noble Lord has a family interest in this, in terms of jobcentres. The reality is that everybody is working hard to make this enormous change we have undertaken work to the best of our ability. I hope that that explains it.

In response to my noble friend Lady Wyld, I say that our migration processes will be co-designed with stakeholders, as I just said, to ensure that we have listened and understood claimants' experiences. That obviously relates very particularly to people with disabilities—we want a process that works well for everyone. We are focusing on building safeguards for vulnerable claimants and ensuring we have all the necessary information to ensure a smooth transition with uninterrupted support. We will target support to the most vulnerable, as referenced by my noble friend Lord Shinkwin, and will focus on working to support those with mental difficulties. To ensure that the most vulnerable claimants are supported, we have improved the learning journey for our work coaches, which includes training to work with people who suffer from mental health issues. We have also increased the number of disability employment advisers who can provide additional support.

It is important to add that we are working holistically across government, including the Department of Health, the Department for Education and the ministry of housing. It is very important that all our systems work together for the benefit of all, so no more than 10,000 people will be moved in the first six months of the preparation phase for the managed migration. Let me say that this side of the House will not play politics with these regulations, as I am sorry to say we all know the Labour Party did earlier this year when they voted against the £1.5 billion of support we announced at the 2017 Budget. I confirm for the noble Lord, Lord Kirkwood, that we will lay the managed migration regulations very shortly. Pausing or scrapping universal credit—whichever is the Labour Party's policy; we are not quite sure at the moment—will not support the families that Labour purports to stand for.

I hear what the noble Lord, Lord Kirkwood, said about universal support. We are working hard on universal support—our new partnership arrangement with Citizens Advice is an example of that—and we continue to work with local authorities. In terms of affordable credit, we will work with stakeholders on a feasibility study on a no-interest loan scheme—something that was announced in the Budget.

I will try in the last moments to answer one or two more questions. Her Majesty's Treasury published a cumulative distributional analysis alongside the Budget in October 2018, which shows that government policy continues to be highly redistributive. In 2019-20, the 10% of households with the lowest incomes will receive over four times as much support in public spending as they contribute in tax on average, while the 10% of households with the highest incomes contribute over five times as much in tax as they receive in public spending. I listened to the noble Lord, Lord Livermore, and the noble Baroness, Lady Drake, and their analysis was wrong. There has been no sudden increase in in-work poverty. The chances of a working family being in poverty are broadly the same as they were in 1997.

In terms of housing support, we are working hard. A number of noble Lords referenced housing. We are working closely with the department of housing to improve what we can do to support new builds, as well as supporting those in social housing.

We spend £50 billion on benefits to support disabled people and those with health conditions—a record high—and £9 billion in real terms since 2010, so I do not recognise all the references to cuts. We are doing an extraordinarily difficult job. My noble friend Lord Sherbourne referenced the word “hard”. It is very hard to get this right, because we are working with millions of people on a daily basis across the United Kingdom to support them.

We stand to provide opportunities for families across the country, through the opportunity to work, and through a sustainable, fair welfare system—fair to those claiming through it and those paying for it, fair because we support vulnerable families as compassionate Conservatives, and fair to those who can work by rewarding hard work.

5.32 pm

Lord Bassam of Brighton: My Lords, I thank everybody for their participation in this debate. The quality of it has proven the need that I identified at the outset: that we ought to have an annual Hollis debate on poverty and the best way to tackle it. I was greatly heartened by the warm words from all sides of the House about our late friend Baroness Patricia Hollis and her legacy. I recognise from some of the contributions—particularly those of the noble Lord, Lord Kirkwood, and my noble friend Lady Andrews—the way in which Patricia worked and her generosity of spirit. You often felt that she was there to make the case and advocate the case, even when she was being briefed by her civil servants. I well remember coming out of a meeting where she and I were being briefed for some future debate, and the civil servants were thanking her for the briefing she had just given them. That was a testament to her knowledge, and concentration on the detail of her brief.

There have been some common threads in this debate, although it has not always sounded quite like that. Colleagues on the Conservative Benches have been critical in part of the way in which universal credit has been rolled out. They recognised and acknowledged some of the problems with the system. The noble Baroness, Lady Buscombe, made an aggressive defence of the Government's policy and I expect no less from her. The welter of statistics that she delivered this evening bear some close inspection and, on our side, we will want to reflect on some of the points she made. I think there was agreement, too, on both sides of the House that it is important that we place work at the centre of ensuring that people have an opportunity to work their way out of poverty, and that the relationship between the benefits system and the world of work is extraordinarily important, particularly for people on low incomes. Getting that right is very difficult. Our Government made strides and progressed in that direction; it is right that the current Government do the same.

However, it remains the case that there are losers from the introduction of universal credit. Almost two in five households will lose an average of more than £50 a week and 2.8 million households will see their income cut. A million home owners will see tax credits disappear, losing £43 a week on average, while 600,000 working single parents—I stress: working single

[LORD BASSAM OF BRIGHTON]

parents—will lose money as well and 750,000 households on disability benefit will lose an average of £76 a week. There are more losers from this scheme than there are winners but getting it right is most important and, on our side, while we recognise that universal credit is a valuable system, we also recognise that it has flaws and that this Government have much to do to put those flaws right.

I thought that the Chancellor's Statement this week was in one sense an admission of mistakes made in the past and an acknowledgement that more needs to be done in the future. We on our side of the House will argue that case because the impact on family life of these changes is profound. Anybody who doubts that should attend a surgery run by an MP, or go to a CAB or a law centre, and listen to some of the stories that come forward. They do not paint a happy picture.

That said, I am grateful to the House for its forbearance. I have learned a lot from this debate and I am sure that other colleagues have as well. It was a very fitting legacy to our friend Patricia Hollis, who was not just an inspiration but a great mentor to us all. She will be greatly missed.

Motion agreed.

Child Support (Miscellaneous Amendments) Regulations 2018

Motion to Approve

5.37 pm

Moved by Baroness Buscombe

That the draft Regulations laid before the House on 12 September be approved.

Relevant document: 41st Report from the Secondary Legislation Scrutiny Committee. Considered in Grand Committee on 30 October.

Motion agreed.

Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018

Motion to Approve

5.37 pm

Tabled by Lord Bourne of Aberystwyth

That the draft Order laid before the House on 24 July be approved.

Relevant document: 40th Report from the Secondary Legislation Scrutiny Committee. Considered in Grand Committee on 30 October.

Lord Young of Cookham (Con): My Lords, in the absence of my noble friend Lord Bourne, I beg to move the Motion standing in his name on the Order Paper.

Motion agreed.

House adjourned at 5.37 pm.

Volume 793
No. 201

Thursday
1 November 2018

CONTENTS

Thursday 1 November 2018
