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OFFICIAL REPORT

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

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House of Lords

Thursday 24 January 2019

11 am

Prayers—read by the Lord Bishop of Worcester.

Brexit: Negotiations

Question

11.06 am

Asked by Lord Pearson of Rannoch

To ask Her Majesty's Government, following the decision of the Court of Justice of the European Union that the United Kingdom can unilaterally withdraw from clauses 2 to 5 of Article 50 of the Treaty on European Union, whether they will cease Brexit negotiations through the European Commission and offer European Union citizens through the Council of Ministers continuing (1) free trade under the World Trade Organization, (2) reciprocal residence for a period to be agreed, and (3) security co-operation, before they agree any financial settlement on the United Kingdom's departure from the European Union.

The Minister of State, Department for Exiting the European Union (Lord Callanan) (Con): My Lords, the CJEU in the case of *Wightman* held that a member state can unilaterally revoke its notice to withdraw under Article 50. Such a revocation must be unequivocal and unconditional. However, let me be clear that, regardless, the Government's policy has not changed, and we will not revoke the Article 50 notice. A clear majority of the electorate voted to leave the EU, and we have to respect that result.

Lord Pearson of Rannoch (UKIP): My Lords, I thank the noble Lord for that reply, but I would have thought that the Government would welcome this attempt at fresh thinking with rather more enthusiasm, because the Commission is clearly the enemy of our successful Brexit, while the real people of Europe should remain our friends.

First, will the noble Lord confirm that, since 1998, the UK has unilaterally withdrawn from 52 treaties and explain why we cannot resile from these clauses in Article 50?

Secondly, does he agree that continuing reciprocal residence and free trade are in the interests of the people of Europe and of our country, and that continuing free trade would also get rid of the Irish border problem?

In short, whose side are the Government on—the Eurocrats or the people of Europe?

Lord Callanan: I thank the noble Lord for his questions, although it is a slight surprise to hear from him a suggestion that we should revoke Article 50—indeed, not all of Article 50 but just part of it. I am afraid that that does not work. The reality is that the EU has said that the negotiating party is the

European Commission. That is who we are conducting the negotiations with, but the noble Lord will be pleased to hear that we are leaving the European Union.

Baroness Ludford (LD): My Lords, I congratulate the noble Lord, Lord Pearson, on acknowledging the authority of the European Court of Justice and recognising its judgment regarding the UK's unilateral revocation of Article 50 so that our staying in the EU, as the Minister has just mentioned, would be possible. Do the Government not agree that the rest of the suggestions in this somewhat muddled Question are for a crash-out Brexit? That would be disastrous, as the Business Minister, Richard Harrington, has said.

Lord Callanan: Of course we do not want no deal, if that was the implication of the question put by the noble Baroness, but that is the legal default option both under the Article 50 process in European law and now under British law, so we are preparing for that eventuality.

Baroness Hayter of Kentish Town (Lab): My Lords, any no-deal departure would put in jeopardy the people of Gibraltar, their right to self-determination and their 300 year-old relationship with the Crown. However, we read yesterday that the Spanish Government want to use the EU's no-deal plans to push for the "decolonisation" of Gibraltar. This is the sort of risk that no deal brings. Can the Minister reassure us that Gibraltar is uppermost in the Government's negotiations and that we will make sure that we do not depart without a deal?

Lord Callanan: Let me say to the noble Baroness that of course I can give her a reassurance that we are negotiating hard alongside Gibraltar. Gibraltar will leave the EU at the same time as the UK does. However, asking me to rule out no deal, as the Labour Party continues to do, is an impossible job. There are essentially three solutions to our current predicament: we can have a deal; we can have no deal; or we can have various forms of remain. The Labour Party tells us that it is against this deal, that it is against no deal and yet it says that it wants to respect the result of the referendum. The party really needs to decide what it is actually in favour of rather than what it is against.

Lord Forsyth of Drumlean (Con): My Lords, did my noble friend see the "Question Time" from Derby last Thursday and the reaction of the audience to the suggestion that we might defer Article 50? Is it not plain as a pikestaff that the entire country want an end to this, are fed up with the manoeuvring and parliamentary activity undermining our constitution and wish us to get on with doing what they voted for, which is to leave the European Union and become an independent country?

Lord Callanan: The noble Lord makes a powerful point, as always. I think most members of the public do want to see us just get on with it. An extension to Article 50 is not a solution; it is just deferring the date on which a decision has to be made. So, yes, we do want to get on with it and we want to leave on 29 March.

Baroness McIntosh of Hudnall (Lab): My Lords, in his answer to my noble friend on the Opposition Front Bench, the Minister used a rather strange form of words. He talked about “various forms of remain”. Would he like to enlighten the House as to what those various forms might be and whether the Government are considering them?

Lord Callanan: Well, there are different forms of remain—an extension to Article 50 or a revocation of Article 50, both of which have the effect of remaining. But we are very clear that that is not the policy of the Government. We believe the referendum result should be honoured, and we will be leaving.

Lord Tebbit (Con): My Lords—

Lord Cormack (Con): My Lords—

Lord Tebbit: Privy counsellors have precedence. Do sit down, please.

I wonder if my noble friend the Minister has read the splendid statement by the boss of Wetherspoons, the pub owners, setting out his method for dealing with a possible no-deal Brexit. He has ceased buying brandy from France and is buying better and cheaper brandy from Australia, and so on with his wines and others. The customers are getting better and cheaper liquor, and the company is making better profits. Is that not a typical result of leaving with no agreement?

Lord Callanan: I am not sure I want to give from the Dispatch Box advice to Wetherspoons on its purchasing policies. I hope it will continue to serve its customers well, and I hope it will continue to make a profit. I say to my noble friend that no deal is not our preferred outcome, but as I said earlier it is the legal default. The best way to avoid no deal is to vote for a deal.

Lord Hain (Lab): My Lords, does the Minister really think that cheap brandy from Australia is better than French brandy? While he is at it, does he agree that, “free trade under the World Trade Organisation”, as proposed by the noble Lord, Lord Pearson, would mean a hard border on the island of Ireland under WTO rules and under EU rules?

Lord Pearson of Rannoch: My Lords—

Lord Callanan: My Lords, what I love about these Question Time sessions is that, no matter how much preparation you do, you never cover where the questions could go. I have to say that I have done no preparatory work whatsoever on the quality of different brandies from across the world and whether Wetherspoons should purchase them. I can reassure the noble Lord that we are totally committed to having no border between Northern Ireland and Ireland.

Northern Ireland: Devolved Government *Question*

11.14 am

Asked by Lord Lexden

To ask Her Majesty’s Government what progress they have made towards the restoration of devolved government in Northern Ireland.

The Parliamentary Under-Secretary of State, Northern Ireland Office and Scotland Office (Lord Duncan of Springbank) (Con): My Lords, restoring the Executive remains the Secretary of State’s top priority. As she has set out, there is a need to rebuild political dialogue between parties and she is continuing to encourage the parties to come together to work towards restoring devolved government. The Secretary of State continues to speak regularly with Northern Ireland political leaders to achieve that aim.

Lord Lexden (Con): The DUP has repeatedly made clear that it wants to get back into the Northern Ireland Executive. What is the Government’s assessment of Sinn Féin’s current position? How seriously have public services, particularly health services, deteriorated during two years without democratic oversight due to the fact that Stormont is both the upper tier of local government in Northern Ireland as well as a devolved legislature? On 30 October, the House was told from the Front Bench that,

“there needs to be a new momentum”.—[*Official Report*, 30/10/18; col. 1276.]

Where is that new momentum?

Lord Duncan of Springbank: There were three questions inside that. The first is an assessment of where Sinn Féin rests at the moment. There needs to be greater action from all the parties to bring about the resolution of an Executive. We have not achieved that, and I cannot give the comfort that I would like to my noble friend, nor to the people of Northern Ireland. In terms of the question that I know the noble Lord, Lord Empey, has raised on a number of occasions regarding the health service, we continue to invest in the health service but recognise the shortcomings of the current system. It cannot go on, as I have said before, and it will not go on. The reality remains that we must do more to try to bring that about. I hope that that momentum will achieve something within the window that we opened for negotiations to settle this. That is what we must deliver. That window will last until March.

Lord Empey (UUP): My Lords, despite the Statements that have been made from the Front Bench over a number of months, there is no process taking place led by the Secretary of State to get negotiations going. As a consequence, a vacuum has been created. That vacuum is being filled already, as we saw at the weekend, by the men of violence. Will he prevail upon his right honourable friend in the other place to get her skates on and get a process started to get this matter resolved? It could have helped us greatly over the Brexit problem if there were a proper process leading to a conclusion.

Lord Duncan of Springbank: I assure the noble Lord that the Secretary of State for Northern Ireland does indeed have her skates on, but unfortunately not everyone else is wearing their skates and willing to dance to the same tune. That remains the challenge that we face. We are in a difficult situation just now because not everyone is facing in the same direction. But the reality remains that good governance must be

the first task of this Government, and we will deliver that by whichever means is required within the timeframes that we have set out.

Lord Dubs (Lab): My Lords, given that there is no progress, will the Minister comment on the suggestion made from this side on several occasions that, if the Secretary of State cannot bring the parties together, we could have an independent, impartial person to chair such meetings between the parties in the way that Senator George Mitchell did leading up to the Good Friday agreement?

Lord Duncan of Springbank: The noble Lord has made that point as indeed have many others on that Bench. We are actively considering a facilitator to bring about greater communication between the parties, and we hope that that will lead to the breakthrough that we need.

Lord Bruce of Bennachie (LD): My Lords, there is a real possibility now that Brexit may be extended well beyond the deadline in legislation for restoring the Assembly in Northern Ireland. In those circumstances, in accordance with what the noble Lord, Lord Dubs, just said, is it not time that the Government appointed a mediator to get the parties together to propose interim solutions such as re-establishing the scrutiny committees and to stop allowing the parties to blame each other for their total abdication of responsibility?

Lord Duncan of Springbank: As the House has heard already, the noble Lord, Lord Callanan, made it very clear that we will not extend this particular process at all. That is not the intention of the Government. However, we need to recognise that, irrespective of Brexit, this is about good governance in Northern Ireland, and there is no good governance in Northern Ireland today. We cannot solely rely on a Civil Service to deliver what elective representatives should do. We recognise that for what it is. We are now in the twilight of that particular opportunity: it will darken, and we will move on.

Lord Morrow (DUP): My Lords, in response to the noble Lord, Lord Lexden, I can confirm that my party, the DUP, is ready to go into government and back into Stormont tomorrow without any preconditions. But the truth of the matter is that services are not being delivered on health and education. Therefore, does the Minister agree that, until devolution to Stormont is restored, it is time to consider installing direct rule Ministers? That is the best way to gain the momentum and impetus in restoring devolution to Northern Ireland.

Lord Duncan of Springbank: The noble Lord is correct: nothing is off the table. Unfortunately, we cannot take direct rule off the table, much as I would like to do so. It has to be there because, if we cannot secure an Executive, it will be one of the inevitable outcomes of this terrible process.

Baroness Smith of Basildon (Lab): My Lords, as a former direct rule Minister, I do not commend it to the noble Lord or any Member of your Lordships' House as an ideal way forward, but Northern Ireland has now been two years without a Government and there

is no end in sight. The Prime Minister meets only the DUP, the Secretary of State's meeting with all parties in November was described as a box-ticking exercise and there is huge concern and frustration in Northern Ireland. Like others on these Benches, my noble friend Lord Dubs made a very positive suggestion for a way forward. The Minister said that there is active consideration of having an independent arbiter, as we had in the past, to bring all parties together, chair those talks and have a sense of momentum that something is going to happen. How long can that be under active consideration? Should something not be done now?

Lord Duncan of Springbank: The time of active consideration is drawing to a close. We now need to move forward on this matter. A facilitator will be an aspect we need to take forward. We are now talking about a matter of weeks to try to achieve this. I welcome the comments from the noble Lord behind me, because we need to have everyone in that room. This is now the time, but we are talking about weeks.

Lord Trimble (Con): My Lords, is the problem not that you cannot bring in an arbitrator unless the parties agree to it? It is very obvious that one party is not willing to do that. Consequently, it is time for the Government to go to other procedures, not even to wait until then. If the Government take some action to enable the Assembly, or Assembly Members, to meet to discuss local services, that would be a step forward and would put pressure on Sinn Féin to come in.

Lord Duncan of Springbank: My noble friend will recall that, when we last discussed this, one aspect of the Northern Ireland (Executive Formation and Exercise of Functions) Act was to give stronger guidance to the civil servants, and we have done that. However, the point he raises remains valid. An independent arbiter cannot solve all the problems. The problems will ultimately have to be solved by the politicians in Northern Ireland. As I said in answer to questions earlier, we are now talking about a matter of weeks, not months or years.

Child Sexual Exploitation: Grooming Gangs *Question*

11.21 am

Asked by Baroness Cox

To ask Her Majesty's Government what progress they have made with the prosecution of grooming gangs in Rotherham and elsewhere; and what assistance they have offered to victims and their families.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, there are a number of criminal investigations currently ongoing in Rotherham and other parts of the country that have led to prosecutions resulting in convictions. Supporting victims requires a multiagency effort to protect them and help rebuild their lives. The Government provide funding for victims of child sexual abuse and exploitation, and additional funding has been provided to agencies in Rotherham.

Baroness Cox (CB): My Lords, I thank the Minister for his reply. Is he aware that I had the painful privilege of becoming friends with a number of young women who have suffered such atrocities, including Caitlin Spencer—a pseudonym—whose life story was published in a must-read book, *Please, Let Me Go*, in which she describes how from the age of 14 she was groomed, sexually exploited and trafficked around this country by gangs of men. I have placed a copy in your Lordships' Library. Given that Caitlin still sees her abusers driving their taxis with impunity and that other victims similarly see perpetrators living freely and intimidating them, what more will the Government do to bring those perpetrators to justice?

Lord Keen of Elie: My Lords, Operation Stovewood is now operating in respect of Rotherham. To support women such as Caitlin, the National Crime Agency has a dedicated team of independent sexual violence advisers working with investigators and service providers in Rotherham to create a bespoke survivor pathway for victims and their families. The Department for Education is providing additional funding of up to £2 million to children's social care. The Ministry of Justice has also provided £1.6 million to the police and crime commissioner for the commissioning of local victims' services, and additional funding for specialist support.

Lord Marks of Henley-on-Thames (LD): Can the Minister say a little more about what lessons may have been learned to help victims of grooming through the prosecution process? Are any further steps planned to help support victims through those very difficult cases?

Lord Keen of Elie: My Lords, Operation Stovewood is a victim-focused investigation carried out under a strategy known as the survivor pathway, with a dedicated team of independent sexual violence advisers. In addition, when taking forward the consideration of prosecution, the CPS has regard to the victims' code and to guidance on how it should approach and deal with victims in that context. Over and above that, we have the statutory provisions of Sections 16 and 17 of the Youth Justice and Criminal Evidence Act 1999, whereby victims and other witnesses who are vulnerable or potentially intimidated can have their evidence taken by video recording and be cross-examined via a television link.

Lord Pickles (Con): My Lords, this whole sorry business led to the collapse of the political and official authority in Rotherham, and that was one reason why, during my time as Secretary of State for Communities and Local Government, I put in commissioners. Does my noble and learned friend agree that we need to look beyond the immediate victims and towards future victims, and consider the conditions that have been created, which can be addressed only by dealing with particularly vulnerable families? Will he tell the House what the Government are doing, in co-operation with the local authority and voluntary organisations in Rotherham, to increase the esteem of young girls and to find ways of dealing with the root cause of this problem?

Lord Keen of Elie: My noble friend is entirely right: we need to look not only at the consequences of these abhorrent crimes but at the causes if we are to prevent

further victims emerging. In that context, the Home Office is taking forward work on a number of fronts to improve our understanding of group-based child sexual exploitation and how it manifests in different ways throughout the country. Therefore, steps are being taken at both national and local agency level to see what can be done not only to protect vulnerable children in this context but to deter and indeed disrupt persons becoming engaged in such devastating crimes.

Lord Blunkett (Lab): My Lords, I commend the comments that have already been made in the House this morning, and I commend the work of the police and crime commissioner, the chief constable and the MP for Rotherham, Sarah Champion. However, perhaps I may raise a small issue that follows through on the point raised earlier by the noble Baroness, Lady Cox. Will the Minister talk to his colleagues about taxi drivers registering in one local authority area but operating in another? That causes real difficulties in clamping down.

Lord Keen of Elie: The noble Lord makes a valid observation. There has been an association between these abhorrent crimes and certain areas such as minicab driving. Officials and Ministers are considering the registration of minicab drivers in one area in order that they can then operate in another.

Lord Laming (CB): My Lords, will the Minister use his influence to incorporate the position of children in public care who were exposed to such dreadful experiences? When the state has parental responsibility for these vulnerable young children, it has to make sure that it knows where they are and what they are doing. Is it not dreadful that these children were exposed to such dangers and that apparently, it was not known where they were?

Lord Keen of Elie: My Lords, I entirely accept the noble Lord's observation. Clearly, there were failures in many areas that left those children exposed to these abhorrent crimes. That is one reason why Operation Stovewood, directed by the National Crime Agency, has taken over investigations in, for example, Rotherham, where it is looking at the exploitation of children for purposes of sexual abuse from 1997 to 2013. Other reports have been made but further work needs to be done.

Lord Campbell-Savours (Lab): My Lords, in the case of claims arising from sexual offences, is it not worth transferring funds from the criminal injuries compensation scheme so that they can be spent on counselling victims? That happens in Germany, which has a far more substantial budget to spend in that regard.

Lord Keen of Elie: As the noble Lord may be aware, changes to the criminal injuries compensation scheme have been considered and addressed in the context of victims of child sexual abuse. So some changes have been made, but I cannot indicate that further material changes will be made to the scheme at this time.

Brexit: Insulin Supplies Question

11.29 am

Asked by **Lord Roberts of Llandudno**

To ask Her Majesty's Government what steps they are taking to ensure a sufficient supply of insulin when the United Kingdom leaves the European Union.

Baroness Manzoor (Con): My Lords, we understand that insulin is vital to many people with diabetes in this country; indeed, I am a diabetic myself. Our contingency plans aim to ensure that the supply of insulin and other essential medicines is not disrupted in the event of a no-deal exit. In August last year, the Department of Health and Social Care wrote to all pharmaceutical companies that supply prescription-only and pharmacy medicines to the UK from or via the European Union or European Economic Area, asking them to ensure by 29 March a minimum of six weeks' additional supply over and above existing business-as-usual buffer stops.

Lord Roberts of Llandudno (LD): Is the Minister aware that 99% of the insulin used in the UK is manufactured in Denmark and Germany, and that 421,000 type 1 diabetic users of insulin are feeling quite anxious about what will happen? Can she give us a guarantee—a copper-bottomed, simple pledge—that there will be enough insulin available if we Brexit? Can the Government also assure us that every single insulin user will have a legally binding contract from the Government pledging the availability of sufficient insulin for them in the future?

Baroness Manzoor: My Lords, of course it is important that we give assurances to all patients, irrespective of whether they are insulin users. The Government have given that assurance. We have made strong contingency plans to ensure that supplies come into the UK unhindered. The noble Lord is right: based on the regulators' licensing data from early 2018, three-quarters of medicine is imported via the EU. I cannot give copper-bottomed guarantees; there are no such things as guarantees in life, but I can—

Noble Lords: Oh!

Baroness Manzoor: Please—the Government take this issue very seriously and have put in place proper contingency plans. I am assured, as a diabetic, that those plans are suitable.

Baroness Thornton (Lab): As the noble Lord, Lord Roberts, says, all analogue synthetic human insulin comes from outside the UK. The Government have already warned us that ports such as Dover and Folkestone will have greatly reduced capacity for at least six months if we crash out of the EU, and the stockpiles mentioned by the Minister will last six weeks—certainly not six months. In the circumstances of a looming shortage of life-saving medication, how do the Government plan to ration insulin? How will they decide who gets it and who does not?

Baroness Manzoor: My Lords, there will be no such thing as rationing. We will not ration insulin; I make that absolutely clear. As well as the six-week stockpiling activities that remain critical as part of our contingency planning, we are ensuring sufficient roll-on roll-off frigate capacity—

Noble Lords: Oh!

Baroness Manzoor: —to enable these vital products to continue to move freely into the UK. Medicines and medical products will be prioritised to ensure they can use alternative routes; the Government have agreed this. In respect of capacity, we will have a number of warehouse facilities where we can keep refrigerated and other medicines to be used as and when necessary. On top of that—this is important—a serious shortage protocol was agreed on 18 January. It was laid before Parliament via the Human Medicines (Amendment) Regulations. This statutory instrument ensures that, if there is a serious shortage, we will enable pharmacists to look at other ways of dealing with this issue.

Lord Lamont of Lerwick (Con): My Lords, first, is it not the case that the main manufacturer of insulin, to which the noble Lord, Lord Roberts, referred—the Danish company Novo Nordisk—has four months' supply in this country already? Secondly, is it not the case under the WTO pharmaceutical tariffs elimination agreement, which applies to everybody, that there are no tariffs on medicines? This applies to 10,000 different products and covers 90% of the world's trade in pharmaceuticals. Given what was announced today by the head of Calais port in this morning's newspapers about extra flows and flow being maintained as normal in Calais, is it not ridiculous to think that we are going to obstruct things that we need or that the Europeans are going to obstruct things that they want to sell to us?

Baroness Manzoor: My Lords, I could not have put it better myself. I entirely agree.

Baroness Walmsley (LD): My Lords, there is already evidence that some insulin is going on restricted supply, which means that a pharmacist, once she has used up her allowance, will have to spend valuable time going direct to the manufacturer to prove that she has the prescription. Pharmacists tell me that this is a nightmare and takes up a lot of time that they could otherwise spend advising patients. What advice will the Minister give to pharmacists in this situation?

Baroness Manzoor: My Lords, the department is certainly not aware of the kind of issues that the noble Baroness has raised. We are working closely with the regulator, with pharmacists and indeed with the Pharmaceutical Services Negotiating Committee. We are keeping everything under review. As I have said, we have in place both a shortage protocol and clear contingency plans. We have facilities that will enable stockpiling for companies. We are working very closely and constructively with pharmaceutical companies and

[BARONESS MANZOOR]

the supply chain to ensure that there are no shortages of insulin to the UK and that, when it does arrive in the UK, it will move as freely as it does currently.

Venezuela

Private Notice Question

11.37 am

Asked by **Baroness Northover**

To ask Her Majesty's Government what is their response to reports that the government of the United States have recognised the Venezuelan opposition leader, Juan Guaidó, as the interim President of that country.

Baroness Northover (LD): My Lords, I beg leave to ask a Question of which I have given private notice.

Baroness Goldie (Con): My Lords, we are aware of announcements by the United States, Canada and a number of other Lima Group countries recognising Juan Guaidó as interim President of Venezuela. We support the Venezuelan people's loud call for democracy and freedom, supporting a credible, peaceful political process leading to free and fair elections. The United Kingdom fully supports the national assembly as a democratically elected institution whose powers need to be restored and respected. We believe that Venezuela needs a carefully constructed political process to bring moderate factions together for negotiations on a peaceful transition. We and our EU partners are seeking to assist such activity through an international contact group.

Baroness Northover: My Lords, I thank the Minister for that reply. Does she agree, as I am sure she does, that Venezuela is in a desperately unstable situation? Some 3 million people have already fled the country while up to a further 7 million might flee if Maduro stays, and inflation runs at 10 million per cent. Is she concerned about not only the dire situation of those in the country but, and especially, the destabilising effect of refugees on the countries around it, countries whose democracies are not yet deep-rooted? We are a permanent member of the Security Council and still a member of the EU. That combination gives us global influence. Are we supporting the US action—this was not clear from the Minister's Answer—which is supported by certain Latin American countries and Canada but not by Russia and Cuba? If not, how does she think this crisis will be addressed?

Baroness Goldie: The noble Baroness is right to highlight the profound nature of the problems confronting Venezuela. There is widespread concern, not just in the UK but globally. It is the case that the UK recognises states, not Governments. We have made clear that we think this has to be resolved by free, credible and fair elections. We are doing everything we can to influence debate towards that end. We have also made clear our support for the national assembly. We are working in concert with our global partners, not least the EU. For example, together with our European partners the UK has applied targeted sanctions on individuals responsible

for serious human rights abuses and for undermining democracy and the rule of law. We remain ready to support our global partners if, for example, this matter is raised at United Nations Security Council level.

Lord Collins of Highbury (Lab): My Lords, the obvious priority must be to avoid a repeat of the violence in 2017. Therefore, the Secretary-General's call for the international community to encourage all sides, the Government and the opposition, to adopt a peaceful approach is obviously the right one. We need to uphold the rule of law and respect human rights and democratic freedoms. I agree with the Minister, but can she be a little clearer in her response? Will she and the Government support the United Nations Secretary-General and his work in building the coalition for peace, or will they jump to the side of Trump, who seems to operate on the basis that adding oil to the fire is the way to go forward?

Baroness Goldie: I agree in large part with everything the noble Lord said. As he is aware, the United Kingdom exercises its own role on the global stage. We make our own decisions on circumstances that arise. We are always willing, where we can, to work constructively with our partners. I indicated that we are doing that already with the EU, and we are certainly doing it with the United Nations. We are extremely concerned about the situation. As the noble Lord might be aware, we offer help to Venezuela, and not just in the form of supporting other international programmes working there. We have a bilateral programme budget of approximately £500,000 this financial year to support Venezuelan democracy, human rights, economic reform, regional stability and security.

The UK is very conscious of the serious nature of the situation. It is profoundly concerning, not just for stability in the area but for the residents and inhabitants of Venezuela, many of whom have been treated appallingly. The United Kingdom is quite clear about that. We are doing what we can, either on our own, bilaterally or in concert with global partners, to improve the situation.

Lord Campbell of Pittenweem (LD): My Lords, I have listened carefully to the noble Baroness's answers, in particular regarding recognition. Those answers are well judged. The notion of recognising leaders of opposition seems to set a precedent that might prove extremely uncomfortable in other circumstances. The Government's position as outlined by the noble Baroness is, at least for the moment, exactly the correct one. The announcement today as to what has been done unilaterally by the United States, in concert with other countries including Canada, raises for some of us recollections of the actions of President Reagan and Mr Oliver North.

Baroness Goldie: I am grateful to the noble Lord for his very helpful comments. The Chamber recognises his undoubted knowledge of, expertise in and wisdom about such matters. It is important that these issues are handled with a degree of judgment, sensitivity and delicacy and that there is not a rush of blood to

the head. As I said, in its international affairs the United Kingdom conducts a carefully constructed, carefully thought out programme of response and, where possible, substantive help. That is the course we shall pursue.

Lord West of Spithead (Lab): My Lords, I also agree that we are handling this very sensitively politically, but the problem, and the reason for the vast flow of people, is that people are starving to death in Venezuela—those pouring into Colombia are avoiding starvation. The noble Baroness talked of £500,000. What are we actually doing to try to mobilise something to try to recover this dreadful situation? I am afraid it has to be done more rapidly than some of these political manoeuvrings.

Baroness Goldie: As I indicated to the Chamber, the UK has its own bilateral programme of help with Venezuela, but we are also significant supporters of, and contributors to, international responses. The humanitarian agencies in Venezuela have a very difficult role, partly because the Government deny that the crisis exists. Notwithstanding all that, the United Nations Central Emergency Response Fund has been an important component in trying to contribute to the alleviation of the very conditions to which the noble Lord refers. The UK has contributed financial assistance through the EU's contributions to that fund, and has also contributed through Start Fund, which has activated urgent programmes in both Ecuador and Peru in response to the Venezuelan crisis. The UK has also deployed humanitarian advisers to the region, to monitor the situation and consider options for UK assistance.

Lord Wallace of Saltaire (LD): My Lords, given the Prime Minister's recent strong commitment to cross-party working in a number of areas, and given the leader of the Opposition's expertise and experience on Venezuela, has the Prime Minister consulted the leader of the Opposition on what the British response should be?

Baroness Goldie: I wish the leader of the Opposition were a more co-operative respondent to invitations to become involved in important discussions—he has shown a certain recalcitrance in that respect. But when we are dealing with a situation of the gravity of that in Venezuela, there is a desire, as indicated by the noble Lord, Lord Campbell of Pittenweem, to work across parties, if we can, and to recognise that there are problems in that area; that way all minds can contribute to improving the situation. That is a desirable way to approach the matter.

Business of the House

Timing of Debates

11.46 am

Tabled by Baroness Evans of Bowes Park

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

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

Baroness Hayman (CB): My Lords, I apologise to the House for delaying it momentarily on this issue. Would the Chief Whip care to confirm—in case it arises in today's debates—that the assertion that privy counsellors take precedence in debate in this House, or against other Members of the House when trying to intervene, is not in fact correct? Will he also confirm that this is a self-regulating House, where privy counsellors, unlike in the other House, take their turn with other Members?

Lord Taylor of Holbeach: I confirm what the noble Baroness has said. This is a House of Peers; we are all equal. There are two Benches which by tradition have been taken for privy counsellors, but they confer no additional status on those sitting on them, or any other privy counsellors who happen to be sitting in the House.

Motion agreed.

Offensive Weapons Bill

Order of Consideration Motion

11.48 am

Tabled by Baroness Williams of Trafford

That it be an instruction to the Grand Committee to which the Offensive Weapons Bill has been committed that they consider the bill in the following order:

Clause 1, Schedule 1, Clauses 2 to 34, Schedule 2, Clauses 35 to 44, Title.

Lord Taylor of Holbeach (Con): In the absence of my noble friend, I wish to move the Motion standing in her name on the Order Paper—I have been wrong-footed by all that is going on.

Motion agreed.

Brexit: EU Free Trade Agreements

Statement

11.48 am

The Minister of State, Department for International Trade (Baroness Fairhead) (Con): My Lords, with the leave of the House I will repeat as a Statement an Answer given to an Urgent Question in the other place by my honourable friend the Minister for Trade Policy. The Statement is as follows:

“Mr Speaker, as a member of the EU, the UK currently participates in around 50 free trade agreements with over 70 countries. These free trade agreements cover a wide variety of relationships, including economic partnership agreements with developing nations; association agreements, which cover broader economic and political co-operation; trade agreements with countries

[BARONESS FAIRHEAD]

that are closely aligned with the EU, such as Turkey and Switzerland; and more conventional free trade agreements.

Businesses in the UK, EU and partner countries are eligible for a range of preferential market access opportunities under the terms of these free trade agreements. These can include, but are not limited to, preferential duties for goods. This includes reductions in import tariffs across a wide range of products; quotas for reduced or nil rates of payable duties; quotas for more relaxed rules of origin requirements; enhanced market access for service providers; access to public procurement opportunities across a range of sectors; and improved protections for intellectual property. For continuity and stability for businesses, consumers and investors, we are committed to ensuring these benefits are maintained, providing a smooth transition as we leave the EU.

The Department for International Trade, the Foreign Office and the Department of International Development are currently working with partner countries to prepare to maintain existing trading relationships”.

11.50 am

Lord Stevenson of Balmacara (Lab): My Lords, I am grateful to the Minister for repeating in the form of a Statement the Answer given to the Urgent Question in another place. The Government have made it clear that prudence dictates that sensible planning should be undertaken as we are only some 10 weeks from leaving under a no-deal scenario—except, apparently, in the Department for International Trade. Yesterday in Committee, the Minister said that while the Government have been engaging actively with the countries which currently have a free trade agreement in the variety of forms that it takes with the EU, she could not say what steps are necessary in each of those countries to roll over their agreements to the UK, how many are ready to do that and how many are not. This seems incredible.

If we do crash out on 29 March, we will not be in a free trade agreement, a customs union or a preferential agreement with any of these countries. Have the Government told these countries what tariff rates the UK will apply from one second after 11 pm on 29 March 2019? More importantly, have they told UK businesses what the rules will be? If not, why not?

Baroness Fairhead: My Lords, I thank the noble Lord for the question. The Government have been clear. We are aiming to have a deal and an implementation period. On that basis we are confident of the continuity. My honourable friend Minister Hollingbery said in another place that he was confident that most of those 40 agreements would be continued.

Lord Purvis of Tweed (LD): My Lords, they can be continued only if they are ratified both by this Parliament and the third-country parliament. Revelations from the Government yesterday in Committee on the Trade Bill highlight the fact that, even if we have an agreement and even if the EU asks those countries to treat the UK as a continuing member of the EU for the purposes of trade treaties, the Government do not currently

know whether or not they will. That leaves a very large question mark—even if we leave with an agreement. If we leave without an agreement on WTO terms, we know through the objections already lodged in Geneva to our goods and now our services schedules that we are likely to leave without any certified schedules under WTO rules, adding even more instability and uncertainty. We know already the consequence of leaving on WTO rules. From day one it would be a tripling of the tariff rates to our trading partners. But we now know that leaving with an agreement also has major uncertainty. Will the Government now, as a matter of urgency, update their impact assessment, already published, to take into consideration these new facts? Will they honour the clear vote of this House to have an urgent update and a policy statement on how the Government intend to take forward their future trading relationships? This House voted for it: when will the Government honour that commitment?

Baroness Fairhead: To clarify, I said in the debate that it was for those third countries to determine what their processes are. Some are not public knowledge. I did not say that we did not know. With regard to the WTO rules, it is true that we have submitted our schedules and they have not been certified. However, countries can operate on an uncertified schedule. The EU currently operates on an uncertified schedule. In terms of more information about the process, I said in the debate that I would reflect on the clear desire from this House for more information. I have taken that back to my department.

Baroness McIntosh of Pickering (Con): My Lords, will my noble friend respond to the question put both yesterday and this morning by the noble Lord, Lord Stevenson, on what the tariffs will actually be, so that we can have a level of certainty going out from Parliament to businesses that are directly concerned? Can she elaborate a little more on the process? For example, yesterday she mentioned the process of signing the agreement with Switzerland. When will that free trade agreement come into effect? How long will the processes of the respective parliaments take, both in Switzerland and here?

Baroness Fairhead: On any tariff rates, I repeat that this Government are clear in their aim to have a deal and an implementation period. There is of course a chance of no deal. There will come a time when we know the exact basis on which we are to leave. When that moment is clearer, the DIT will come forward with its day-one tariff schedules. I say again that we hope that that does not happen because we will have a deal. I can confirm that the Switzerland agreement has been initialled; it is expected to be signed very shortly. As my noble friend will know, the continuity agreement will wait until we have left the EU, because it is at that time that it becomes relevant.

Lord Liddle (Lab): My Lords, does the Minister agree—I am not suggesting that it is her personal fault—that this represents a massive failure of policy on the part of the British Government? The Secretary

of State, Mr Liam Fox, and Mr George Hollingbery gave assurances to the other place that the 40 agreements would be novated by the proposed leaving date. Hardly any of it has happened. Surely this is a demonstration of the failure of government policy, and an apology from the Government is required for letting us down on this aspect of Brexit, as on so many others.

Baroness Fairhead: My Lords, the Government's policy remains to have a deal and an implementation period. If that is pursued, there is confidence that those agreements can be continued. That is in the interests of our businesses and our consumers. My urge would be that we find a way to a deal, so that that process can happen in a clear way. As for no deal, I have been clear in this House that timing is extraordinarily tight and our confidence would be much greater if there was an implementation period.

Lord Lansley (Con): My Lords, as my noble friend the Minister rightly said, participating in the withdrawal agreement in a treaty with the European Union will enable us to be treated as if we are continuing in the free trade agreements currently in place between the European Union and third countries. We will participate in those through the mechanism of the withdrawal agreement. However, does she agree that many of those third countries are not keen to publish what they regard as their arrangements with the United Kingdom in the event of no deal, not least because they do not know what our relationship with the European Union will look like immediately after a no-deal exit? Under the most favoured nation rules, they would expect in the short term to be able to benefit from whatever arrangements we arrived at with the European Union.

Baroness Fairhead: I thank my noble friend for that question. He is absolutely right. An example referred to in another place was Turkey. As your Lordships will know, Turkey does not have a normal free trade agreement; it is part of a customs union. Therefore, it is particularly difficult to agree continuity with Turkey until we know the exact terms of the relationship with the EU.

Baroness Altmann (Con): My Lords, I have every sympathy with the position my noble friend finds herself in, which none of us would wish to be in, but can she confirm that if we were to leave with no deal, that would be a choice that the Government could have avoided by revocation of Article 50, which is in their gift? Will she also confirm that the former Brexit Secretary claimed in an article the weekend before last that leaving with no deal would be the way to make Britain a global free-trading nation? Leaving with no deal actually has the impact of losing all the free trade deals we currently have with our nearest neighbours and, it would appear, losing the trade deals we have with non-EU countries as well. Indeed, it would be a monumental act of protectionism for this country to leave with no deal.

Baroness Fairhead: I thank my noble friend. My right honourable friend the Prime Minister has been very clear about her attitude towards Article 50, so I do not want to take that one on. As for leaving without a deal, I question that there would be no free trade agreements. As I have said, the Switzerland one

has already been initialled and is expected to be signed, and we are making good progress on a number of trade agreements. Let me be clear that most of our trade with the US, which is approximately one-fifth of our trade, is on WTO rules.

Local Authorities: Essential Services

Motion to Take Note

12.01 pm

Moved by Lord Scriven

That this House takes note of the ability of local authorities across the United Kingdom to deliver essential services to their communities.

Lord Scriven (LD): My Lords, I start by drawing the attention of the House to my interests, as laid out in the register, as vice-president of the Local Government Association and as an elected member of Sheffield City Council. We have the luxury of three hours for this debate, which is good on such an important issue, and I have the added luxury of 15 minutes. I promise noble Lords that I will not take that long but will leave wiggle room for others who might wish to expand on what they wish to say. I thank the many people who have helped us get ready for this debate: we had a wonderful briefing note from the Library and many organisations have sent us briefings, including SOLACE, the Local Government Association, trade unions and third sector and charity organisations. I also thank noble Lords who are going to speak in the debate for putting down their names. I hope that they will contribute to this debate and give food for thought for Ministers in terms of how local government can go forward from the situation in which it now finds itself.

I am very pleased to be leading this debate because to me it is a vital issue that affects every village, every town, every city and every region: local government has a positive power to change people's lives. Just think of the older person who is becoming vulnerable and possibly losing their independence. With good public health, good housing services and good social services, that person can continue to lead an independent life with dignity. Just think of the young man who might be on a crossroads between violence and going forward to have a fulfilling life. With good youth services, and education services, that young person can be supported to make the correct decision and have a successful life.

Local government can facilitate enterprise and business locally with good business development services, planning and support services provided by local authorities. They can help to create vibrant, successful and sustainable communities: libraries, parks, clean air, shared spaces and bringing people together to give them opportunities to achieve. That is the vision that I think most people have of a good local service: bottom up and delivering for people—not just a service provider of last resort but a local democratic hub that facilitates and brings opportunities for people and businesses to succeed.

I will mention my own journey in Sheffield in the local authority, first as a back-bench councillor helping individual constituents, then as leader of the opposition,

[LORD SCRIVEN]

many times clashing with the then chief executive, the noble Lord, Lord Kerlake—I am not sure whether he will raise that—then as chair of scrutiny, holding the executive to account, and then having the great pleasure of leading that great city and that great council. I was then put on early retirement when I lost my seat and am now back again as a local councillor. I saw the power that local authorities can have to affect individuals and communities and make a real difference to people's ability to succeed in their life.

That is what the situation should do, but we must look at what it has now become in many cases. Sadly, in some cases local authorities have not just become the provider of last resort but are struggling to be even that—we only have to look at Northamptonshire, Somerset, Norfolk and Lancashire County Councils, and the National Audit Office warning that reserves are running out. In some cases, they are not just unable to provide the opportunities that I talked about but are unable to provide the very statutory services that they are there to provide in an emergency as a safety net.

In 2010, as leader of Sheffield City Council, I was not in total opposition to some financial reductions. At the time, I did see wiggle room and that changes could be made. I must say, it has now gone too far and is damaging not just institutions but the very people in those communities whom local authorities are there to serve. Some local authorities are finding it nearly impossible to keep their head above water, and are struggling to provide the minimum statutory services. This is not good for local communities; it is not good for democracy; and it is not good for either the people or the country.

The Local Government Association predicts a £3.1 billion shortfall by 2019-20, rising to £8 billion by 2024-25. Adult social care will see a £1.3 billion shortfall, predicted to be £3.6 billion by 2024-25. Children's care—some of the most vulnerable young people in our country—will see a £949 million shortfall, predicted to be £3.1 billion in 2024-25. Homelessness support is predicted to have a £110 million shortfall in 2019-20, looking to rise to £241 million by 2024-25. SOLACE, which I thank for its briefing, has said that one in three councils in the country has had to make a reduction in the minimal statutory service offer. Two-thirds of social care authorities have drawn down reserves since 2016—if they keep doing so at the same rate, the reserves in the system will last only three years. We are talking about being at the bone, and in some cases going into the bone.

This is coupled with rising demand and need: 1.27 million homes for those in greatest housing need; 1.17 million homes for young families who cannot afford to buy; 690,000 homes for older private renters struggling with high housing costs beyond retirement. One thousand new children's cases are on the desks of social workers every day. Looked-after children's demand is up 11% over the last few years. The demand for homelessness services is up by 34%. The need for care of the over-65 year-olds is up by 14%. The areas in which councils can make a huge impact—helping create economic growth and vibrancy—are the ones that have been hardest hit, because in many cases they

are not statutory. Transport services are down by 37%. Housing services are down by 46%. Planning services are down by 53%.

I must tell the Minister that back in Sheffield and across communities north, south, east and west, the situation is becoming untenable and unsustainable. Warm words from the Dispatch Box that reserves are there will not help young men needing youth services. It will not help elderly mums needing social care services. It will not help families going into homelessness to get a roof over their head. It will not help local businesses get the support they need to create enterprise and jobs in their area.

It is time to stop the short-term sticking plasters, and to start thinking about what is needed strategically. We need a much more long-term and strategic partnership of equals between Whitehall and local government if the latter is going to return to its true role in communities—unleashing the opportunities of businesses and people across the country. This must start with more direct cash to local authorities' budgets to deal with the higher demand. It must be able to concentrate on the here and now in basic services. The £8 billion gap will not be closed by council tax and business rate changes.

We must accept that the council tax model is not fit for purpose and needs change. We need to look at other forms of wider tax revenue-wielding powers that local government has, and look at money that is held by Whitehall which should be devolved by design and right down to local authorities, not held with strings by Whitehall while it tells them how and what to spend it on.

The new fairer—or rather very unfair—funding formula must not be driven by political dogma but must be based on need, including a deep and central place for deprivation at its very heart. It cannot just be on a per capita basis. You cannot solve the economic and social problems of the UK if you leave the left behind even further behind.

The jiggery-pokery of social care precepts and referendums on council tax show why Whitehall has got this wrong. Financial freedoms to raise what is needed locally should be the norm, with local people deciding through the ballot box whether a local authority is doing the right thing and charging the right amount, not an official or Minister sat in Whitehall. This must be backed up by a strong and fair tax distribution system from the centre—again, driven by deprivation and need.

We need a social care funding solution which deals with the issue of an ageing population. We cannot leave it to short-termism or in the “too difficult” tray. The dignity and independence of too many of our older people rely on that—and we all have a vested interest to make sure that that happens.

We clearly need a proper, open and transparent discussion about social care funding, including looking at models such as those of Japan and Germany to see how this can be done. We also need to have clear, open and transparent five-year funding deals for local government, with no extra strings attached, which will allow local government to plan with some stability for its local area. As I said, we need to move away from

the strings-attached Whitehall model of funding that stifles local innovation and undermines local democracy and accountability.

We also need a new partnership between local and central government on housing. The housing crisis is a national disgrace. The new homes bonus needs to be stable, not short term. We also need to build a large number of social homes—3 million, according to the latest report by Shelter, produced just a few days ago. This will not be done just by raising the borrowing limit for local authorities. A new style of partnership is needed between local and central government and the private sector which delivers good, stable, well-designed and environmentally friendly housing. This cannot be done with a silo approach and different departments working in different ways.

Local authorities also need to be involved much more in Brexit planning. We feel as if we are on the edge, completely ignored, yet we will have to deal with some of the major issues that a no-deal Brexit will potentially cause, and some of the social and economic problems that it will cause for local people—and the £35 million mentioned by the Secretary of State is not enough to deal with the problems.

In the long run, rather than devolution to local areas by consent, we need devolution by design: a new system of federal government in the UK where we have devolution, with power and money nearest to the people at a local level so that they can design local solutions. The power of Whitehall should be about key strategic issues. We need to move to a much more bottom-up, democratic way of allocating resources and governing the country and rise to the challenge of improving local economies and dealing with social or cultural advancement.

After all, it is only back to the future. We can see from previous generations how local authorities can and do shape areas, improve people's lives and create a system and a framework for enterprise and local businesses to flourish, deliver vibrant local areas and offer opportunities and hope to local people and businesses. We must stop talking about local authorities in silos and stop talking about them being just the provider of last resort. We should fund them properly and give them the powers and the space to create great communities.

12.14 pm

Lord Patten (Con): My Lords, I did not have the long and distinguished career in local government that the noble Lord, Lord Scriven, obviously had, but I did spend a period in the chamber of Oxford City Council. I learned a lot from those experiences, such as the excellence of many local government executives. When cutting my teeth as a local councillor, I also learned a lot from those who are now in your Lordships' House, such as the noble Lords, Lord Hunt of Kings Heath and Lord Liddle; I am pleased to see the latter in his place. Indeed, they cut their teeth on me with some inspired heckling over the years—all forgiven, but never forgotten, I assure them.

I should also make a declaration of interest: not in the conventional sense but rather, a declaration of residence or work—and as a consumer of local authority experiences—in three different places. First, I work in

the City of London, which is an extraordinary place. You would not invent the governance of the City in a month of Sundays, but in an amazing and largely non-partisan way, it works. There are the streets that you could almost eat the apocryphal breakfast or lunch off, and it delivers very good services both within the City and to its outliers in a broadly non-partisan way, which is good.

Secondly, I award a mark, with some temerity, to the City of Westminster down the road, where I first moved when I went to another place and have lived ever since with my wife, who also works in London. It is clear that the City of Westminster behaved pretty disgracefully in the past, mucking about with the sale of council houses, which was a shaming event. But it has served its time, worked its way out of the situation and now, extraordinarily—it is hard to work out quite how—manages to deliver level council tax demands with a very high level of services, including the street cleaning that I mentioned. It is funny how you judge local authorities by the things that first hit you in the face, and street cleaning is obviously one.

Thirdly and lastly, we have long lived in the West Country, in the area of that Liberal bastion, South Somerset District Council, which was turned into a Lib Dem stronghold thanks to the magic political touch of the late and highly respected Paddy Ashdown. It still is, despite our best attempts. A non-partisan evaluation of the South Somerset area would include the worry locally about scary suggestions that we will have our wheelie bins collected only every three weeks. I think that is probably a wheelie bin too far for many of us. Although the council is building more in the local area, which I support and have supported publicly—no nimbys here; we must build more houses—it has sometimes lacked understanding of the need to provide new housing estates built for sale with shops and all the rest. It has not really attempted to soften the edges of housing estates with better landscaping that reduces complaints from local people and makes high-quality building more acceptable and welcome in their area.

None of those issues will be solved just by more money. We need imaginative leadership from high-quality men and women in local authorities—such as the noble Lord, Lord Kerslake, I am sure, in his day, in Sheffield. Sometimes they are there; sometimes they are not. There are problems with the quality of some who work in local authorities, despite the reasonable remuneration and pensions on offer. How adequate is their training? I do not know the answer to that; perhaps the noble Lord, Lord Scriven, and other noble Lords can help us by explaining what the training is really like.

One way forward may be to do what many charities do: hire people leaving professions and businesses who have the high energy levels for one more big job, particularly given that people are being expected to work into their late 60s and 70s. There is no magic in good management; it is pretty transferable from one place to another. Perhaps such a transfer to the world of local government would add to efficiency. It is not all about money; ability capital is just as important.

[LORD PATTEN]

Please do not think it unnecessarily combative of me to say how surprised I was when, in his largely non-partisan speech, the noble Lord, Lord Scriven—and perhaps other noble Lords—seemed to airbrush from history the fact that back in 2010, the Liberal Democrats and the Conservatives were in what I thought was a very welcome coalition. We did some good, between us. This cannot be airbrushed: I must take responsibility for what we have and have not done, as must the Liberal party—particularly Mr Nick Clegg, who has now fled to the west coast of the United States of America.

There is a linguistic problem in that, as I understand it, “essential” does not exist in the local authority dictionary: something is either “mandatory” or “discretionary”. Using those words leads to a conceptual cop-out. Anything can be represented as an essential service if local people and councillors say that it is, and that they should have this, that and the other. We must be very careful in our use of language.

Like talented people, money helps local authorities a lot, but once one has beaten a path through the dense thickets of local authority finance, which I have heard gloriously described with masterful understatement as a “somewhat complex subject”, money must be found from somewhere—but where? We know that in Europe at the moment, we are in low-growth mode: this week, the IMF told us that Germany and France are unlikely to grow faster than the UK in the next two years. Indeed, just as the City of London accelerates despite the current political shot and shell, official labour market data published on Tuesday by the Office for National Statistics shows the highest employment rate ever, with more people in work. That means more tax for the Treasury to spend in local areas.

Of course money is vital, but where should it come from? Out of whose pockets and how? Through extra taxation or a higher amount? If so, how much? The Liberal party needs to be open about both its chequered past in this area during the coalition, and what it proposes to spend and where it will come from in future. We need to be efficient and realistic in the use of both our money and our language. After all, there is no universal declaration of local authority rights, of which we must be well aware.

12.23 pm

Lord Beecham (Lab): My Lords, I refer to my local government interests in the register. In my 52 years as a Newcastle City councillor, I have lived through difficult times for local government. In all that time, I cannot recall so many Conservative councils criticising a Conservative Government for their failure to fund adequately the provision of local services, as is now the case.

The failure to update the council tax system, which is now 27 years old, and to take into account the widening gap between authorities like mine—and others in the north-east—and those in the more prosperous parts of England in the amount that council tax yields has exacerbated the problem. It is ludicrous to leave unchanged a system that allows council tax on a band H property near where I live, on the market for £4 million, to be only three times the amount payable by residents

in the council ward I represent in a band A property worth £40,000. I concede immediately that the Labour Government should have addressed this issue, as I argued at the time, but it is all the more essential to do so when the pressure on budgets becomes ever more heavy and government cuts bite ever more deeply.

It is sobering to recall that, between 2010 and 2017, homelessness nationally rose by just under 40%, the number of looked-after children by just under 11% and the number of people aged over 65 requiring care by 14.3%. Cuts to environmental services, culture, highways, transport, housing and planning services range from 14.65% to a staggering 52.8%. Meanwhile, the failure adequately to fund the NHS and the police service has added to the problems facing individuals, communities and the councils which seek to serve them. Moreover, we all know that GP practices are under great pressure.

I remind the House that, for five years, the Lib Dems were party to the damage inflicted on individuals and communities not only by the cuts to which I have alluded but by a range of other policies. These include the abysmal impact of universal credit, with 40,000 new council residents affected by so-called welfare reforms; the bedroom tax, which in Newcastle siphons off £2 million a year from 3,000 residents and the local economy; the dismantling of regional offices of government which have facilitated an understanding in Whitehall—in fairness, they had been established by a previous Conservative Government, but now of course they are no longer there—so that the diverse needs of different parts of the country are not addressed; and the failure to invest in improving highways and rail services in the north-east.

As the Public Accounts Committee reported last July, between 2011 and 2017, government funding of local authorities fell by 49.1% in real terms. In Newcastle, that translates into cuts that currently stand at £270 million a year, rising over the next four years to £327 million, with £16.9 million required in the upcoming 2019-20 budget. The loss is already £1,000 per head of population and £2,550 per household, rising to £3,000 per household by 2022. These figures come after raising council tax next year by the permitted amount of £5.2 million and business rates by £1.8 million or 1.7%.

Yet we have to cope with a rising demand for support services. In Newcastle, some 12,000 children aged under 16 live in low-income families—25.4% of their age group compared with a national average of 16.8%. Those are the 2011 census figures; they will be significantly worse by now. The highest level of poverty is to be found in households with children aged from birth to four years old. Many of these families and others rely on food banks for sustenance. The country’s busiest food bank is located in the ward I represent. In Newcastle, we have just under 5,000 people receiving ongoing and long-term support, 3,300 of them aged over 65, with 2,000 receiving short-term support from the council’s reablement service. Last year saw an increase of 36% in adults receiving safeguarding. However, the pressure on staff is tremendous and we struggle to maintain the extent and quality of the services we supply.

Some 44 years ago, as chairman of the social services committee, I inaugurated the city’s welfare rights service. Last year, it helped 19,000 residents to secure

£30 million-worth of unclaimed benefits and supplied 6,500 with debt advice. It is a costly service for the council but at least for the moment we are continuing to provide it. I hope that that remains possible, but this is not a service required by statute, and without a change in government policy, there must be a risk as to its future and thereby to the people who desperately need support.

Depressing as this litany of problems and needs is, the damage to local government and the people it serves does not end there. Let us consider the impact of right to buy, which has led to a huge extension of private rented sector and high-rent properties without councils being able to use the proceeds to build genuinely affordable properties to replace them. The Government are belatedly planning some support for new social housing, but their concept of affordability is still connected to an inflated private sector market at the national level which bears little relation to the economy of regions like the north-east. In any event, the numbers are too few.

The sector has also faced pressure to outsource services, just as has been required of the probation service and the Prison Service, with disastrous results as we have frequently discussed in this Chamber. The role of local councils in education has been drastically reduced, with all manner of organisations replacing them, many deemed by Ofsted to be failing the children consigned to them. In one case in Newcastle, they simply closed down and abandoned a brand new building. Talking about young people, we have to recall that the coalition Government also did away with the important Sure Start programme. In addition to this litany of problems, we have a police service that is undermanned and overstretched, like so many others, with a significant reduction in neighbourhood policing reducing teams covering two or three council wards to single individuals.

This debate will exemplify the parlous state of local government today. I sympathise with Liberal Democrat Members of this House whose communities are suffering from government policies that I and other Members have criticised, no doubt to be amplified by other speakers. But I have to remind them that much of the damage to local councils and their residents or employees emanates directly from the coalition Government of which they were a part. An apology would be welcome.

In fairness, their former partners appear to be threatening to make matters worse. The Government are now consulting on a new formula for their funding of local government. This would remove deprivation from the formula covering waste disposal, public transport, libraries, leisure, homelessness and recreation, and replace it with a simple population basis, restricting the deprivation factor to adult social care, children's services, public health, highways maintenance, flood defence and fire and rescue services. It is quite clearly a cynical attempt to divert financial support from urban areas to Conservative-controlled areas. Can the Minister say whether, and if so when, this House will have an opportunity to discuss any of these proposed changes? Above all, at a time when the Government proclaim that austerity is over—for too many people a questionable

assertion—can they at least pledge to provide the funding required to provide services of the extent and quality that is desperately needed?

12.31 pm

Baroness Thornhill (LD): My Lords, I draw the House's attention to my interest as a vice-president of the Local Government Association. The situation that local government finds itself in is unprecedented. Over my 16 years as the elected Mayor of Watford—the noble Lord, Lord Beecham, may be interested to hear that this covered several Governments, including the last Labour Government—I lived, battled and struggled with these changes.

We are now in an era of increased demand, in particular for services for the elderly, children with special needs, those in social care and homeless families. Yet councils have fewer resources than ever to deal with these demands, and some are at breaking point. This situation—where think tanks, eminent charities, unions and the Local Government Association all agree that the current situation is unsustainable—is the culmination of well over a decade of year-on-year cuts. These need reversing. Local authorities need a significant injection of cash now.

While the impact on these services has been gradual but significant, it has been different in different types of councils, in different areas and in different parts of the country, which is why it took so long to get a collective national agreement that local government is underfunded and at crisis point. As emphasised by the noble Lord, Lord Patten, the narrative until very recently, heavily peddled by some Secretaries of State, was that there was plenty of money sloshing around local authorities, reserves were high, they had plenty of capital assets and they were juicy pips that needed a good squeeze. In truth, local government surpassed itself in trying to cope with reduced funding, often finding innovative and enterprising ways to generate income and protect services. As in any sphere of public administration, not all councils were perfect, but each pet peeve of a Minister, an MP or the TaxPayers' Alliance made a headline that served to reinforce this negative view of local government as an easy target for austerity cuts. By absorbing a lot of the early cuts through innovation and good practice, we found that, instead of receiving due recognition from the Government, we had simply fed a narrative that we could be cut still further.

Back in Watford, we discovered that you could only go so far with efficiency savings. Sharing services, doing more with less, streamlining services and taking out duplication were the stock phrases that we all absorbed. But there comes a point when there is really nowhere for councils to go but to cut services that are relied on by very vulnerable people.

I sincerely hope that it is now irrefutable that local government cuts have impacted on the poorest people in the poorest places. They are also those people least able to both cope and protest about it. It is not only the welfare and benefit cuts but the luncheon club not operating or the reduced days that the library is open, the community centre offering fewer activities and the youth services that are slashed. Often the precise impact

[BARONESS THORNHILL]

of cuts is underestimated because the real problem can be the compound effect of cuts by different councils in two-tier areas, of local charities and of partners in the same area all scaling back their provision because of the loss of grants from the local authority or funding from health and well-being boards, which are all cutting back. It seems that nobody is holding the ring for the cumulative impact on a neighbourhood except councils—and we, for too long, were not listened to.

Even street cleaning and bin collections impact most on the poorest areas. While we and other councils bent over backwards to prevent the front line being cut, that was unsustainable. The front line is being impacted more and more. Our staff are up against it. Staff reductions have meant that there is just no slack in the system. District councils are feeling it the most. Services that prided themselves on being proactive, such as environmental health and enforcement services, have been pushed into reactive mode, fearful of yet more work coming down the tracks and feeling overwhelmed and unable to respond.

On the recent Homelessness Reduction Act, for example, every councillor I knew applauded the Government's intentions, but also dreaded not having the resources to do the job properly. I applaud those thousands of staff who with expanding workloads even worked unpaid overtime, with new roles, more responsibilities and far less funding, and still served their communities well. Yet a recent Unison survey showed that their morale is low and their confidence level in being able to deliver for their most vulnerable residents is dropping.

Many services report that there is a worrying increase in the impact of funding cuts on the mental health of their residents. Our housing partners will say that nowadays what was once exceptional behaviour is becoming commonplace and that the resources to deal with it are just not there. Access to services is more limited, there are longer waiting lists and the entry bar for help gets set higher. With the health service, running red is now the new normal. Even police services admit that they are now pushing back on mental health-related issues that they used to take in their stride. Is that really what we want?

As for prevention, upstream work, which we all know works and will ultimately save us money, is being squeezed out. It is a short-sighted, costly mistake. We are being pushed into sacrificing long-term solutions and sustainability for short-term expediency. For many, just legally setting next year's budget is as far as they can look.

The Government are holding out for the holy grail of the business rate retention to give a major investment of cash to local authorities—but will it? Councils are already collecting an increasing amount of business rates for central government, while their revenue support grant continues to be cut. Surely it is time to redirect this money back to local authorities and local communities. With the rumours coming out regarding the fairer funding formula, which appears to be taking deprivation out of the formula in favour of “rurality”, will we see a further increase of the least-deprived areas getting the most money? The staggering 2015

survey by the Joseph Rowntree Foundation showed that that was the case. More recently, the IFS concurred that the most deprived local authorities had seen cuts of £220 a head compared with cuts of £40 a head in the least deprived areas.

I remain uncharacteristically pessimistic about the future without a radical overhaul of local authority funding. Which tax has to have a referendum before it can raise more money? The answer is none except council tax—and if a similar measure is required the following year, it needs a second referendum. This capping, plus years of central government diktat making councils keep council tax rises low, has contributed to the state we are in. It is surely time to end this.

Finally, and very worryingly, two recent reports from the APPG on children in social care highlighted how financial cutbacks have meant that local authorities can now intervene only when problems reach crisis point and children's lives are potentially at risk. Early intervention work no longer happens, and social workers are overwhelmed by large case loads, high turnover and poor supervision. These problems for the future are stacking up now. Our children are the future, and they deserve better.

12.41 pm

Lord Kerslake (CB): My Lords, I thank the noble Lord, Lord Scriven, for initiating this debate. On this occasion, I agree with pretty much everything he said in his very strong speech. I should also declare my interests as president of the Local Government Association and chair of Peabody, Be First and the Centre for Public Scrutiny. My other interests are as listed in the register.

When we look at what has happened to local government over the past eight years of austerity, two dominant stories emerge. The first is of a sector that has faced up to the challenge of spending reductions unmatched in any other part of the public sector. The LGA talks of councils losing 60 pence in every £1 in government grant over the 10 years from 2010 to 2020. Even if we take account of changes such as business rates retention, we still see a reduction in effective spending power of more than one-quarter and nearer one-third. This is the reality of what has happened.

Despite this extraordinary, unprecedented reduction, local government has kept the show on the road. Indeed, only one council has required government intervention due its financial difficulties. Financial planning has, by necessity, got better, and most councils now have a good medium-term financial plan in place. Effective scrutiny in the best-run councils has made a difference by providing constructive challenge. I would be very surprised if this year any council is unable to set a balanced budget for the year ahead. This is to the immense credit of local government.

The second story, though, is of a decline in local services and in public satisfaction with local government. We cannot disguise this. The National Audit Office's report *Financial Sustainability of Local Authorities 2018* shows that, between 2010-11 and 2016-17, local authorities cut cultural and highways services by more than one-third. They did this in good part to protect the statutory adult and children's care services, but even these are now facing real and increasing pressure.

We often talk about services such as libraries, leisure service and the street scene as discretionary services, but they form an essential part the quality of life of our places, and in the end—this is the key point—they are the services that people think they are paying their council tax for, so we have an enormous mismatch that is getting bigger. Those two local government stories of effective financial management and sharply declining services, despite efficiencies, go hand in hand. At root, they result from a failure to develop a sustainable model for local government finance.

I have argued for some time that delivering the first five years of austerity did not automatically mean that local government could deliver a second five years of austerity. You could not run the same record twice. In fact, the growing pressures on adult and children's care alone, which make up more than half of local government spending, told us that that was impossible. We could see it; we did not need to look in the crystal ball. We are now seeing the consequences of that undeliverable plan which was put in place.

To their credit, the Government have belatedly recognised that pressure and have put in a further £1 billion of short-term funding for the settlement next year, and we should recognise that. However, it is just that—it is short term and one-off. We urgently need a longer-term plan to put local government on a sound footing. You can have a broad base of services and a broad set of funding sources, and you can have a narrow range of services and a narrow range of funding sources, but what does not work is a broad range of services and a narrow range of funding. It is very simple. If we do not sort this out, we will see both effective financial management and services put at risk in the future.

The plan for a sustainable financial system must be a central and core part of the forthcoming spending review. If people ask whether local government is that important, the answer is that it accounts for over a fifth of public spending and deserves central billing in the discussions about the spending review. A key part of that review must of course be the long-awaited Green Paper on adult social care. I say “long awaited” because I think that its publication is now likely to be almost a year late.

Unless there is a fundamental rethink of local government as a whole, I will have real concerns about a number of things that the Government are doing, particularly the fair funding review. I shall set out three of those concerns. First, I have never met a council that thinks that its funding under the formula is fair. This review will open up division at a time when local government needs to work together collaboratively, as we heard earlier. Secondly, it is hard to see how any meaningful redistribution can be made without significantly increased resources. Without them, you damp the system enormously, in which case the question is: why are you doing it in the first place? Thirdly, like other noble Lords, I am seriously concerned at the suggestion that has recently been reported in the *Guardian* that funding will be redirected away from deprived inner-city areas by removing or reducing the poverty weighting. That, to me, would simply create an instability in one part of local government to help another. It is

not the answer. It seems that, without a holistic approach to both the level and the sources of funding for local government, we are heading for real trouble here. I would welcome the Minister's reassurance on this issue.

Finally, what on earth has happened to devolution? I ask myself whether it is another Brexit casualty. This was brought home to me recently in the work that I am doing as chair of the UK2070 Commission, which is looking at the spatial disparities in this country. If you go on to our new website, you will see a brilliant article by Professor Philip McCann of Sheffield University that demonstrates pretty conclusively that, with the possible exception of Slovakia, the UK is the most geographically unequal country in western Europe—I emphasise: not just a bit but the most. It is also one of the most centralised. The OECD has proved to my satisfaction that there is a clear connection between centralisation and inequality. We need a strong, well-funded local government not just because it delivers vital services but because it plays an essential role in creating a fairer and more prosperous Britain.

12.49 pm

Baroness Thomas of Winchester (LD): My Lords, I shall concentrate on the provision of social care but, before that, I want to mention something that I would call an essential service but which turns out to be discretionary. Here I shall lower the tone of the debate so I hope noble Lords will not mind; I am talking about the provision of public conveniences, lavatories, toilets or loos throughout the country. Those that are left are now often maintained by town or parish councils, but for how long? In 2010, there were over 5,000 public toilets; now, there are 4,486. Is it right that fast-food chains, supermarkets and coffee shops have now virtually taken the place of public toilets? What happens when these places are closed, when managers are reluctant to let everyone use their facilities or when there are no accessible toilets? We should not forget the silent number of people trapped in their homes because of continence problems.

I turn now to social care. As the noble Lord, Lord Kerslake, said, we are no nearer to seeing the Government's Green Paper; as late as October, we were told it would be with us by the end of the year. The funding issue is a fiendishly difficult problem because social care encompasses so much and is so little understood. We need a different term; I agree with the noble Lord, Lord Patten, about language. The word “social”, according to the dictionary, means,

“marked by friendly companionship with others”.

But, in local government terms, it has a much sterner face to cover the state's obligation to help care for children, including those with mild or severe learning difficulties, as well as disabled and elderly adults. It may have to cover playschemes for disabled children, personal assistants, aids and equipment, care at home and residential care.

Not only are we all living longer, but there is now a better survival rate for people with serious health conditions. I believe that the dictionary definition of the word “social” is one reason why so many people think the service is free for council tax payers rather

[BARONESS THOMAS OF WINCHESTER]

than means-tested, or partly means-tested. Anyone who thinks the answer for even quite severely disabled people is NHS continuing care should think again as it is very difficult to get. As for delays in hospital discharges, these are still causing a problem due to care packages having to be negotiated or re-negotiated. Can the Minister say how the Government have evaluated the impact of health and well-being boards in tackling the increasing number of these delays?

My next question is: where will councils or outsourced companies find enough carers or personal assistants after Brexit? There is increasing worry among people with neuromuscular conditions, for example, about the long-term status in the UK of personal assistants from EU countries, particularly if there is no deal. PAs provide invaluable support to enable disabled people to go about their daily routine, as well as in the working environment through, for example, the Access to Work scheme. A Skills for Care report in 2017 estimated that around 95,000 workers in England's adult social care sector are from EU countries, and that excludes personal assistants. What steps are the Government taking to incentivise all care workers from EU countries to stay in the UK? There are already about 7 million unpaid carers in the UK, with this figure rising, so we cannot rely on any more. Many family carers are facing serious mental health problems of their own, as the *Guardian* pointed out last week.

As for funding, the movement for independent living for disabled people has been giving the matter a lot of thought. I am particularly grateful for a discussion paper written by Gerry Zarb at the SPECTRUM Centre for Independent Living, who makes the point that people simply do not rate the provision of social care as anywhere near as important as health, which is why the Government find it so difficult to contemplate solutions that cost money. It is not universally understood that they are both inextricably entwined.

We need to know exactly what value the Government place on the whole social care system. The shortfall in funding is thought to be over £2 billion just to meet existing demand, and we know demand is going to increase each year, but disabled people of working age who may or may not have paid work must not be overlooked. It is sometimes said that the importance of appropriate care for this group of disabled people is that they can potentially become part of the taxpaying workforce, but there cannot be deserving or undeserving disabled people. I hope the Green Paper will make that clear by saying that every disabled person—employed, self-employed, unemployed or retired—should be able to live a life of dignity and respect. Many disabled people active in the independent living movement are keen to help with the whole process of designing, commissioning and delivering support, with co-produced solutions and partnerships between public bodies and service users. I hope that offer is taken up.

12.57 pm

The Lord Bishop of Worcester: My Lords, I rise with a heavy heart to raise questions concerning the ability of local councils to deliver essential services to

their communities. I welcome the prospect of increased short-term government funding but, without that being increased and continued or there being rises in council tax, whatever the rights and wrongs of that, I question whether it will be sufficient to enable councils to meet rising demand, especially in social care. That issue is of immense concern, but others have spoken eloquently about it.

I want to take your Lordships to Worcester—what better destination could there be?—to consider not social care but another service that is under pressure as the county council struggles to make ends meet: the archive service. A proposal has recently been made to cut £405,000 from a £700,000 budget that is already down from £1.2 million in 2010. That proposal is being considered at the moment and causing immense concern. This is the sort of cutting to the bone and into the bone to which the noble Lord, Lord Scriven, referred. The Worcestershire Archive and Archaeology Service—I declare an interest, though not a financial one—cares for our diocesan archives, including items of great public significance such as Shakespeare's marriage bonds. The service is located in the wonderful award-winning Hive, unique as a joint university/city library, which was voted in 2017 by the Archives and Records Association as the record-keeping service of the year. It was found as being,

“determined to maintain a quality service to the wider community in the county despite acute financial pressures”,

with tribute paid to the,

“range and depth of activities and success in placing itself at the heart”,

of cultural life. The irony is that, while devastating the service, the proposed £405,000 cut would amount to a saving of only 69p per resident per annum, equivalent to only 0.18% of the council's social care expenditure. I suppose the proposal is indicative of how desperate the council feels.

Some might consider an archive service not to be an essential service, whether it be mandatory or discretionary. I beg to differ. It matters, as the British Archaeology News Resource put it, because of the possible,

“irretrievable loss of hundreds of years of dedication and expertise”.

The history of a place is not in the cold, dead stones or the reams of paper in an archive; it is in the people who care for them, know the records intimately and pass on that passion and knowledge to others. It is in the people who bring stones and those manuscripts to life. Lose them and you lose the history. Now, more than ever, we need the lessons of history.

I have great respect for our county councillors and I very much hope they will reject these proposed cuts, which would be a false economy and represent a major reputational as well as cultural loss. Cultural and heritage services are an essential part of our civilised society, of which we can be justly proud. I raise the matter in this debate as just one example of the desperate measures some councils are considering to make only very small cuts in overall budget, and the resultant threat to the delivery of essential services.

1.01 pm

Lord Liddle (Lab): My Lords, I declare my interest as a Cumbria County councillor. I well remember my political apprenticeship on Oxford City Council in the 1970s and those enjoyable debates with the noble Lord, Lord Patten. I also remember an unhappier time in the 1980s when I was a member of Lambeth Council. The events there did a lot of long-term damage to the reputation of local government. I am now delighted to be a member of Cumbria County Council in the native community I grew up in, where, if I might say so, the Labour group that I attend reminds me so much of the Labour Party I dearly love.

The central thrust of my argument is that, with the public spending review coming up this year, it is essential that the Government set up an independent inquiry into the structure and future financing of local government in England. Although he is no longer in his place, I recommend that the Government invite the noble Lord, Lord Kerslake, to chair such an inquiry. These are centrally important issues. I think Ministers will accept that the Government have no bandwidth to address them themselves in the coming months because of Brexit, but they have to be looked at. What better means of doing that than by having a quick but independent look at these questions?

I will argue why this is essential from my experience in Cumbria. Cumbria is not like Newcastle, about which my noble friend Lord Beecham, with his wonderful record of service there, spoke so eloquently. It is a mixed place: half of it is rural market towns, relatively affluent, and attractive to incomers and tourists, but the other half is very industrial or post-industrial, with pockets of deep deprivation and a lot of places that feel left behind, as we say nowadays. One of the extraordinary things about Cumbria is that, if you contrast the ward on the west coast in Workington with the ward in the east of the county near Penrith, you will find that there is almost a 20-year difference in life expectancy. That is shocking.

Our authority's spending this year—its net revenue budget, taking out direct schools grant and all the rest—is about £380 million. This year, we have to make £39 million-worth of savings, bringing the total savings we have had to make since 2010 to £200 million. Half of the authority's spend goes on what is called the people directorate: the care of children and adults. There are still immense strains on adult social care, but the crisis of the moment is around looked-after children, for which we set a budget this year of £43 million—we now think that we will have to spend £54 million. While we are cutting £39 million, we are coming under intense pressure on looked-after children. That is in part because of a rise in numbers and in part because of a rise in the cost of placing people in residential accommodation.

For the future, I see very little happy prospect without some uplift in government grant. On present projections, we are required to make some further £50 million in savings over the next three years, unless public spending projections change. I simply do not know where this will come from. We are looking rather desperately at trying to cut the cost of social care placements for people with very special needs.

There is one opportunity to save a lot of money in Cumbria, but it is in the Secretary of State's hands. We could have a local government reorganisation, which would create a unitary authority. It is estimated that that would produce savings of £25 million. An application from the county council to this effect has gone to the Secretary of State, Mr Brokenshire, and I hope he is looking at it seriously. It is a difficult problem for the district councils and the MPs because people do not like this change. But in the financial situation we face, it would be irresponsible for the Government not to permit this to go ahead.

For the longer term, we need a change in government policy on the financing of local government or else we will face the total evisceration of local services. I think about all the grants in the area that I represent and all the local organisations that will have to close: the library will have to close and we will not be able to keep supporting our baths and our theatre club. David Cameron used to speak of the big society. It is the big society that is suffering most from this deep austerity.

I recognise that there are many claims on future public spending, but I hope there is consensus—I would like to hear this from the Minister—that local government has borne a disproportionate share of austerity and that this now needs to be corrected in the coming public spending settlement. Of course, if we want to have decent services, we will have to pay a bit more tax, not just at the top but one that everybody can afford. Social care is a real test of this. We cannot address the question of social care without a willingness to pay, and I think that there would be such a public willingness to pay.

My argument is this. Yes, local government has coped remarkably and has had to continue to innovate boldly in its provision of services. Services have to change; they cannot be preserved in aspic. We have to be innovative, but national government has to help local government in this situation. As mentioned by the noble Lord, Lord Kerslake, we have to have a long-term plan for structure, finance, how we handle business rates and what the Government want local government to be able to achieve. We need an urgent independent look at this at this time of wider national crisis that makes it so difficult for us to concentrate on these questions.

1.10 pm

Baroness Randerson (LD): My Lords, I am slightly intimidated to be standing here between my two noble friends, given their distinguished record in local government. After 18 years as a local councillor in Cardiff, I rose to the dizzying heights of the leader of the opposition group of only nine councillors. My first job in local government was on the transport committee of Cardiff Council—and I am still talking about buses today.

In 2017-18, local authorities in England spent £3.9 billion on highways and transport. That is a surprisingly low figure compared with, for example, the £32 billion spent on education or even the £11 billion spent on police. The key point is that that figure has fallen by 37.1% in real terms since 2011, compared with a fall of only 3.2% in respect of children's social

[BARONESS RANDEKSON]

care, for example. The reason for that disparity is that local authorities have more flexibility in spending on highways and buses than on providing children with social care, given their legal obligation to do so. But the withdrawal of funding for buses has a knock-on effect on local authorities' core legal education and social care obligations, such as the provision of school buses.

The withdrawal of funding also has a knock-on effect on local economies and town centres. As bus services have declined, towns have become more congested; air quality has declined, impacting on health; and many people—especially in rural areas—have become isolated, which has its own social and health impacts. It also affects social mobility, as the investigation carried out by the Government's Social Mobility Commission discovered. It is a false economy to cut bus services, but individual councils often feel forced into such economies. However, it is important to note that some local authorities still provide good transport services.

My purpose today is to point to the way to doing this better, and to ask Government to reconsider their strategic decision to abandon our rural areas, in particular, to the myth of salvation by Uber. We simply cannot go on as we are if we hope to save our bus services, because the statistics show that the situation has become critical. Since 2011, there has been a net reduction of £172 million in local authorities' spending on supported buses services alone—a 46% decrease. Since then, 3,088 bus services have been reduced, altered or withdrawn altogether. This year alone, funding has decreased by 9%, and 64% of local authorities either reduced spending or spent nothing at all on supported bus services. Local authorities as varied as Luton, Cumbria, Middlesbrough, Bristol, Stoke-on-Trent and Oxfordshire—and many more—spent nothing. Many services continue to run on a commercial basis, but it is the supported bus services—those that run in the evening, on weekends and to rural and suburban areas where there is no other public transport—that provide the lifeline.

The cuts have come from a number of sources, including the reduction in the Government's bus service operators' grant and the general reduction in funding to local authorities, which has squeezed them generally. We have heard from many noble Lords this morning about that. The Government's continued underfunding of the true costs of running the free travel scheme for pensioners is also a cut, in effect, as it impacts on local bus services. In rural areas, pensioners are usually the main bus users, which therefore makes rural services very difficult to run profitably on a commercial basis. There are honourable exceptions to these cuts, and some local authorities have recognised the social and economic importance of buses. Others have devised imaginative schemes, using smaller vehicles to match the more limited demand in sparsely populated areas. Going Forward Buses, for example, operates minibuses in rural Oxfordshire and west Berkshire on a number of routes. They accept free bus passes, stop at normal stops and, if safe, stop on demand. It is a community interest company and gets no subsidy, although it does welcome donations from passengers.

I have a number of suggestions for the future. Sections 19 and 20 of the Transport Act 1985 set out the arrangements and conditions applying to the operation of small buses. At that time, it was thought necessary to provide commercial bus operators with some protection from competition from small operators, which had less onerous regulations to follow. Many commercial operators have now withdrawn from rural areas, and a weekly shopping bus is no substitute for a regular service giving access to work, training or other activities. A free bus pass is of no value where there are no buses. It is time that this part of the 1985 Act was revisited, in order to make it easier to combine volunteer drivers with paid drivers to provide proper bus services. Will the Minister consider how this might be progressed?

Campaign for Better Transport recommends a number of measures. We need a long-term national investment strategy for buses—we have one for trains, but far more people use buses—and a long-term view. Local authorities need to take a long hard look at the new bus services Act which, although far from perfect, does allow them to create proper partnerships with bus companies. Local authorities need to bring together all their available transport funding, rather than separating it out into schools, social services and so on. They need to partner with the NHS; there is the potential for integrated contracts. The Government must allow more flexible funding models, incorporating community transport initiatives and social enterprises, and provide some kick-start funding.

The Department for Transport presides over chaos and resists taking responsibility for so much of our transport services. Many of the problems are genuinely complex, long term and difficult to solve. But the bus problem could be solved in one calendar year if the Government were prepared to change their political philosophy on this one.

1.19 pm

The Earl of Listowel (CB): My Lords, I too thank the noble Lord, Lord Scriven, for securing this timely and important debate.

Listening to the wise words and experience of your Lordships, three points arise in my mind. First, while this is the area of perhaps the most severe cuts in recent years, other areas have had huge cuts as well. I think particularly of the Prison Service and the fact that so many prisoners have to spend 23 hours in their cells because there are not enough prison officers to take them to useful activities and exercise. I have been reading today about the courts. I know less about this but apparently the computer system has failed throughout the system and this is attributed to the lack of funding over several years.

The Government have a huge task ahead of them. We have been hearing about the concern for those left behind—the just-managing families. I commend the Government for meeting those words with investment, particularly in housing, which I warmly welcome. But of course I am now going to ask for more money. I have to do that.

The second point is that it seems that the political system in this country is becoming more extreme. Perhaps I am wrong, but it seems that we are moving

from spend, spend, spend to cut, cut, cut—from one extreme to another. I hope that your Lordships might look to Germany and see how it has achieved more continuity in policy. It is a prosperous country which also cares for the vulnerable, and where there is a wide dispersion of power across the nation—not one central city which dominates the nation.

My third and final point is that Germany is a prosperous nation but it has higher levels of tax. In particular, it taxes the wealthy more. I have an interest in this, I suppose, as a landowner. We cannot expect local taxpayers to pay so much for the welfare of vulnerable children, for instance, who are very far from their own kind. It has to come down to the general taxpayer.

I declare my interest as a vice-chair of the Local Government Association. I urge the Minister with all my heart to listen to the concerns raised around the House about funding for essential services for children and families. The noble Baroness, Lady Randerson, raised these issues very powerfully and several other noble Lords have raised them too. It is heartbreaking to see the good progress made in accommodating children and young people leaving care being reversed due to lack of funds. Ten years ago a third of children were leaving care at 16 or 17, often going into unsuitable accommodation. Much good progress has been made in addressing that. But a fortnight ago an article in the *Observer* highlighted that this kind of thing was happening again, and contained an account from a young woman who had been placed in a hostel. Others were being placed in bed and breakfasts. I had hoped that her familiar story—feeling very unsafe among all those men coming out of prison or recovering from substance misuse—was a thing of the past.

Barnardo's, the National Children's Bureau, Action for Children and the Children's Society have called for the Government—and I agree with and support strongly their call—to put in place an interim funding arrangement in order to stabilise the crisis in early intervention services and prevent more children and families reaching breaking point. They have asked the Government to address the £3 billion shortfall in children's social care funding and to put children at the heart of the forthcoming spending review. I believe that local authorities predict a £3 billion shortfall by 2025.

There is a terrible irony in the Government's welcome recognition of the importance of perinatal mental health, secure attachment for babies and infants and the vital early years of children's lives, which comes at the same time as the underfunding of essential local authority services to support these just-managing families and their children. As the charities and others have told us, tens of thousands of children have to be referred to children's services multiple times before receiving the support they need—often reaching crisis point. I warmly welcome the inter-ministerial group led by the Leader of the other place, the right honourable Andrea Leadsom MP, which is examining support for early family relationships. Ms Leadsom, the right honourable Iain Duncan Smith and senior MPs from all parties—Frank Field and Graham Allen, for instance—have led and promoted work on early intervention and support for families.

The coalition Government successfully rebuilt the profession of health visiting. Health visitors visit families at the very earliest stage after the birth and play a crucial role in early intervention. Responsibility for health visitors moved from the DoH to local authorities three or so years ago. Now health visitors are again in serious decline.

The right honourable Norman Lamb MP chaired a Science and Technology Select Committee report looking at successful interventions in the early years. One of the chief findings was the essential role that health visitors played in effective early intervention. The APPG for Children has produced successive reports on the functioning of local authority children's services. The noble Baroness, Lady Randerson, referred to them. Officers, of which I am one, were grateful for Children's Minister Zahawi's contribution to the evidence for our latest report, published last autumn. We appreciate his recognition that funding for children's services needs urgent consideration. One of our main findings was the decline in early intervention for vulnerable families. There is no duty on local authorities to intervene early. Without such an early intervention duty, intervention has been stripped away. In evidence, we heard of the crucial contribution that the troubled families initiative has made to sustain at least some services and we are most grateful that this funding stream has been maintained by the Government. I would like to say a little more on early intervention if there is time, but there probably is not.

As vice-chair of the APPG for Looked After Children, Young People and Care Leavers, I am very aware of the rising numbers of children arriving into local authority care. Several of your Lordships have referred to this. The previous President of the Family Division warned that the burden on the public family courts was becoming intolerable.

There is so much that could be done to make better futures for our vulnerable children and families. We have an ageing population. Every child is precious to us. I urge the Government to look most closely at the funding of children and family social services, and I look forward to the Minister's response.

1.27 pm

Lord Addington (LD): My Lords, when I put my name down to speak in this debate, I had a little debate with myself about what I should speak about. I considered talking about the support for local sporting facilities—an important factor that leads into health plans and so on and, going forward, support for local clubs—but I thought I would have another look at one of the bigger spending commitments: the support for those who have special educational needs within the education system.

Just before Christmas, we got an announcement of extra money there, which is always welcome. But the reason why it was needed is that there seems to be a chronic underfunding in this department which has led to a culture of parents having to take local authorities to court to get what they are entitled to under the law. If ever there was one little thing that says, "Something isn't working", it is having to go to court to get it to function. There cannot really be any debate about that.

[LORD ADDINGTON]

When you look at the figures of the outcomes of tribunal and appeals, the best statistic that local authorities end up with here is a 12% success rate: 88% of parents winning appeals is the worst figure I have found—for most, the figure is around nine in 10. So something is going wrong here.

We were earlier told to take some responsibility for the things we have done here. Regarding the Children and Families Act 2014, yes, I was there and I took part in it. The framework which is set out there is one of the things on which these legal actions have been taken. That Act stated that local authorities have a responsibility for delivering support to those with special educational needs, and it got rid of the old statement system and replaced it with the education, health and care plans. We have this new responsibility that is supposed to reach into other groups, and it extends that help into further education to the age of 25. Those who have a disability or special educational need should be able to be supported until the age of 25. That was great, wonderful—it had all-party support, with very little disagreement—and was a good thing.

However, that requires resources. It requires resources because this is a growing group, not only because of the number of people who live through traumatic childhood illnesses and survive into later life but because we are getting much better at identifying those who have hidden needs. Now comes the time to remind the House once again of my interest with regard to dyslexia. It is a subject on which I have waxed long and often to noble Lords, but it is basically a hidden disability. I am dyslexic; it is not immediately apparent. The same could be said of numerous other conditions: attention deficit disorder, dyspraxia—the list goes on. Such hidden needs have been found. There are also groups whom we think we can now educate where we did not used to; they require help.

So a growing cohort is coming through, but they are accessing their help through the courts. That means of course that those on free school meals and with special educational needs are not getting their help and have some of the lowest pass rates. The tiger parent is not there. Two dyslexic parents with a dyslexic child are not going to wade through lots of legal documents and get the help they need; it just does not happen. People are having to fight the system to get help for their children, which means that only a few are being well served by it. That is probably because we do not have enough courage to recognise that it saves in the medium term to support people quickly. The various funding streams for interventions in the schools system, with academies and free schools also in there, are—let us face it—not straightforward, but they are there, and there is always a duty. We have got ourselves into a situation where only those who are well-off, well resourced and determined to access the right things are getting help with the frequency they need.

We then have the problem of groups with very high needs. Those groups seem to be most commonly in the courts. I have with me a list of shame in a briefing from the National Autistic Society. Glancing down it, I see Bristol, Surrey, Hackney, east Surrey and North Yorkshire. Long legal cases have been brought against

local authorities in those areas for not fulfilling their legal duty. I do not think that local council authorities sit down at night and say, “How can we not fulfil the needs of these people?” It is a matter of funding and prioritising. The cost of fighting over funding decisions has reached an absurd level. I was told that it costs about £16,000 to fight against a parent at an appeal. Looking at dyslexia, which I know best, four level 7 assessors and support staff could be trained for that money and probably be able to deal with dozens of dyslexics coming through every year. We have got ourselves into a ridiculous situation where county councils and local authorities are sitting down and saying, “We will resist you because we are frightened of what’s happening”, as opposed to investing in the system.

Something has got to change. We can argue about it for ever, but we have certainly got to a very bad place. Nobody wanted to be here; nobody expected to be here. Unless we do something soon, we will end up with an ingrained system that excludes the worst-off, ignores huge chunks of the population who do not have the right backing and ends up in a very costly legal system where all we do is make sure that certain firms of solicitors do very nicely thank you.

1.34 pm

Lord Bird (CB): My Lords, it is a great honour to speak to the Motion in the name of the noble Lord, Lord Scriven. I have no local authority credentials other than that I have been a road sweeper for the Royal Borough of Kensington and Chelsea and a dustman, and among other things I was the meals-on-wheels driver for a very big round supported by the borough of Westminster. Therefore, I do not come to your Lordships with wonderful arguments, understanding and insights as to how we need to change the way in which we fund our local authorities, but I can talk about some things. Before doing so, I want to say that I was always well treated when I lived in Sheffield as I hid from the London police in the early 1970s. I love to go back to Sheffield to look at all those places where I was made to feel at home—thank you very much indeed.

When 800 local authority libraries have been removed from the world since 2010, and when you understand that we in the House of Lords spend 2.4% of our budget on the Library but the average local authority spends under 1%, you must ask why it is so important for this House. Why are the Government not saying that we are spending too much on our Library? It is because they know that it is essential to the running of things; they know that libraries create what I love to call mental wealth, which means well-being, opportunity and all the other things that bring people out of the mire.

Whenever we talk about a local authority, we are talking about how we deal with the people who have failed in life—we have heard that this morning and we will hear it more today. How do we deal with those who are homeless or those who suffer domestic violence as was used on my mother, at a time when unfortunately there was nobody in the borough of Westminster to help us? All those who are caught out end up on the doorstep of local authorities.

I am old enough, along with a few others among us, to remember those days when it was not the local authority's responsibility to look after our old. Back in the 1960s, it was not the local responsibility, although some people were looked after. Something has happened. Local authorities have had to pick up a lot of the grief that is happening in other parts of society. For instance, the National Health Service is so overwhelmed that it cannot process people and they end up on the need register. On one occasion, when we did a survey of *Big Issue* vendors, we found that 87% of them—I am not saying that the same is true now; this was about eight years ago—had passed through local authority care and come out at the end as vendors, it having cost more than £1 million. I said at the time in an address to the right honourable David Cameron, “Isn't it interesting that it cost about a quarter of a million pounds to produce you, but more than £1 million to produce a *Big Issue* vendor?”

I am concerned that local authorities are increasingly called on by the community. We need to rebuild the community and take the weight off the local authority. But it is not an alternative. We know well that, in the days of the 2010 coalition, an attempt was made to use the idea of the big society as a cover for local cuts. Lots of people in many parts of the country made the point then that it was a terrible soft-shoe shuffle. We have to find a way to take the weight off local authorities, but at the same time we have to admit that, with cuts of 49%, austerity has hit local authorities and stopped them being able to provide libraries or for people who have been caught out in emergencies. If those people are not caught in the early stages of emergency, the emergency becomes heavier, deeper, wider and longer. Therefore, you will never save the money that you need to save. That is why I and many others, in this country and around the world, have always said that you need a shedload of money for austerity. Most of us cannot afford austerity: it is too expensive.

I want to give noble Lords a quick outline of some of the stuff I have been doing—I have not been sitting idle in the three and a half years that I have been here. I have been beavering away in a number of communities and looking at ways to work with them and with local authorities. At the end of November, we had a big conference in Northampton. We did not choose to work there because the “something” hit the fan; we chose Northampton and then afterwards the “something” hit the fan, if you know what I mean. We went there with a particular purpose: we wanted to know how we could support the local authority or local government. How could we support all those people who are working away in the community? We came up with a concept we called “social echo”. We looked at estate agents, housing associations, the local authority and the library, and we looked for ways in which we could stitch their work together to take the weight off the local authority and off those profoundly important charities such as the Hope day centre, which works very well with people caught in homelessness and long-term unemployment. We are trying to stitch the community together.

I recommend that every authority in this country should look carefully at how to reinvent the local community and take some of the pressure off local

government. At the same time, I castigate everybody who says that there is not enough money for local authorities. You may not have the money now, but you are going to need to spend it later on. As I said in this House a few years ago when we were talking about libraries, if we want to close our libraries down, let us close them down; let us build higher fences around our properties and more prisons. In the end, if you do not make the investment at the right stage, you will have to make it at some other stage.

I have to declare an interest. I am a product of the generosity of the taxpayer, who had to put a shedload of money into me because, in the first instance, they did not spend an awful lot on me.

1.43 pm

Baroness Janke (LD): It is always a great pleasure to follow the noble Lord, Lord Bird, with his very many direct experiences of local government. I declare my interest as a vice-president of the Local Government Association. I very much share his views about the importance of local authorities to vulnerable people, people who have suffered, people who just cannot manage—yet cuts to local government have hugely increased over a period of an unprecedented increase in poverty.

There is evidence of that all around us. The number of rough sleepers has increased by 15% over the last year and by 169% over the last eight years. Some 4.1 million children are living in poverty. Some 24% of refuges for victims of domestic violence have closed. We have elderly and vulnerable people frightened for their futures as they read about the number of homes shrinking due to lack of council funding. Libraries have closed as funding has been cut by £12 million in the last two years. I have to say that in my community there is a general feeling that there is nothing for many people and that they and their families are not valued. Even with several jobs, many parents find it difficult to provide for their families' basic needs. All this comes as we see major cuts and changes to the benefits system in the form of universal credit.

Local councils, with their range of services, are by far the most able to deliver universal support for people moving on to universal credit, yet the Government have not provided the funding needed: instead, they have commissioned the CAB to deliver this. Of course, CAB is a marvellous organisation, but the pressures on its services at the moment are enormous and we are often told that many of the people on our streets are there as a result of their inability to access their benefits. The noble Lord, Lord Kerslake, told us that the UK is one of the most centralised and geographically unequal countries, and he gave evidence of this. Certainly, in my time as leader of my council I felt the frustration of 80% of local government funding coming directly from the Treasury. Many people asked me, “Why on earth should we vote for you? All you do is administer the Government's cuts”. It certainly is a very good question.

If we look at other countries, we can easily see that the UK has one of the most centralised systems in the world. There is plenty of evidence that the whole system needs to be overhauled. We have seen how the

[BARONESS JANKE]

constitution, in its informal form, has broken down in Westminster, and if we look across the country we can see that it is breaking down there as well. Many people say to me that there is a view that we have two countries: one is called London and the other is called the rest of the country. That is not to say that there are not a host of problems in London, but they are different from those elsewhere. As one of the most successful world cities, London attracts large numbers of the most wealthy in the world. It certainly receives far more in capital investment than any other English city, yet the struggle for the less well-off to meet the cost of living in the capital is intense. Other cities desperate for investment—for example, in transport—must queue up at the Department for Transport to be told that they have to wait their turn.

As for investment in the local economy, such devolution as has taken place requires legions of lawyers wrangling with government officials for sums of money that would cause derision in any international context. Indeed, as a leader of a UK city I met leaders of other cities, particularly in Europe, and their mayors and leaders were absolutely astounded at the few powers afforded to leaders in local government here. While being tightly controlled by central government, local authorities do not even have confidence in their woefully London-centric and very often incompetent masters when it comes to delivering on local needs. How much potential to achieve higher growth, greater productivity, more well-paid jobs and high levels of investment is there in our UK cities? There is massive potential.

The evidence is everywhere—in the City Growth Commission's report; in the report of the inquiry chaired by noble Lord, Lord Kerslake, and commissioned by the APPG on devolution; in the ResPublica report, *Restoring Britain's City States*; in reports by the non-metropolitan commission, the Local Government Association and many others. All of them demonstrate the potential for innovation, enterprise, inward investment and growth in our regions if they are freed from the dead hand of central government and given real powers.

A Core Cities report cites the potential to add £70 billion to £90 billion to GDP if cities and regions are given the powers to do so. In my view, there is a need for a new constitutional settlement that defines the relationship between local and national government. Again, we are told that local government controls a fifth of national spending, yet the relationship, responsibilities, rights and accountabilities are nowhere clearly defined in any one document.

The success of strong, devolved local powers can be seen particularly in our European neighbours, who have local tax-raising powers and the means of raising capital and investing in public infrastructure. Local government must also have these strategic powers. It must have the powers to raise long-term capital; economic strategies must be decided locally; and training for skills must be evaluated locally, with funding allocated according to local needs. If local government is to be effective, it needs to be transparent and accountable to the people who pay for it.

The local needs of support for the vulnerable, for social care and the civic fabric are a matter for the local electorate, not for the command and control

of Whitehall. Those of us who do not live in London appreciate the differences between regions—we heard from the noble Lord, Lord Liddle, on Cumbria, and from colleagues in Cornwall and Yorkshire. Their needs, priorities, strengths and weaknesses, and their wealth of experience should be reflected in their local government.

Following the upheaval of Brexit, more and more people will demand not just to take back control from Europe but to take back local control—to demand that their local needs are met and to see to it that there is fair funding and fair investment for their part of the UK. They will hold their leaders accountable, both locally and nationally, and it is our job to take those ambitions and aspirations seriously and move forward.

1.51 pm

Lord Best (CB): My Lords, I am grateful to the noble Lord, Lord Scriven, for initiating this debate and for his excellent opening speech. I declare my interests as a vice-president of the Local Government Association, of the Town and Country Planning Association and of the Chartered Trading Standards Institute.

My contribution concerns the essential housing services provided by local authorities and the related planning and development services. Our helpful Library briefing for this debate notes that these services have been subject to the largest reductions in expenditure over the period 2010-11 to 2016-17, as set out in the National Audit Office report last year. Spending on housing and related services is down by roughly 50% over that period, and yet, on the housing side, the requirement for local authority input to the provision of decent, truly affordable accommodation has grown significantly. This shows up, not least, in the rise in the number of those assessed as homeless and entitled to temporary accommodation, which is up by over 33% over this six-year period.

I commend the Government's actions in several respects in supporting local government housing services. The rough sleepers strategy to help the street homeless contains important building blocks for tackling the desperate situation we see all around us, and resources for initiatives like Housing First are very welcome. The Government's commitment to halving homelessness by 2022, and ending it by 2027, will require more central government support—particularly for the preventive work heralded by the Homelessness Reduction Act, which I had the pleasure of taking through your Lordships' House in 2017.

In time, prevention pays dividends, as we have seen in Wales, and will be more than helpful to council budgets in reducing the wasteful costs of temporary accommodation. However, serious investment is going to be needed in the short term to stop more people becoming homeless. I note the impact on housing provision of underresourced planning departments, and of drastically diminished support for trading standards officers and environmental health officers, who are expected to enforce key aspects of housing legislation. But I want to concentrate today on the present and future role of councils in directly providing new homes for their local communities.

The excellent announcement last October that local authorities will be able to borrow on their housing revenue accounts, freely within prudential constraints, opens up some exciting possibilities. As we all know, there is a desperate shortage of accommodation to rent at so-called social rents, and the continuing impact of right to buy on council housing means an ever-decreasing stock of these homes. It clearly makes little sense for a council landlord to sell properties to the occupiers at big discounts, only for the council to be forced by the need to fulfil their housing obligations into reacquiring the same homes for vastly more than they received when they sold them. Ealing Council, for example, reports spending £107 million to buy back 516 right-to-buy council properties, for which it had received only £16 million when it sold them. Just as silly is for councils to find themselves renting back the council homes they sold, at three times the previous council rent, in order to house their homeless families. In London, some 40% of properties sold under the right to buy are now in the hands of private landlords.

I have argued, unsuccessfully, for amendments to several housing Bills both to give councils discretion over the levels of discount they give to tenant purchasers and also to allow all of the sales proceeds to be retained by councils rather than a big chunk go to HM Treasury. But while current generous right-to-buy arrangements continue as now, in many areas building new homes to solve affordable housing problems will be like trying to fill the bath with the plug out. These are battles yet to be won.

But, with the caps and ceilings removed from their borrowing capacity, should local authorities now embark upon ambitious programmes of new council house building? Some councils are geared up for expansion and are ready, willing and able to go. However, even for the authorities that have neither transferred responsibility of their stock to another body nor delegated housing functions to an arm's-length management organisation, their capacity to become a significant developer of new homes is likely to be very limited. After so many years of undertaking little or no council house building, naturally most councils do not have a skilled professional staff to take on programmes of new building. I fear the only way to get back into this business relatively quickly would be for authorities to lure the necessary people out of the housing associations to become council employees—no doubt at higher salaries. This sounds inflationary and unhelpful.

Meanwhile, the housing associations that wish to expand face constraints of their own. If they are to produce genuinely affordable accommodation, their much-depleted levels of grant need to be higher, but they also need to have enough borrowing capacity. I suspect, post Brexit, a housing downturn is quite likely. That will mean many housing associations that have been expecting to sell quite a large number of the homes they build—in order to achieve profits that can cross-subsidise their affordable homes—will be switching their market sales properties into market lettings. This will mean that, without getting their money back from sales, they must increase their long-term borrowing correspondingly. But since there are limits on how much each housing association can borrow from the banks and institutional lenders, this is going to put a brake on their development plans.

Here is where I would hope the perfect partnerships could emerge, particularly where an authority owns some suitable land. Rather than the council teaming up with one of the volume house builders—I know how tempting that is for cash-strapped local authorities keen to receive lots of new homes bonuses from social development—is there any reason why councils cannot use their new-found borrowing capacity to onlend to the housing associations that are already geared up to do a lot more without the lending constraints imposed by the private lenders?

There is no doubt that times have been tough for local authorities keen to deliver essential housing services for their local populations, and recent announcements of extra government support are very welcome. Some local authorities will now be borrowing more to build a new generation of council housing. Many other authorities, I strongly suggest, could now be forging powerful, positive partnerships with housing associations in their areas. It would be great if the always-helpful Minister could confirm that councils can use their all-important new borrowing opportunities to enable their partner housing associations to achieve, with them, thousands of truly affordable, high-quality new homes for their local communities.

2 pm

Lord Wallace of Saltaire (LD): My Lords, I want to take up the theme my noble friend Lady Thomas of Winchester began with. Bradford Council, looking to cut as many non-statutory and non-essential services as possible, has just closed almost all its remaining public toilets. This is both an important local issue and a historical issue for Saltaire. Saltaire was built partly to improve public sanitation, moving Titus Salt's works and workforce out of the cholera and typhoid-infected city of Bradford and housing them in terraces with back alleys wide enough for donkey carts to empty their toilets regularly. In the 1850s, that was state-of-the-art public hygiene. Now that the village has become a world heritage site, we welcome busloads of visitors, both schoolchildren on educational visits and retired sightseers. The first thing they ask when they get off the bus is, of course, where the toilets are. They are closed, until some local voluntary society can find the money and the staff to reopen them. So Saltaire has come full circle: we are back with an acute problem of public hygiene, and a council that says that the local shops will just have to offer visitors their facilities; private provision for a core public need—and yes, there is no disabled access.

I say to the noble Lord, Lord Bird, that in a local community like Saltaire, which is increasingly professional and prosperous, there is some prospect that local activity on a voluntary basis can supply some of this need. However, four to five miles down the road, deprived and depressed communities in the centre of Bradford need help. That has to be public help, because people who are just about managing do not have the spare capacity and the self-confidence to take up things which are left by public services.

I do not entirely blame Bradford Council, in spite of the threat this poses to our local shops and the business rates the council draws from them. Like other

[LORD WALLACE OF SALTAIRE]

councils across Yorkshire, Bradford has lost nearly half its central government funding in the past 10 years, and is expected to lose more within the next two to three years. Adult social care costs are rising as the local population ages, and the need for children's social care is rising as school budgets are also squeezed, and as families on marginal incomes fail to cope. As elsewhere, libraries, museums, open spaces and road repairs have all been cut. The current forecast is that the council will nevertheless run a deficit of over £60 million in the next two years. Next door, Leeds estimates that it will have a financing gap of £100 million by 2020-21.

I blame the Conservative Government and its predecessors, through the coalition to Labour under Blair and Brown, and back to Major and Thatcher, for the financial crisis that local government is now in. I remind the noble Lord, Lord Beecham, that the 13 years of Labour government before 2010 were not a golden age for local authorities and local authority funding either. Margaret Thatcher was deeply unsympathetic to local democracy and local government. The fiasco of the poll tax left behind an unreformed council tax system as the primary source of local revenue, topped up by central grants which were shaped by party-political considerations more than local need. I remember the years in which we paid higher taxes on our house in Labour-run Bradford than in the larger house we had in Conservative-run Wandsworth. I fear that, under the new funding formula, we may return to something like that.

As several Members have said, England has become the most centralised state in the democratic world. The Government have been offering devolution packages, with some extra funding, to city regions—although tied to what Ministers in Government think matters, not what local representatives prefer—but the devolution process also now seems to be stuck. As the noble Lord, Lord Kerslake, and other noble Lords said, England is also the most geographically unequal country in Europe, which is evidence that no recent Government—I stress that again to the noble Lord, Lord Beecham—have invested sufficient priority in fiscal redistribution or in regional regeneration.

The weakening of local government has contributed to popular alienation from government as such, from which the country now suffers. Looked at from the former council estates of north Bradford, government is remote and hostile: local police are thinner on the ground, local services have shrunk, parks and playing fields have been neglected or closed, and public transport has been privatised and is infrequent and expensive. No wonder so many people in places like that voted “sod off” to political elites in the referendum two years ago; the political system seems to have abandoned them, and they see Westminster politics as a party game in London. I say to the noble Lord, Lord Liddle, that merging local authorities into larger units will further weaken local community and local accountability, and we ought to realise the political and psychological cost of that.

Some within the Government clearly do not see the provision of public services through local government as a necessary or essential activity. Continuing cuts

year by year, which in real terms will have reduced central government funding for local authorities by 60% by 2019-20, without any attempt to reform and widen local sources of revenue, will cripple and demoralise local authorities and their workforces. I suppose it is sadly appropriate that the first councils to go effectively bankrupt are Conservative-led. Perhaps that explains why no Conservative Members of this House who have local government experience are speaking in this debate.

A noble Lord: What about Lord Patten?

Lord Wallace of Saltaire: Yes—distant experience.

There is a transatlantic anti-state ideology behind this long-term shrinkage in public provision. I recall during the coalition a conversation with the then Deputy Prime Minister Nick Clegg, in which he said that we had to support some reductions in government provision to bring the proportion of government spending within GDP back to 40%. But since 2015 the trend has continued downwards, with both Philip Hammond and Boris Johnson still promising further tax cuts to come, without spelling out what that will mean for education, social care, policy, prisons and probation, roads and public transport. The TaxPayers' Alliance, the Institute of Economic Affairs and their fellow travellers still argue that no state should raise more than 35% of GDP in tax. You can do quite a lot with 5% of GDP.

For most people politics is local, and public services are judged by what they provide to the local community. Non-statutory local services also matter. They contribute to the strength of local communities and the quality of local life. Edmund Burke cherished local communities and local self-government as the core of a thriving society. Harold Macmillan's Conservative Government also cherished local government. Margaret Thatcher's legacy is a centralised English Government who mistrust local democracy and squeeze local funding. In the long run, that is a danger to democracy as such.

2.07 pm

Baroness Pinnock (LD): I thank the many noble Lords who have taken part today, contributing to such a wide-ranging and excellent debate on the vital nature of the services on which local people and communities depend. I draw Members' attention to my entry in the register of interests, which records that I am a vice-president of the Local Government Association and have been a councillor on Kirklees Council since 1987. It is not surprising that the debate today has focused on funding of local government and its services. However, I want to start by thinking about the services and their delivery which touch the lives of individuals from cradle to grave.

Children's services take responsibility for children who are neglected, abused, or who have no family to call their own. The growing demands on children's services are well documented, and many noble Lords have drawn the attention of your Lordships' House to the large shortfall in funding and the growing demands on children's services; my noble friends Lord Scriven and Lady Thornhill, the noble Lord, Lord Beecham,

and the noble Earl, Lord Listowel, have all talked in different ways about the crisis in children's services and about how the Government must address it. Youth services too have taken a battering during the years of cuts to local government, and it is therefore no surprise that anti-social behaviour and youth offending is rising. Again, the noble Earl, Lord Listowel, drew attention to that.

Local authorities ensure the provision of basic universal services such as waste collection and disposal. The noble Lord, Lord Patten, in the only contribution from the Conservative Benches, drew attention to the importance of street cleaning as a measure of how well regarded a local place is and therefore how important it is. My noble friend Lady Randerson spoke eloquently and expertly on the topic of transport: enabling safe travel, either by subsidised bus services or on roads safe for all, whether they be drivers, cyclists or pedestrians.

Basic human needs are met through provision for and regulation of housing. The noble Lord, Lord Best, who is an expert on the matter, gave us eight minutes of erudition on the topic. There is commitment from local authorities to ensure provision of services for frail elderly people and a growing number of adults with lifelong disability—either physical or learning disabilities or mental health needs. We have heard from several noble Lords on this topic: my noble friend Lord Scriven—about funding problems and some solutions—my noble friend Lady Thomas and the noble Lord, Lord Liddle. Adult social care is in crisis, with the Government sadly having failed to publish their long-awaited Green Paper. As many have pointed out, the gap between the funding available and that required is very large and getting wider by the year.

I move on to libraries. I thank the noble Lord, Lord Bird, for again bringing them to our attention. Libraries, parks, play areas, sports pitches, swimming pools, food inspectors, environmental protection, museums, cultural events and much more besides are important provision by local authorities. When the noble Baroness, Lady Thomas, raised the issue, I was thinking that in my borough of Kirklees we have no public toilets, which is an astonishing and dreadful state of affairs. The final event in our lives is also provided by local authorities, who have responsibility for crematoria and burials.

As this debate has demonstrated, local authorities provide a wide array of disparate services. Whitehall and the Government need to make up their mind whether this wide range of services is a necessary or even essential part of local government. Naturally, the future funding of local government will be based on that decision.

Let me help. Consider a child growing up in a dysfunctional family. Proactive support from locally provided services through children's centres, family support services, targeted young people's services and access to subsidised sport and leisure facilities together have helped both the child and the family. There is less anti-social behaviour locally, fewer children excluded from school and more young people making the most of their abilities.

Think about an older person: retired, on their own with family moved far away. The local library has been closed, the local authority sport centre has become more market-driven and the subsidised rates for indoor bowling and dance classes are priced beyond what they can afford. The local park, which was once a place for a gentle walk, has had its upkeep reduced, so it has become much less attractive for a single person.

Both of those are generalised accounts of real incidents that I have come across as a councillor. I have recounted them to illustrate the blindingly obvious fact to all those in local government that the range of services provided are an interlocking web of essential services that make a real difference to the lives of people in every community. Services that enable individuals to make the most of their lives and help prevent more serious incidents of ill health or criminal behaviour, for example, save significant public funding in the longer term.

The totality of locally provided public services is much bigger than the sum of its parts. Responsive and responsible local leaders enable their communities to flourish. The array of services knits together to create a place where people are safe, community cohesion is a positive force for good, businesses want to invest, town and village centres are vibrant, and volunteers are well supported in the services they provide.

The biggest challenges we face as a country depend on locally provided and delivered services. Climate change and air quality rely on local authorities making radical change to their place. The future of social care absolutely depends on local authorities and the local NHS working co-operatively and independently to meet needs effectively. Meeting the desperate need for good-quality housing in the end relies on local authorities planning and providing for their place, their communities and the people they serve.

That, of course, leads me to funding. The noble Lord, Lord Beecham, has criticised the Liberal Democrats for supporting cuts to local government funding. Unfortunately, he forgot that the Labour Chancellor at the time argued for £3 billion of cuts to local government. All parties have to take responsibility for insufficiently funding local government, and all parties need to work together to find a solution.

Many noble Lords have drawn attention to the serious state of funding of local services, and I thank them for what they have said on the topic, particularly the noble Lord, Lord Kerslake, and my noble friends Lord Scriven and Lady Thornhill. The noble Lord, Lord Beecham, has drawn attention to the review of the council tax system, which has to be carried out. Everyone has contributed to point out the fact that funding of local government is broken and needs to be mended.

The varying ability of local authorities to raise funding and their reliance on council tax and business rates is fine in theory, but has to be tempered in practice by an acknowledgement by the Government that authority areas are not equally able to raise sufficient funds to meet the same level of local needs. It is of great concern that media reports indicate that the Government are considering a significant reduction in the weighting in the fair funding regime for a deprivation

[BARONESS PINNOCK]

score. As others have said, this will result in poorer areas having even less funding available than now. These are the very same local authorities that have already suffered the largest cut in their funding. For example, the five West Yorkshire authorities, serving more than 2 million people, have had their funding reduced by £1 billion every year, with further cuts to come. This is neither sustainable nor desirable. Local authorities are the place makers, the emergency responders, the life enhancers, the glue that unites healthy, safe, vibrant communities. Investment in local services is an investment in individuals, communities and the nation, which is why I wholeheartedly support the Motion in the name of my noble friend Lord Scriven.

2.19 pm

Lord Kennedy of Southwark (Lab Co-op): My Lords, like other noble Lords, I congratulate the noble Lord, Lord Scriven, on securing this most timely debate. I welcome our debating these issues again, which are of such importance to communities. I draw attention to my relevant interests in the register as a vice-president of the Local Government Association. I am grateful to various organisations for providing us with some excellent briefing materials.

Local authorities understand their communities. They deliver essential services every day: everything from refuse collection to housing, fire and rescue services, trading standards and social services, including individual care packages for people. However, as we debate in this Chamber time and again, they are under severe pressure to deliver what is expected of them with the resources they are provided with. I had the privilege of serving on two local authorities, both in London: most recently, on Lewisham Borough Council and, in the 1980s and 1990s, on the council in Southwark, where I grew up. I held a number of positions on Southwark Council: deputy council leader; chair of the finance committee; deputy chief whip; and chair of the highways committee. I have seen and experienced the power of local authorities to make a real difference to their communities. I want to place on record my thanks to councillors, of all political parties and none, for their work and to the staff working in local authorities, who seek to deliver services with considerably reduced resources. I very much concur with the comments made by the noble Lord, Lord Kerslake, in that respect.

The money from central government that has been taken away is of immense proportion. By next year, local authorities will have lost nearly 60p in every pound of central government funding. This leaves an overall funding gap of over £3.1 billion for 2019-20, which is estimated to rise to £8 billion by 2024-25. This pressure places local authorities in very difficult situations. The noble Lord, Lord Kerslake, made some good points about financial stability for local government. It is important that the noble Lord, Lord Bourne of Aberystwyth, responds fully to those points because, as we have heard, councils are now in real difficulty. Indeed, we heard about the case in Northampton, where they are completely collapsing.

Coping with rising demand for key statutory services, such as social care, conflicts with other services relied on by communities, such as street cleaning, cutting the

grass, looking after parks or keeping the street lights on. Other pressures, such as where people have no recourse to public funds and present themselves for help and assistance, are placing huge strain on some local authorities. We all know examples of local authorities turning off the street lights at night, not cutting the grass in the local park or asking the community to look after their local green space. In many areas, large parts of the library service have been handed over to the local community to run. We are very lucky that so many members of our communities are prepared to help on a voluntary basis, but we should not operate our services in that way.

The noble Lord, Lord Wallace of Saltaire, highlighted the capacity of communities to replace the local authority delivery of services. That may be possible in Saltaire, but it would not be so easy in other parts of Bradford, where people would struggle; I think that was the point the noble Lord was making. Digressing slightly, the noble Lord also mentioned the TaxPayers' Alliance and the Institute of Economic Affairs. I often listen to those two organisations giving us the benefit of their advice, but I would be more interested in what they have to say if I knew who funded them. Perhaps we would all be more interested if we lifted the veil of secrecy. That is a matter for them, but perhaps we will find out one day who is behind them. Only time will tell.

Local authorities are having to look carefully at the services they provide. There is no question that discretionary services are under threat in many areas, as statutory services have been protected as far as possible at their expense. The noble Lord, Lord Scriven, referred to the loss of discretionary services and those services that people think they are paying their council tax for. In recent years, we have seen the Government allow councils to increase council tax specifically for social care on top of any other increases they may want to levy. Council tax is a regressive tax: there has been no revaluation of the property bands, as my noble friend Lord Beecham mentioned. It is a wholly unsatisfactory way of collecting money to run council services. We must find a better way of raising local funds for services.

I agree with the noble Lord, Lord Scriven: we need to deliver a proper devolution settlement in England to provide more responsive services. As I have said in this House many times before, the metro mayor patchwork model is odd and is not devolution in any sense at all. We need a situation where funds and powers are properly devolved to a devolved body. The metro mayor model is not the model to deliver that.

On the specific services provided by local authorities, the noble Baroness, Lady Thornhill, rightly highlighted the cumulative impact of spending reductions from a number of different agencies in the public sector, and in the voluntary sector through reductions in grant funding. I agree with her very powerful points about local government funding in general. If the fair funding review takes out or reduces in any way the indicators of deprivation in funding, that would be a disgrace—it would be an unfair funding review, which would make the most vulnerable people in our society suffer even more. We cannot have that.

Adult social care was mentioned many times in the debate. It is an area where demand will increase in future. Medical advances mean that we are all living longer, which is very welcome, but people are living longer with complex care needs. If those are not addressed, people's quality of life will be dramatically reduced. We cannot have an NHS that responds to all the demands placed on it unless we sort out adult social care. So far, we have seen only a sticking-plaster response from the Government. Can the noble Lord, Lord Bourne of Aberystwyth, tell us where we are with the adult social care Green Paper? We need properly funded adult social care services. The Government got their fingers burned with their ill-thought-out proposals in the 2017 general election, which the Prime Minister had no need to call and is paying the price for at the moment. Adult social care is one area where, given the issues that every Government and every local authority need to tackle and which every community and family will face, it should be possible to agree long-term solutions on funding and service delivery. For me, that includes treating staff with respect. There are dreadful stories of how staff are treated totally unacceptably by some companies in the social care sector.

Children's services face a funding gap of nearly £1 billion, which is estimated to reach £3.1 billion in 2024-25. Here, again, local authorities are dealing with vulnerable people: children at risk of neglect or being neglected and children at risk of abuse or being abused. I was shocked to read in the Local Government Association briefing note that, every day, social workers open case files for more than 1,000 children, half of which involve suspected abuse or neglect. In the past 10 years, the number of child protection inquiries has increased by 158% and the number of children on child protection plans has increased by 84%. Those are truly shocking and shameful figures. The noble Earl, Lord Listowel, spoke with great authority on matters concerning children, young people and families. Early intervention strategies are so important in helping young people to lead better lives and make a better contribution to society. We all win when that is done: the young person, the community and society as a whole.

The noble Lord, Lord Bird, posed important questions about the role of local authorities, the pressure on the NHS and how we can address the issues in today's debate that concern us all.

The noble Baroness, Lady Randerson, made an excellent contribution focusing largely on bus services. I agree with almost every single word of what she said. The problems with bus services have to be sorted out. As the noble Baroness said, they could be dealt with in one year if the Government changed their political position.

Homelessness is a subject that we have discussed many times before, and here again there is a funding gap of £110 million in 2019-20 which is estimated to rise to £421 million by 2024-25. There is also a human side to the numbers. We live and work in one of the richest countries and richest cities on the planet, and yet last year a homeless man died outside an entrance to the Palace. If you walk from any of the mainline

stations such as Charing Cross, Waterloo and Victoria to get to the Palace, you will see homeless people sitting in doorways. Almost every evening you can see hundreds of homeless people waiting opposite Charing Cross station for soup and bread. I am sure that the noble Lord, Lord Bourne, will mention the Homelessness Reduction Act 2017 when he responds to the debate. We all supported the Act, but where we differ is that so far the Government have not provided the funding to enable it to deliver the good work it could do and the changes that it could make.

The noble Lord, Lord Patten, was right to say that we need to build more housing, but as he said, it has to be quality housing built to the best design and environmental standards possible. I often fear that we have not learned the lessons of the 1960s and 1970s in what we are building. One of the most disappointing things is the lack of social housing being built and the lack of money being spent by the Government to bring properties up to decent standards, along with the "affordable rent model", which in many parts of the country is totally unaffordable. The noble Lord, Lord Best, pointed out that housing has suffered the largest reductions in spending over recent years and that we have serious problems to address. I thought that the points made by the noble Lord about the right to buy were compelling. The original intention of the policy was to enable more people to become home owners, which is perfectly laudable. However, that has long since been lost and instead it has quickly created the problems highlighted by the noble Lord in his contribution.

I note that the Labour Party, the Liberal Democrats and the Conservatives have all been in government in recent years. No matter how much we love our respective parties—and I love the Labour Party very much—we can all say that we have not always got things right. Perhaps only the right reverend Prelate and noble Lords on the Front Benches may be able to get away scot free, but the rest of us must take our fair share of the blame for when we got things wrong. However, we have also got things right. What we should be aiming for is to deal with the many issues of the day that we should agree on: I have mentioned social care, the housing crisis and the scandal of homelessness, the risks to children through neglect or abuse, dealing with criminal landlords and the vital work of trading standards. Given what has to be done, a considerable increase in funding has to be part of the solution.

I concur with the remarks of my noble friend Lord Liddle. I was a member of Southwark Council at about the same time my noble friend was a member of Lambeth Council—I was born in Lambeth, so I have great affection for the borough. I think that we faced similar problems at the time, although we now have a much better situation. I hope all noble Lords will agree that the relationships between local government and national government and those between councils are much better now than they were in the 1980s and 1990s. That is due to my noble friend Lord Beecham, the noble Baroness, Lady Eaton, the noble Lord, Lord Porter of Spalding, and many others who have worked to make that happen. They deserve much credit for that. That work is also being done with London Councils, which is much better than the old London

[LORD KENNEDY OF SOUTHWARK]

Boroughs Association which was full of Tory councils and the Association of London Authorities which was full of Labour councils. London Councils gives a united voice to London; it is a better and more responsive way to work with government, which I think will be much better for us all.

In conclusion, I thank the noble Lord, Lord Scriven, very much for bringing forward this Motion for debate. I am sure that we will discuss the issues again and again. I also look forward to the response of the noble Lord, Lord Bourne.

2.33 pm

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, I am most grateful for all the valuable contributions to this debate. It has been frank and honest and, obviously, it has given us much to consider and ponder. I will ensure that any particular points of detail, or indeed anything else that I have missed, are covered in a letter to noble Lords. I am sure that it is understood that this debate has covered many different areas of governmental activity, and quite correctly I would not want to mislead. I will also ensure that the debate is brought to the attention of all government Ministers because it has touched on so many subjects. I want in particular to thank the noble Lord, Lord Scriven, for introducing the debate so effectively and enabling us to discuss these very important issues.

I certainly concur with what has been said about the vital importance of local government at all levels, as the noble Lord said in opening the debate. That work is important not just for local government; it is vital for everyone living in our communities. We all benefit from the considerable work that is done by councils. I should like to thank all those who work for our councils and, indeed, councillors of all political persuasions and none.

I also agree with the comments that have been made, most recently by the noble Lord, Lord Kennedy, that in so far as there is blame to apportion—and I am sure that that is the case—no party can walk away from this scot free. Only the right reverend Prelate can leave with his head held high, not having been steeped in the blood of any mistakes which have been made. It is best that we are candid about this, so I will say no more on that. However, it is an important point to make.

I shall first cover matters of local government finance and council tax and then say a little about the structure of local government. Finally, I will deal with the many issues relating to local services which have been raised.

First, I understand what has been said about local government finance over the years. All the political parties have been in government during a time when incredible pressure has been put on to local government—that is undoubtedly the case—and, again, at all levels. I would also agree with what the noble Lord, Lord Kerslake, said about how we should be grateful to local councils for doing what they have done, given the pressures that are there. He is right to point out that our thanks are due to local authorities for what they have done.

I shall make a couple of points which I do not think have been articulated in the debate. Whatever one thinks about local government, the last settlement was a step in the right direction. The chairman of the Local Government Association, my noble friend Lord Porter, who is not in his place at present, welcomed the settlement as a good one. Newcastle will see a 1.36% increase in core spending power and an increase in real spending power. Bristol, the area of the noble Baroness, Lady Janke, gets 2.24%. Lewisham will receive a 2.74% rise, Kirklees will receive 1.75%, while Watford, not doing quite as well, will see an increase of 0.8%. I am not saying that this will solve the problem, but in the spirit of being open-minded and fair, we should acknowledge that it is a step in the direction that the noble Lord, Lord Beecham, for example, is keen for us to pursue, and correctly so.

I should also say what the Chancellor and others have said: we have come to the end of austerity. I do not want to go over the history and look at the reasons for taking that action. It was needed; at least two political parties—and I think possibly three—accepted that there was a need for austerity. However, we are coming to the end of it, and that needs to be said as well.

I have referred to the cash increase, and I will touch briefly on the 50% business rates retention scheme that is due to come forward in 2021. As is currently the case where pilots are being run, that should lead to an increase in spending power for those councils.

Much has been said about the consultation on the fair funding formula, which of course sets the objective that this should be brought forward in 2021. We are still looking a little way ahead, although it is getting closer by the day. Noble Lords know that this is a consultation, so there will be ample opportunity to express views. The noble Lord, Lord Liddle, asked when the consultation is to come to an end. It is important to know when that will be, and I think that it is 21 February. There is an opportunity for people to participate in that consultation. Obviously, we will look at and consider the responses in detail. The importance of deprivation is expressly recognised in four areas in the consultation—adult social care; children and young people's services; fire; and public health—although that is without prejudice to people to mention other issues in the consultation, if they feel that it is important that they are considered elsewhere.

Mention was also made of council tax and the local referendum restricting increases. The noble Lord, Lord Scriven, touched on this and said how important it was that we recognise that there is the power of the ballot box to restrict increases. He was thinking of council elections, which is presumably why this has not been tested by local councils—they know what the outcome would be. We are not stopping local increases but saying that a referendum should be called if local increases are beyond this. All three political parties have lived with this system, so I hear what is said but I would caution that it is there for reasons.

I have noted a couple of other stray but important issues. The noble Lord, Lord Kerslake, talked about dissatisfaction with local services increasing. I see that too. Complaints about services arise from time to time,

but the latest survey taken—I have no reason to doubt it—shows that satisfaction remains relatively high, with nearly four out of five people, 78%, saying that they are very satisfied with the level of local services. I just wanted to put that in perspective. Yes, we should be concerned and wherever there is any concern with a local service we should look at it, but the level of satisfaction remains very high. If a political party got 80% satisfaction, I think we would all say, “Whoopie!”—though I cannot remember the last time that happened.

On local government structure and reform, there has been much talk—the noble Lord, Lord Scriven, raised it first of all—on devolution. The noble Lord, Lord Kennedy, talked about the patchwork of devolution. He did not seem to approve of the metro mayors, but to my knowledge he has voted in favour of every order that has come before the House on this. That does not mean he does not think we could do better, but I suggest that it shows he thought it was at least a step in the right direction. I am open to challenge on that.

The noble Baroness, Lady Janke, also talked about centralisation. We are a centralised country—that is perfectly true—but on the metro mayors we have tested opinion and proceeded where it is in favour. As I recall, the most recent exercise on regional devolution—in the north-east, admittedly some time ago—did not exactly find overwhelming support, so I once again caution a little trepidation at putting much more than a toe in the water on this. That said, we seek to redress the balance—with what admittedly is a magnet of activity to the south—with the northern powerhouse, the Midlands engine and the metro mayor system.

Mention was made of unitarisation, and in a very fair contribution the noble Lord, Lord Liddle, said this is a way of councils saving money and also potentially responding to local feeling. It might not be about just money, and in the process one of the considerations will be local support. The noble Lord, Lord Wallace of Saltaire, also discussed this but without the same approbation.

I turn to a general point on services before I look at the particulars. The noble Lord, Lord Kerslake, touched on working innovatively, which we should always be doing even if there are not significant cost pressures. I pay tribute to what local authorities have been doing in this regard. Pendle is an example. The noble Lord, Lord Greaves, is not in his place, but I am sure he would take great pride in the back-office systems and processes review that has led to significant savings and a significant increase in efficiency.

I turn to housing. I thank noble Lords for their approbation of the raising of the housing revenue account borrowing cap, which has been widely welcomed. That is absolutely right and a step in the right direction. The noble Lord, Lord Best, whom I thank very much for his contribution and for all that he does in this area, asked for a response on lifting the cap in relation to housing associations. It is not a straightforward matter, but I will get a detailed response to the noble Lord and ensure that that is in the letter copied to all noble Lords. I thank him very much for that contribution.

In this regard, mention was made of the Homelessness Reduction Act. The noble Lord, Lord Kennedy, also mentioned it briefly. All parties supported this. We can

all take credit for this measure and thank the noble Lord, Lord Best, for piloting it through this House and Bob Blackman for piloting it through the other House. To my knowledge, we are funding the extra burdens, but if there are specific issues that the noble Lord, Lord Kennedy, would like me to look at, I am happy to look at them.

Having talked about innovation, I once again say that Birmingham City Council is a housing exemplar. It has done some very good things in mixed-tenure schemes, including affordable and social rent, as has Ashford Borough Council, and that is important.

Social housing was mentioned specifically. I know that £9 billion was committed in the spending review period as recently as autumn 2018.

Rough sleepers was also mentioned in different ways. Extra funding was announced last year, because this is very serious. I understand what noble Lords are saying: this is very evident on our own doorstep. But I would not want noble Lords to think it is just our own doorstep. That may be where we see it most obviously—we certainly should not forget that—but it is much more serious and widespread than that. We are tackling it.

Lord Wallace of Saltaire: I apologise terribly for this. I have a question the Minister might like to return to. I read the other day that the subsidy to private landlords paid in housing benefits has risen by some £10 billion in the last 10 years, which, noble Lords might like to know, is rather more than we transfer to the EU. I would love to have the figures, both for the total amount transferred to private landlords in housing benefits and for the increase in recent years. If we are talking about some £9 billion for the extra social housing account, that is rather smaller than this public subsidy for private landlords, which is clearly now getting out of control.

Lord Bourne of Aberystwyth: I will certainly make sure the noble Lord gets a response on those points in the letter.

The point I was making was specifically in relation to rough sleeping, which is a serious issue throughout western Europe. The only country that has seen a reduction of any significance is Finland, and we have been seeking advice from it on what it is doing on this. I will cover that in the letter, with more specifics about the funding from the centre going into helping with what is a very serious problem that affects individuals. We certainly should not forget that.

I thank the noble Lord, Lord Best, for his welcome of some of the things we have been doing on housing. I acknowledge that we have not kept him happy on all these issues, but I remain very keen to discuss these issues with the noble Lord. I know how expert he is in these areas.

I turn to education. The noble Lord, Lord Addington, spoke on this, particularly in relation to special needs. I understand his commitment to this area and the background and expertise he brings on dyslexia and in other areas. On 16 December, we committed an additional £250 million, which the noble Lord mentioned. That is extra funding on top of the £6 billion already provided

[LORD BOURNE OF ABERYSTWYTH]
for the high-needs budget this year. It is an important area and we take it seriously, and I am pleased we committed that extra money.

I turn to social care, which most noble Lords raised. I am told and can authoritatively confirm that the social care Green Paper is expected soon—noble Lords will not be surprised. After this, we will apply additional pressure to say that we really should be seeing this. It is an important area.

The noble Lord, Lord Liddle—again, very fairly—talked about the bandwidth and of other issues of importance not getting the attention they would normally have while we are dealing with these Brexit issues. I absolutely accept that; it is a point well made.

Many noble Lords—the noble Lords, Lord Kerslake and Lord Best, the noble Baroness, Lady Thomas, and others—talked about this important area. It certainly is important. Delayed transfers of care are down, and that is part of dealing with this problem. But as we have noted, there is an ageing population. As the noble Lord, Lord Scriven, said, we all have a personal interest in addressing this; we certainly have a community interest, and I welcome the wide recognition of this. When that social care Green Paper is presented to us, we will have the opportunity to go through that and to discuss this in some depth.

Meanwhile, some local authorities are doing innovative things, such as Essex County Council's Community Agents Essex, Hampshire County Council's telecare partnership, and the early help partnership of Lambeth Borough Council—one of the many councils that the noble Lord, Lord Kennedy, is connected with. Many innovative things are happening.

The noble Earl, Lord Listowel, and the noble Baroness, Lady Pinnock, touched on children's services, as did others. North Lincolnshire Council is doing innovative things in supporting care leavers to secure and sustain their tenancies and making sure that families are safe and supported. I welcome what the noble Earl said about the troubled families programme providing assistance.

Noble Lords also touched on domestic abuse, and they will be aware that there has, again, been some delay in presenting the way forward. But we are keen to progress that. It is something that the Prime Minister herself is very keen on, and I look forward to that happening.

Children's services and social care services are key areas and have attracted extra finance, but I accept that it would be far better if we did not do this on an ad hoc basis each year but looked at it in the round and had a more developed system. I hope that that can happen once we have the social care Green Paper.

Public health services were touched on. Again, I acknowledge their importance. I note that good things are being done in Newcastle and Kirklees.

On transport and bus services, I thank the noble Baroness, Lady Randerson, and congratulate her on becoming chancellor of Cardiff University, which is extremely good news for all of us. I know that the noble Baroness is well deserving of that role. She talked about her role as a councillor, but she was also

in the Cabinet of the National Assembly so will understand the importance of these issues and have experience from Wales. I take particularly seriously what was a very constructive contribution with some concrete ideas of what we could do. I would welcome the ability to pass those on to noble Lords and Ministers in other departments so that they can be discussed, particularly the nexus between the voluntary sector and the established sector, if I can call it that. I know that post buses have been used on occasion in this regard as well. There were some useful suggestions there.

The noble Lord, Lord Bird, focused on public libraries, as did others. I welcome what he said. There has been some innovative work in Warrington with community hubs. I have also seen that elsewhere. Lambeth brings together different community services in the same building, the Oasis Centre near Waterloo. It was a point well made, and it is certainly important. I noted what the noble Lord said about his commitment to Sheffield. Indeed, we spent some time together in Sheffield, although I hasten to add not in his nefarious malfeasance days, but much more recently when we looked at what was being done on homelessness, social services and social enterprise.

The right reverend Prelate the Bishop of Worcester mentioned the Worcestershire Archive and Archaeology Service. If the right reverend Prelate is able to give some details, I can put officials in touch to see if other funding streams could help. I note that there is a co-service with the University of Worcester, which is something to look at for the "Faithful City".

Waste services are vitally important. Car parking was not touched on. Public parks were mentioned, and as a department we put money into pocket parks, which are a great development—I saw one recently in Redcar, which was great.

I will deal with public toilets very quickly. It is an important issue, so I welcomed what the noble Baroness, Lady Thomas, and the noble Lord, Lord Wallace of Saltaire, and others said. When I got off the train at Saltaire, they were not my first thought: my first thought was to find the Hockneys in the gallery in Saltaire, which is a great place. But I noted what the noble Lord was saying about this issue. In the Autumn Budget, the Government announced 100% business rate relief for stand-alone public toilets, and we are compensating for lost income where there are privately run toilets, which the local authority is effectively subsidising. I will provide full details in the write-round.

I thank noble Lords for what was a wide-ranging and, from the Government's point of view, useful debate on local government. It is vital to us, we have great people working there and great councillors, many of whom come to this House, so I do not need convincing about that. But I take it seriously, as do the Government. We will forward a copy of the debate to all government departments, and I will write to noble Lords on points that I have not been able to deal with in more detail.

2.55 pm

Lord Scriven: I thank noble Lords who took part in this thoughtful, powerful and useful debate today. It showed the impact that local government has on

people's lives. Whether it be loos, transport, libraries, social care, housing or in some cases even Shakespeare's memory, all are important.

I hope that the Government and all noble Lords will take away from the debate four issues, and I shall make one personal reflection. The first is that the situation cannot go on like this: it is critical. But despite that, some amazing staff and councillors are doing great things to improve people's lives and their local areas.

Secondly, the council tax system has run its course. I totally agree with the noble Lord, Lord Liddle. There is now a need for a cross-party and independent review of how we fund not just local government but local areas.

Thirdly, local authorities must stop being seen as just a provider of critical services and must be funded and empowered to be able to facilitate vibrant and sustainable communities.

Fourthly, if we are going to be a country where no one gets left behind, a fair funding system needs to be just that. It needs to be fair and have deprivation and need at its heart.

Lastly, I now agree far more with the noble Lord, Lord Kerslake, than when I was leader of the opposition in Sheffield and he was chief executive, and that would be a good point at which to sit down.

Motion agreed.

Philippines

Question for Short Debate

2.57 pm

Asked by Lord Hylton

To ask Her Majesty's Government what assessment they have made of social and human rights issues in the Philippines.

Lord Hylton (CB): My Lords, the Philippine islands have some 107 million people. They also have a high level of poverty. Some authorities say that 16 million people are in serious poverty and 6 million in extreme poverty, often in shanty towns. The Philippine Statistics Authority gives a poverty level of 20%. Those facts, combined with a high birth rate, unemployment and little social welfare, force many to seek work overseas. That affects all levels of skill, from graduates to nurses or seamen and domestic workers, as we know from experience in London. Indeed, without the money that 10 million or more expatriates send home, the balance of payments would be in serious trouble.

These problems have existed for many years. They bear harshly on the poorest children, who exist on low-quality rice, with few vegetables and little salt. Children witness violence and sexual activity from an early age. It is therefore not surprising that many live by their wits on the streets, sniff glue or join gangs. They are wide open to all kinds of exploitation and can be arrested for being homeless. The law demands that children under arrest be kept separate from adults. In practice, alas, that provision is not always respected, even in the capital city.

An extreme concentration of wealth lies behind urbanisation, poverty and injustice. Some 1,000 or more people are said to own 70% of the nation's wealth. Not only do these people enjoy great luxury but they own or control most of the media. This, with the help of some judicious bribery and intimidation, enables a small number of people to sway voting in elections. The result is that direct taxation remains low and the light regulation allows big companies, including internationals, to do very much what they want. Transparency International has placed the Philippines among the most unequal and corrupt countries in the world. Research by Oxfam in 2018 showed that 82% of new wealth generated in the previous year benefited just 1% of the world's population. I imagine that those figures reflect conditions in the Philippines. I hope that other speakers today will underline the need for social justice.

Both rich and poor in the islands contribute to the demand for illegal drugs and substances. The Government, being aware of the harm that drug abuse undoubtedly causes, have declared a war on drugs. Since May 2016, President Duterte has encouraged a shoot-to-kill policy by both police and vigilantes. Arrests are therefore not made, but drug dealers and pushers are shot on mere suspicion, without charge, trial or any process at all. The *Philippine Daily Inquirer* gave the rather precise figure for the number of deaths arising of 22,360. In February 2018 Senator Antonio Trillanes put the death toll a little lower at 20,000. The President's role in these killings is now the subject of a preliminary inquiry by the International Criminal Court. Have our diplomatic staff tried to assess how this war on drugs has worked in practice? Has the street price of illegal drugs risen, or is the supply largely unaffected? Is the rehabilitation of addicts and users being effectively addressed? There are issues of health in addition to those of criminal justice; for example, if the price of drugs rises, there is the temptation to dilute them with other unhealthy substances and still charge the same price. The bad consequences can be imagined.

I turn from the war on drugs to the death penalty in criminal justice. In June 2006 the parliament abolished capital punishment. The Philippines then ratified the International Covenant on Civil and Political Rights with its second optional protocol. No doubt Her Majesty's Government strongly approve of that measure. Since then, however, there have been efforts to bring back the death penalty. For instance, in March 2017, the House of Representatives approved a Bill for that purpose. This was despite a warning by the UN High Commissioner for Human Rights that reintroduction would breach the Philippines' international obligations. Are Her Majesty's Government willing and able to discuss the administration of justice in the islands at all levels, especially as it affects poor and voiceless people? I note in particular that last August the Foreign Office Minister, the right honourable Mark Field, called on the Philippines to observe international rules and regretted its intention to leave the International Criminal Court. Has this yet happened and has the proposal been discussed in, for example, the Association of Southeast Asian Nations?

[LORD HYLTON]

I think we all acknowledge that the right to life is the most precious of all rights, yet the International Federation of Journalists reported that 146 journalists were murdered in the Philippines between 1986 and early 2018. That is almost five a year. Clergy and human rights defenders have also suffered extrajudicial killing or disappearance, especially when exercising their freedom of expression.

As regards prisons, the *New York Times* has twice lately recorded extreme overcrowding and bad conditions. These were confirmed this month by a fuller report from Oxfam. Will Her Majesty's Government ask for diplomats to be able to make unannounced visits to prisons and juvenile holding centres? Incidentally and ironically, the latter are called "houses of hope". Can the Minister give your Lordships any detail on whether the Minister for Asia and the Pacific received credible and satisfying replies on these issues when he visited Manila or at sessions of the UN Human Rights Council? The most serious point is the independent investigation of extrajudicial killings. Has this yet started?

As regards employment and the economy, the UK Prosperity Fund has been making small grants to prepare for larger programmes to increase employment and establish minimum wages and conditions. Can the Minister report progress on that?

If there is no improvement on these clearly defined issues within a reasonable time, will the Government apply individual personal sanctions on identified corrupt persons? I suggest that these should include the 17 mayors in Metro Manila and perhaps elsewhere who fail in their duty to provide proper protection for arrested children. Another category might be internet service providers which fail to comply with the law requiring filters against child pornography.

I am grateful to all noble Lords who will speak in this debate. I look forward to listening to their speeches and to the Government's reply.

3.07 pm

Baroness Anelay of St Johns (Con): My Lords, I congratulate the noble Lord, Lord Hylton, on securing this short debate. When President Duterte took office, it was on the back of a campaign in which, as the noble Lord said, he swore to launch a war on the drugs and violence which threatened the stability of the state—but what followed was the use of policies that are contrary to human rights.

The Foreign Office says that in his first year in office Duterte launched a controversial anti-drugs campaign with a call to citizens and the police to conduct extrajudicial killings of suspects. Earlier this month Human Rights Watch reported that, according to the Philippine Drug Enforcement Agency, nearly 5,000 suspected drug users and dealers died during police operations from July 2016 to September 2018—but that does not include the thousands of others who have been killed by unidentified gunmen. Masked gunmen appear to be taking part in killings, working closely with the police, casting doubt on government claims that most killings have been committed by vigilantes or drug gangs.

Police have killed dozens of children since the start of the war on drugs—deaths which the President has dismissed as merely "collateral damage". Children's rights are being undermined. I shall give two examples. In June last year the PDEA announced that it was seeking to impose annual unannounced drug screening tests on teachers and on children from the age of 10. However, imposing drug testing on schoolchildren when the Philippine police are routinely killing alleged drug users endangers children should they fail that drug test. Mandatory testing may not only infringe their human rights but deter them from attending school for reasons entirely unrelated to any drug use. Street-connected children are especially at risk. I have learned more about this as one of the co-chairs of the All-Party Parliamentary Group on Street Children.

The second matter of concern is the plan to reduce the age of criminal responsibility from 15 to 12. Over the past week, the Philippine Congress agreed to this provision in a Bill that amends the juvenile justice law, despite previously saying that it would not do so. Originally, it approved a reduction to nine years of age, but that was amended just yesterday to 12 and is likely to become law fairly soon. Such a change, while not as damaging as reducing the age to nine, would still be a step backwards in terms of human rights in the Philippines. I am fully aware that we have questions in this country, as well as in Scotland and Northern Ireland, about our own age of criminal responsibility.

I am not naive about the role that can be played by children in drug trafficking and violence when they have been manipulated by the barons of the drug gangs. However, the policies used by the President are simply not the solution. The answers lie in policies to protect children, support social cohesion and tackle the adult offenders who trap children in a life of crime.

The work of NGOs such as Bahay Tuluyan, which aims to improve government agency rescue practices for street children, is important. I also congratulate our embassy in Manila on raising concerns on such issues with the Philippine Government. But will the UK Government raise the treatment of street-connected children as a human rights concern at the next meeting of the Human Rights Council in Geneva in March? Given the clear human rights violations already involved in extrajudicial killings and the disregard already displayed for the human rights of children, will the Government now consider making the Philippines a "country of concern" in this year's annual report?

3.11 pm

Lord McConnell of Glenscorrodale (Lab): My Lords, the Philippines is an almost magical country with wonderful people, but it suffers from some of the worst inequality and probably the most significant extreme weather events—and it has also suffered in recent decades from conflict. Those things make it one of the most difficult places in the world in which to live. I am very grateful to the noble Lord, Lord Hylton, for securing this debate and I look forward to hearing the answers to the many questions that he has, rightly, posed.

I want to add two further questions. The first relates to the Rappler news organisation. The Rappler news website and the organisation that works behind the scenes to produce the news content are outstanding,

fair and scrupulous, but the organisation has been under constant attack over recent months and years. The director, Maria Ressa, is an outstanding journalist and was recently internationally recognised as such. I would be interested to know what the UK Government have done to make representations on behalf of the free press in the Philippines and to ensure that government attacks on Rappler are ended.

My second question relates to the conflict in Mindanao in the southern Philippines. President Duterte is an extremely controversial individual. I share many of the concerns about his actions that have already been mentioned in your Lordships' House and I look forward to hearing the Government's response to those. However, if there is one area where he has made progress, it is the peace agreement that had stalled. This agreement was reached in 2014 between the Moro Islamic Liberation Front and the then Government of the Philippines.

Just this week we see referenda taking place in the Bangsamoro area in Muslim Mindanao to secure, it is hoped, the establishment of a devolved authority in that part of the Philippines, with a laying down of arms by the Moro Islamic Liberation Front and its thousands of fighters, and with the Government recognising that autonomy is the way forward for that area economically, socially and politically. Even today it is speculated that Cotabato City, which is the capital of the region but was never in the old administrative region, might even have voted against the advice of its mayor for the peace agreement and for this devolution.

There is perhaps, at long last, hope in that one part of the Philippines. I would be interested to know what actions the Government are taking to help build the peace in that area, where, for example, young girls are three times more likely to leave primary school early than they are in even the poorest parts of the rest of the Philippines.

Back in 2014, 2015 and 2016, the United Kingdom, with colleagues from Northern Ireland, the UK Government and Scotland, was involved in supporting the process of peace through devolution. I would be interested to know what the Government will be doing to try to help build the peace following the referenda to ensure the stable establishment of devolved authority that can give some hope to the people of Muslim Mindanao, help resist the occasional encroachment by Islamic State and other groups which are trying to get a foothold in that part of south-east Asia, and provide the educational and economic opportunities that the people in that part of the Philippines have been missing for far too long.

3.15 pm

Lord Thomas of Gresford (LD): My Lords, I want to talk about a very brave and remarkable lady, Senator Leila de Lima, a 59 year-old Filipina law professor. She was chair of the Philippine Commission on Human Rights between 2008 and 2010, and was then appointed Secretary of Justice by the Liberal President, Benigno Aquino. In 2012, in that capacity, she carried out an inquiry into extrajudicial killings in Davao City, where Roderigo Duterte was at that time mayor. She also saw to it that the luxurious lifestyle enjoyed by certain drug lords in prison was abruptly terminated.

De Lima was elected a senator in 2016 and campaigned against the draconian anti-drug policies of Duterte, now the incoming President. She said:

"We cannot wage the war against drugs with blood".

Duterte responded that he would "destroy her in public". In February 2017, Senator de Lima was arrested on the word of the drug lords she had upset and was held in prison without bail. The drug lords, unsurprisingly, were themselves released from prison. Last August, after 18 months, she was finally charged with one count of drug trafficking. Typically, she refused to plead, telling the judge that the charge was, "pure invention, a fabrication ... a sham".

However, prison did not silence her. In a flow of statements, published last year in her book *Dispatches from Crame 1*, she condemned Duterte's war on drugs and its increasing death toll. She attacked Duterte's kow-towing to Chinese interests over the militarised artificial islands that China has created in the South China Sea and the fishing grounds and oil reserves of the Spratly Islands. Philippine sovereignty was upheld against China by the UN Arbitral Tribunal in 2016. Duterte was, Senator de Lima declared, China's lackey. I quote from her book:

"Why be shy now, Mr. President? Show your billions. Or are they already safe in China for safekeeping, while you sell our islands and the patrimony of this country to the Chinese?"

Those were brave words for a woman in custody.

Following Duterte's declaration of martial law on the island of Mindanao in 2017, she exploded:

"He brags about all the people he killed and had killed. He goes on television and tells cops to commit more killings. He curses at and disrespects people and institutions just because they ask him to respect the law and deliver justice ... he jokes about allowing soldiers to get away with raping women. The more, the better ... Who says",

our brave men and women of the armed forces,

"want a pass for committing sexual assaults and other animal-like behaviour?"

Amnesty International described Senator de Lima as a "prisoner of conscience" and gave her the title of Most Distinguished Human Rights Defender. The European Parliament called for her release. In July last, Liberal International awarded her the Prize for Freedom.

Duterte declares that he wants her to "rot in jail". As the noble Lord, Lord Hylton, who is to be congratulated on securing this debate, said, Duterte is personally under investigation by the International Criminal Court for crimes against humanity. But he warned the ICC prosecutor that he will have her arrested if she sets foot in the Philippines. He has attempted on his own personal initiative, without the consent of Parliament, to pull the Philippines out of the ICC jurisdiction. The cases continues.

Senator de Lima wrote earlier this week:

"Because of Duterte's madness, suspected drug offenders who don't get to have a day in the court—including women and children—and the rights activists and church leaders who defend them, are becoming more and more vulnerable to intimidations, attacks, and killings".

Yesterday, she was before the court again on yet another pre-trial hearing and gave a feisty press conference on the steps of the court, surrounded by her prison guards. I am sure that she can be assured of the full support of this House.

3.20 pm

Lord Alton of Liverpool (CB): My Lords, I too congratulate my noble friend Lord Hylton on securing this debate. No one in this House needs persuading of his long-standing and tenacious commitment to human rights. It is characteristic of him not to have lost sight of the plight of suffering Filipinos. I hope the Minister will respond to the recommendations that he has made, and particularly to the point made by the noble Baroness, Lady Anelay, that the Philippines should be officially designated as a country of concern. That would be a positive outcome of today's debate.

I have a non-pecuniary interest as a trustee of the Arise Foundation, an anti-slavery charity with a brilliant team that does superb work in various countries of origin for trafficked people, including the Philippines.

In addition to the human rights abuses in the Philippines itself, we would do well to remember the many thousands of Filipinos working abroad who suffer exploitation. I was shocked when I first learned that over 10% of the entire GDP of the Filipino economy is remitted back to the Philippines from abroad from an estimated 2.3 million overseas Filipino workers. The principal countries of destination are: Saudi Arabia, which takes 25.4% of these workers; the UAE, 15.3%, Hong Kong, 6.5%; and Qatar, 5.5%.

I know from work by the Arise Foundation that many of these Filipinos are exploited and enslaved in unimaginably cruel and inhumane conditions. I go so far as to say that the stories of Filipina women enslaved in the Middle East are the most extreme and unrepeatable I have ever heard. The situation in Qatar is so bad that the Philippine embassy has a rescue shelter attached to it which is reportedly always full. Can the Minister tell us whether the dire and well-documented human rights conditions of Filipino overseas workers in Saudi Arabia, the UAE and Qatar feature in our discussions with the respective Governments?

While considering the difficulties faced by Filipinos abroad, we also need to look closer to home. Even if they find work, there is no guarantee that they can remit their earnings back to their families. What measures are in place to ensure that companies do not charge unfair and exorbitant fees to transfer money home? During the passage of the modern slavery legislation, my noble friend Lord Hylton and I divided your Lordships' House on the issue of domestic migrant labour. Many Filipinos are tricked by unscrupulous employment agencies who prey on their hopes for a better life. Some take on huge debts to pay unaffordable agency fees which have to be paid back once work has begun—a well-worn pattern leading to debt bondage in the destination country.

The UK is a significant destination for Filipinos seeking employment as domestic workers; sadly, the Philippines is never far down the list of source nations for modern slavery victims of our own national referral mechanism. What are we doing to disrupt the unethical recruitment corridor that clearly exists between the Philippines and the UK? The United Kingdom has a memorandum of understanding with the Government of the Philippines to enable the recruitment of nurses and other health professionals. In 2018 the number of Philippines-born workers in the National Health Service

was 15,400. What guarantees can the Minister give that our recruitment methods are ethical and respect the communities from which these workers are sourced?

Arise works with front-line charities in the Philippines which continue to do superb work in difficult circumstances. Many of them have stood bravely against Duterte's Administration, as described so powerfully and so well by the noble Lord, Lord Thomas of Gresford, a few moments ago. Unfortunately, bilateral funding for work such as theirs has decreased due to lack of confidence in that Government. Many of the charities working in the Philippines are struggling for support. I hope the Minister will assure us that, in allocating UK aid, we will not make the mistake of conflating worthy front-line work with a wayward Government, and will not falter in our commitment to the wonderful Filipino people.

3.24 pm

Lord Moynihan (Con): My Lords, my 45 year-old half-niece, Aurora Moynihan, lay dead on a sidewalk in Manila, her body riddled with multiple gunshot wounds. Her killers, a single cell of the many death squads—including, it is alleged, off-duty Filipino policemen—left her body propped in a slumped seated position on the pavement. Around her neck they had hung a scribbled handwritten sign reading, "Pusher the celebrities, you're next", before driving off in search of more victims. She had a right to life and a right to accountability before the courts. This happened in the early hours of Sunday morning, 11 September 2016. President Duterte had been in office just three months. His personal war on drugs continues relentlessly today as he publicly encourages civilians and the police to avoid the courts and kill addicts; he has said he will not prosecute police for extrajudicial executions. Aurora was another victim; with the official death toll now over 20,000, as we have heard, he urges his death squads to continue the killing.

There is free reign to kill in the streets, free reign to settle unrelated scores and free reign to destroy any semblance of the rule of law in the Philippines. I do not ask my noble friend the Minister to intervene solely on Aurora's behalf. Dialogue and tough, harsh words, with appropriate diplomatic initiatives, as proposed by my noble friend Lady Anelay, will one day help resolve this crisis. It has, after all, been in the making since Alf Dubs MP—as he was then—and I headed to Mindanao in September 1983, a two-man delegation on behalf of the All-Party Parliamentary Group on Human Rights, to write our report on the serious human rights violations occurring in the Philippines.

Action is now needed by our Government because this form of so-called government by Duterte is unacceptable. But far more importantly, I ask my colleagues in this House, every time they walk through Peers' Entrance, to reflect on the need to do these things: to nurture and strengthen the institutional framework of democracy—a system of government under increasing threat around the world; to use our influence, however limited that may be; to take every opportunity to challenge the rising forces of nationalism and populism; to react to the pervasive power of social media and fake news, which can shake the foundations of the rule of law, as they do in the

Philippines; and to recognise that we live in a world where leaders are operating outside the rules, from Salisbury in Wiltshire to the streets of Manila, where the right to life is under threat, where powerful countries prop up corrupt regimes in Africa and where, if we do not react, we leave a desolate landscape behind us.

There is nothing more important to us than upholding the rule of law and the checks and balances which provide essential protection for all our human rights and from which democratic institutions and the rule of law are nurtured. Aurora had British as well as Filipino nationality. Her father, my half-brother, for all his faults, once sat and spoke frequently in your Lordships' House. The wracked body of a beautiful woman in her prime has become a symbol of the necessity of constraining power and of the right to life, of the need to fight the rising forces of corrupt systems of abusive government practised in the guise of populism, with its lack of governance and failure to provide a central role for an independent judiciary. No one, including Duterte, should be above the law. No leader should override the rule of law, with vigilantes emptying bullet chambers at will as they continue to do, night by night, throughout the Philippines.

3.29 pm

Baroness Miller of Chilthorne Domer (LD): My Lords, from all the powerful interventions that we have heard so far, we can see the Philippines is an incredibly difficult place to be a child, especially those growing up in poverty. One of the brave bishops in the Philippines, Bishop Pablo David, in opposing lowering the age of criminal responsibility, said: "For what? For being born in an environment of abuse? For being neglected or abused by abusive parents and being left to fend for themselves out in the streets?" That is exactly what they are being punished for. How appalling.

I saw street children in context for myself on a visit some time ago to Manila, certainly as poor a place as I have ever been in the world, with the Inter-Parliamentary Union. We had a terribly memorable visit to Smokey Mountain, a 40-acre rubbish dump in Manila that is full of families and children searching for food. If they are lucky they have a shelter made of plastic and scrap wood. That is a really difficult context in which to work as an NGO, and recently the All-Party Parliamentary Group on Street Children—of which, like the noble Baroness, Lady Anelay, I am a co-chair, and I am so glad that she has joined—heard from Melanny Sibán, the co-ordinator of the mobile unit of Bahay Tuluyan, a unit that works with Philippine street children. She explained that one of the main aims of its work is to teach children to identify types of abuse and learn to protect themselves, so that they become aware of their rights and responsibilities and can identify the related parties in charge and exactly who they can ask for some help.

Bahay Tuluyan feels that the Philippines authorities' approach towards street children alternates between a welfare approach, which of course we should be encouraging, and a repressive one. The drive to remove children from the streets should be for the children's protection, but at other times it is justified by labelling them as delinquents. The police have introduced standards for community-based services and committed to building

protective and caring environments for children at risk. It is still a theory, though, and the practice apparently remains much the same, with alarmingly high rates of violence during the so-called rescue process, both when they are being removed from the streets and when they are detained in the government facilities, which are severely overcrowded.

I join the noble Baroness, Lady Anelay, in thinking about calling for the country to be designated as a country of concern, but I also highlight my disappointment and anger that when Dr Liam Fox went to the Philippines in April 2017 he talked about hoping to do more trade based on our "shared values". There is no value that I could share with the President as described today.

I hope that the brave people of the Philippines who are standing up, as outlined by my noble friend Lord Thomas, will continue to be able to express themselves. I congratulate the noble Lord, Lord Hylton, on securing this important debate.

3.32 pm

Baroness Meacher (CB): My Lords, I applaud my noble friend Lord Hylton for tabling this debate and very much endorse his comments. I shall focus on extrajudicial killings in order not to repeat what others have said.

As others have indicated, extrajudicial killings have become the norm. I believe President Duterte aims to kill some 30,000 people thought to have a drug problem because he thinks this will eliminate that problem. Along with the noble Baroness, Lady Anelay, I welcome the fact that our embassy in Manila has intervened on this issue, and it is reassuring to note the comments of our Minister of State, Mark Field, but surely as a major trading partner with the Philippines we have considerable leverage over President Duterte. What action has already been taken to consider reducing our trade with the Philippines? What discussions are taking place now to use our leverage to change some of the most appalling policies of the regime?

Apart from these killings being utterly immoral and reprehensible, we know that harsh prohibitionist policies simply do not work to reduce drug use. The most respected academics in this field have shown clearly that such policies are likely to have the short-term effect of driving up drug prices and reducing use, but that within a few years the market stabilises at the level that it was at prior to the introduction of the prohibitionist policies. Professor Reuter and Professor Pollack found "zero evidence" that such tactics are effective in reducing drug use. The assumption in the Philippines that all one has to do is murder enough people and the trade in drugs will stop and shift to something else is simply wrong.

As we know, the ambition of the global war on drugs, initiated by the UN Convention on Drugs of 1961 and taken up strongly by President Nixon, was the global elimination of drugs. President Duterte needs to examine the history of drug policy. Human beings have always used mind-altering drugs. Hunters and gatherers knew perfectly well which berries to pick to give them a nice little high. Since 1961, far from reducing the level of drug use, across the globe the tough 1961 UN convention has been accompanied by an unprecedented increase in drug use across

[BARONESS MEACHER]

the world. Drug policies all over the world have failed due to a lack of sensible objectives or evidence of which policies would best achieve those objectives.

Thankfully, the world is going to change on this issue. At the 2016 UNGASS, important change was achieved at the UN level, partly as a result of the ceaseless pressure from experts, parliamentarians and non-governmental organisations across the world. The deputy director of the UNODC declared at the UN meeting that evidence-based public health drug policy was here to stay. When for more than half a century global drug policy had been driven by prejudice and moral judgments—like those in the Philippines—rather than hard-headed evidence, it is impossible to overestimate the importance of the UN shift. Member states are now encouraged to be clear about our policy objectives, which are surely to reduce addiction, crime, violence and corruption, and how to achieve them. President Duterte needs to be made aware, ideally by our own Ministers, of the UN position on this issue and just how wrong his policies are, even on his own terms.

Whatever the failings of our own policies, and I have to say they are far from perfect, we uphold the rule of law and did away with the death penalty in 1965. We can therefore take the moral high ground. I hope the Minister will give the House an assurance that our Government will be taking up this issue at UN level and will bring our full weight to bear on President Duterte.

3.37 pm

Lord Collins of Highbury (Lab): My Lords, I too thank the noble Lord, Lord Hylton, for initiating this all-too-short debate. We have been able to encompass a wide range of issues, not least the inequality and poverty, which he and my noble friend mentioned, in a country rich with really good people. That is what makes this whole situation so awful.

Human Rights Watch's latest world report focuses on Duterte's murderous war on drugs, which has now expanded nationwide. As the noble Lord, Lord Hylton, and the noble Baroness, Lady Anelay, mentioned, the number of deaths is horrendous. The official figures are bad enough—5,000 in just over two years—but of course that is just the tip of the iceberg; there are far more going on. As Amnesty International has reported, there is evidence of increased threats, intimidation and violence against those expressing criticism of the Administration and Government of the Philippines. The noble Lord, Lord Thomas, rightly highlighted the case of Senator Leila de Lima, Duterte's most prominent critic, who has remained in jail since her arrest in February 2017 on trumped-up drug charges.

That is not all. In May, acting on a petition by the Philippine Government, the Supreme Court ousted Chief Justice Maria Lourdes Sereno for her criticism of the “drug war” and other policies of the Administration. Duterte has also targeted the Catholic Church, which has criticised the drug war, accusing bishops of corruption and labelling most Filipino priests as homosexuals. In December he urged the public to kill “useless bishops” because, “all they do is criticise”, the Government.

As we have heard, our Government have responded. Last August, while in Manila, Mark Field called for adherence to the rules-based international system and expressed regret at the decision by the Philippines to leave the International Criminal Court. At the UN Human Rights Council in September, the UK urged the Philippines to investigate killings associated with the war on drugs and to ensure the safety of land rights defenders. Field also confirmed in a response to a Written Question that the UK embassy, as noble Lords have mentioned, has raised concerns with senior officials and government figures, and has maintained regular contact with human rights groups.

These steps by our Government are welcome, but we also have to see whether a consistent message is being given to Duterte's Administration. As the noble Baroness, Lady Miller, mentioned, we also have an operation by Liam Fox's trade department to improve relations with that Administration. We also have Richard Graham MP, the Prime Minister's trade envoy. I would like to know a little more about trade envoys and exactly what they are doing when they go around the world. When this particular trade envoy was in Manila after the referendum, he said:

“The opportunity for our own FTA with the Philippines is exciting”, adding:

“The UK and the Philippines have such a strong relationship and let's make it stronger”.

What steps are the Government taking to ensure there is a consistent message to Duterte and his Administration? Is briefing and advice being given to the trade department and to these trade envoys on the deteriorating human rights situation in the Philippines? I also hope the Minister will be able to tell us what we are doing to ensure these proposed trade agreements are consistent with international law and our international agreements to meet obligations on human rights.

3.41 pm

Baroness Goldie (Con): My Lords, I thank the noble Lord, Lord Hylton, for tabling this debate and for his eloquent contribution and comments, getting us off to a very good start. I thank all noble Lords for their helpful contributions.

As a number of noble Lords indicated, the human rights situation in the Philippines sadly has deteriorated over the last two and a half years since the election of President Duterte. Human rights defenders, including campaigners for economic, social and land rights, as well as members of the clergy and journalists, are subject to harassment, intimidation or violence. At least 39 human rights defenders or activists were killed in 2018—the third-highest number globally, according to Front Line Defenders.

President Duterte's flagship policy, the so-called war on drugs, is a particular cause for concern. According to official figures, more than 5,000 people have been killed under the strategy since July 2016. Human rights groups suggest the figure could be much higher—as many as 24,000. The war on drugs also has serious social consequences, as many of your Lordships referred to. Rather than receiving treatment and rehabilitation, addicts are criminalised, their families stigmatised and, according to some reports, some have been abused by

police officers. They also suffer economic hardship, adding to the already persistent problem of poverty that affects around one in five Filipinos, according to the Philippines Statistics Authority. This can leave many, including children, as the noble Lord, Lord Hylton, pointed out, vulnerable to general and sexual exploitation and to modern slavery. Indeed, the Global Slavery Index estimates that over 780,000 people live in modern slavery in the Philippines—one of the highest rates in the region.

Your Lordships will be aware that promoting and defending human rights is a fundamental part of the United Kingdom's foreign policy. We are deeply concerned about the human rights situation in the Philippines, particularly the death toll associated with the war on drugs, the harassment and killing of human rights defenders and journalists, and the sexual exploitation of children. We take every opportunity to raise these concerns with the authorities in the Philippines, at its embassy here in London and in international fora. I say to the noble Lord, Lord Hylton, that my right honourable friend the Minister for Asia, Mark Field, visited Manila in August. He raised with senior Philippine Ministers our concerns about the war on drugs and stressed the need for prompt, thorough and impartial investigations into all associated deaths.

The UK has made clear to the Philippine authorities our concerns about the human rights situation more broadly. We urge the Philippine Government to guarantee a safe environment for human rights defenders, journalists, land rights campaigners and other activists, and to ensure that any violence inflicted on them is thoroughly investigated. We reiterated these messages at the Human Rights Council in September. The noble Lord, Lord Collins, referred to this and raised a very important matter. I think he used the phrase “consistency of message”, and I entirely agree with him. It is very important that the message the UK Government are delivering on human rights remains consistent and strong. It will be our endeavour to ensure that. We also reiterated these messages at the UK-Philippine high-level talks in Manila as recently as November.

The noble Lord, Lord Hylton, raised the specific matter of the International Criminal Court. My understanding is that, if the withdrawal is held valid by the Philippine high court, the Philippines will cease to be party to the ICC on 17 March 2019.

My noble friend Lady Anelay of St Johns, in a characteristically powerful speech, raised two very important issues. She wondered whether the treatment of street-connected children would be raised as a human rights concern at the next meeting of the Human Rights Council in March. There is no doubt that children and minors are disproportionately affected in poor countries like the Philippines. Through our prosperity fund and other developmental funds, the UK Government provide programme support to the Philippines, aimed at assisting some of the most vulnerable in society and encouraging sustainable, inclusive growth. That will bring help to the Philippines, including to children, and we hope it will succeed in bringing families out of poverty. Her Majesty's Government judge that the best way to support children in the Philippines is through continued collaboration on education and programmes that create conditions for

inclusive growth. I reassure my noble friend that we will continue to raise our concerns regarding the Philippines in future Human Rights Council meetings, and the consistency of our message will not be lost.

My noble friend also spoke about making the Philippines a country of concern in the Foreign and Commonwealth Office's annual human rights report. As I have indicated, we remain deeply concerned about the situation in the Philippines. It is not currently listed in the report as a human rights priority country, although the UK is, and has been, consistently active and vocal in promoting human rights in the Philippines, using our bilateral relationship to raise difficult topics at the highest level. Human rights priority countries are selected on the basis of publicly available criteria, and they usually remain so for the duration of a Parliament. In addition to the human rights priority countries, in each annual human rights report we feature countries, including the Philippines, in relevant thematic sections.

The noble Lord, Lord Alton, asked for certain assurances for Filipinos working abroad. It is difficult for the UK to intervene in the affairs of other sovereign states. However, the British embassy in Manila and the Government of the Philippines co-chair a working group on the rights of domestic and tourist workers. The group looks at ways to improve the rights of Filipino workers abroad and fosters collaboration between government and international agencies. That was a point that the noble Lord, Lord Hylton, also sought assurance on.

The noble Lord, Lord Alton, also raised the issue of Filipino workers in this country. We have removed the overseas domestic worker visa tie and will be introducing additional reforms to ensure that workers are even better protected from abuse and slavery. These new measures will include information sessions for overseas domestic workers to ensure that they are aware of their rights as workers in the UK. He will also be aware that the Modern Slavery Act introduced a range of powerful protections for victims, including greater support through legal aid, special measures in court and immunity from immigration enforcement action.

The question that arises is: what can we do? We are using the Global Britain and modern slavery funds to support programmes and projects that promote human rights and protect human rights defenders. In response to the noble Baroness, Lady Meacher, we continue to make the case for drug addiction to be treated not as a criminal matter but as a health issue, and to offer UK assistance on the rehabilitation of addicts. My noble friend Lord Moynihan spoke movingly of the tragic and profoundly distressing consequences of lawlessness and criminal conduct, graphically describing its face and human cost. I assure him that we engage with the Philippine authorities on judicial reform and prison overcrowding, and are encouraging progress on human rights through our growing security co-operation—for example, by working with the Philippine judiciary and law enforcement agencies to improve their understanding of the workings of the Cybercrime Prevention Act of 2012. Importantly, we have established a permanent National Crime Agency presence in the Philippines to tackle the appalling scourge of child exploitation.

[BARONESS GOLDIE]

The agency is working closely with its Filipino partners to improve child protection, including by providing training on the forensic analysis of digital media.

A number of your Lordships, including the noble Lord, Lord Hylton, specifically referred to the overall question of poverty. The UK recognises the impact poverty has both on wider economic development and political stability. That is why one of the goals of our prosperity fund, to which I have referred, is to enhance economic development and gender equality through building technical capacity in the social sector.

I will now try to deal with a number of the specific points that were raised. If I run out of time, I undertake to write to colleagues. The noble Lord, Lord Hylton, asked about prison and detention centres. With the approval of the Philippine National Police we make not unannounced visits to prisons and foreign detention centres—there will be a visit next week. We are not applying sanctions against Manila mayors or similar entities at the moment. The noble Lord, Lord Thomas, mentioned the distressing case of Senator de Lima. That is just one of a number of cases that have caused us considerable concern. These are issues we regularly endeavour to raise in our dialogue with the Philippines.

The noble Lord, Lord McConnell, spoke about the well-respected news organisation, Rappler. We feel unable to comment on that, and that it would be inappropriate to do so at the moment, because it is currently the subject of charges. However, we have noted his concerns.

The noble Baroness, Lady Miller of Chilthorne Domer, raised the issue of my right honourable friend the Secretary of State for International Trade visiting the Philippines. That is correct: he did visit in April 2017. Not only did he discuss the strength of the bilateral relationship but also the UK's concerns about the human rights situation in the Philippines.

The noble Baroness, Lady Meacher, asked whether economic leverage could be provided. The UK has a strong and wide-ranging bilateral relationship with the Philippines, including commercial ties of benefit to both. The strength of that relationship allows us to raise concerns regularly and at a high level. In the same context, the noble Lord, Lord Collins, raised the matter of what advice is given to trade envoys. I offer to write to him in that respect, as I have no specific information.

I conclude by saying that we have serious concerns about the human rights situation in the Philippines. We regularly raise these concerns, frankly and at all levels. We will continue to promote progress in human rights with the aim that, ultimately, all Filipinos will enjoy equal rights and protections under the law as they are entitled to do. This has been a very helpful debate, and I thank all those who have contributed. I will look at *Hansard* and, if I have omitted to answer any questions, I will deal with these by correspondence.

Lord McConnell of Glenscorrodale: My Lords, can we have a specific and comprehensive response on the UK Government's support for the Bangsamoro peace process to be circulated to other Members through the Library?

Baroness Goldie (Con): I will certainly undertake to look at what the noble Lord, Lord McConnell, said in that context. I will endeavour to respond as fully as I can.

Climate Change

Motion to Take Note

3.55 pm

Moved by Lord Teverson

That this House takes note of the threats presented by climate change.

Lord Teverson (LD): My Lords, I remind the House that I am a trustee of the Green Purposes Company, which owns a green share in the Green Investment Bank.

It is a long time since I have been involved full-time in business, though I was for many years. During that time, one of the things that did not happen was that at each board meeting we did not look at corporate risk registers. They sort of existed, but not in the way that they do at the moment—the ones with probability up one side of the graph and impact along the other. They have big red boxes at the top right-hand corner which tells you what you really need to pay attention to as a business or as an organisation.

As I prepared for this debate, I thought that surely these are what we need globally—maybe the United Nations or whatever has a view on that—to give us the priorities. And, hey presto, the World Economic Forum now meeting in Davos has a global risks report. Guess what? Up in that top right-hand bright red corner, there are three particular risks, all environmental. The first one and the highest is that of extreme weather events, the second is natural disasters, and the third is our inability or potential inability to solve mitigation and adaptation policies in terms of climate change. I congratulate Davos on pinpointing some of the issues I want to go through in this debate.

Last year we celebrated 10 years of the Climate Change Act here in the UK—something that we can really be proud of across all parties in this Chamber, and in the House of Commons as well. A decade before that, in December 1997, the world agreed the Kyoto Protocol at the third conference of the parties. Again, that was the first time that the global community came together and really concentrated on how to solve the issue of climate change. Yet we have a background today where global temperatures are already 1 degree above pre-industrial levels; we have more than 400 parts per million of carbon dioxide in our atmosphere; and we are now warned by the IPCC that we risk hitting that new target of 1.5 degrees by 2030. That is the context of our debate this afternoon.

What are the threats? Well, they are many. I suppose it is depressing to go through this list, but I will because that is the topic of the debate. I promise to try to raise our spirits as we go through this discussion. Clearly, there are the obvious ones to do with extreme weather: flooding; on the ocean side, sea-level rises, the potential of ocean currents stopping or changing, and ocean acidification; all the areas to do with the nature of biodiversity; the threat to our species from diseases migrating from the tropics northwards—and

southwards—and, of course, invasive species, which we debated in the House yesterday on a secondary legislation instrument. Not least is the threat to the ice cover of our planet at the polar regions. Those threats give rise to consequential issues such as potential crop failure, human morbidity because of high temperatures, large migration and financial instability. I want to mention the strong role of Mark Carney as Governor of the Bank of England in raising these issues globally as well as in this country.

The effects of such threats are already being seen. We have seen droughts in Australia and South Africa; we have seen forest fires in Australia and California; and, in the United Kingdom, we have seen flooding and various other extreme events far more regularly than we used to.

However, the world has made progress. In 2014-16, emissions of carbon dioxide across the globe plateaued. In Kyoto, a big issue was the rising levels of emissions from both China and India. They were much smaller economies then but were growing very quickly, and they felt, rightly, that the developed world should take the strain on mitigation. However, we saw in Paris both those countries getting involved, with China starting to say that it should be the leader, taking over in many ways from the European Union and the United States.

We then had the Paris Agreement some two or three years ago, where it was agreed that we should move on from Kyoto and the disastrous Copenhagen conference and aim for 2 degrees and hopefully 1.5 degrees. In Katowice at the end of last year, a rulebook was agreed on how those targets should be met and how we assess carbon emissions. So we had good news worldwide. As for the United Kingdom, one of its greatest strengths in the past, as shown by the Climate Change Act, has been political consensus. Political bodies, business and NGOs all see it as a real issue that we should tackle. We can proudly say that the United Kingdom has reduced carbon emissions by some 43% from the 1990 baseline, yet we have had economic growth of 70% over that time, so we have seen a decoupling. We do not often hear it, but it is also calculated that we have saved some £4 billion per annum in our energy bills as a nation because of increased energy efficiency. As for our green technologies, the cost of solar has decreased by some 78% since 2010 and, over two years, the cost of offshore wind fell by 50%. I remember our debates during the coalition years about the “energy trilemma”. We no longer have that, because renewables represent the cheapest form of electricity generation. We no longer have issues around the cost of renewables, sustainability and probably energy security as well. Also understated is the economic engine that renewables can give us. Even in the dark days of 2008 in the depths of recession, the green economy grew by some 5% to 7%—with good jobs and not the bad ones.

However, the threats that I listed earlier are already starting to change our lives. They affect regions differently and the clock is ticking. Unlike in that other debate where an issue is the clock ticking, unfortunately we do not have the ability to extend the equivalent of Article 50. This is it and we have to make sure that we are able to meet the challenge.

Despite all that good news, there is not-so-good news as well. In 2017 global emissions went up by 1.6%; in 2018 it is estimated that they will be up by something like 2.6%. I regret to say that much of that growth has come from China and India. Even in the EU, where our track record has been good, our ability to reduce carbon emissions has plateaued and started to go down. Even if everybody who signed up to the Paris Agreement performs, we will still have a rise of some 3% in global emissions. Here in the UK, our great achievement of a 43% reduction is almost exclusively from the power sector, nearly all from taking coal out of the system. We are almost at the end of that road and cannot push that policy further; therefore, we have big questions about where we go, particularly now we are challenged by the withdrawal of Hitachi and Toshiba from our nuclear programme. We are now seen as being top of the subsidies league on fossil fuels within Europe, with some £10 billion-worth of subsidies per annum—although, probably like the Government, I question how that arithmetic was arrived at.

Perhaps most worrying of all is that investment in renewable technologies has plummeted and we are now at the lowest level of investment for a decade. I do not want to get into party politics here, except in one area: that consensus perhaps started to divide in 2015 with the Osborne Budget, when we had the privatisation of the GIB, the end of zero-carbon homes, the end of onshore wind, the end of carbon capture and storage and a relatively hostile taxation regime coming back in. But we have had, I am sure the Minister will remind me, a lot of strategies. We have had the clean growth strategy, the 25-year environment plan, the national adaptation programme, the “road to zero” strategy and the resources and waste strategy. That is great, but there has been little action around those strategies, and that is the big issue.

In transport, our emissions are going up. Our target for 2040 on electric vehicles, which does not include vans and is still fairly iffy, is seen as quite inefficient. In heating, which is a large proportion of our carbon emissions now, we have no strategy that we have started to implement, and the same is true for agriculture, although there has been good news from the NFU and its strategy to go to zero carbon by 2040. So there is much to do.

I have one or two questions for the Minister. The first is on carbon budgets. The climate change committee tells us we will not meet the fourth and fifth carbon budgets: it is saying that categorically. How are we going to meet those two carbon budgets, the last of which ends in 2032, only a little over a decade from now? That climate change committee report to Parliament put forward four principles, very constructively. It said to the Government—and to all Governments—first, support the simple, low-cost options. That obviously means offshore wind in particular, but others as well. Secondly, the committee said that we should commit to effective regulation and strict enforcement. Even on those houses where we now have higher standards of insulation than we did, do local authorities ever check them? I suspect not. Third was the end of chopping and changing of policy—that is a real pointer to all of us here in politics—and fourth was the suggestion that

[LORD TEVERSON]

we act now to keep long-term options open. Clearly, those four are simple ways in which really to start to concentrate on this issue here in the UK. Are the Government taking up those recommendations?

It is quite obvious that tackling climate change now, as the noble Lord, Lord Stern, said in his original report, is far cheaper than doing it in the future. It is not only cheaper; it offers growth for our economy to get ahead. Yet we already have insurance costs, and those threats of costs to households, companies and the country are affecting us now.

The United Kingdom needs to regain its leadership in this area. When I was young, my mother always used the phrase “the road to hell is paved with good intentions”. I say to the Government that the road to a scorched planet is paved with worthy strategies rather than action. I beg to move.

4.10 pm

The Earl of Selborne (Con): My Lords, the whole House is enormously grateful to the noble Lord, Lord Teverson, for the positive way in which he introduced this timely debate. It is timely in the sense that we know very well that the Paris Agreement requires clear thinking, tough measures and innovation. Much of our industrial strategy will require innovation if we are to hit the targets—the 1.5% target is heroic indeed—of both reducing UK emissions and adapting to the inevitable climate changes which we know will happen. As the noble Lord, Lord Teverson, reminded us, there is no Article 50 here; there is no possibility of delay. We must keep very carefully to strategies that deliver.

I declare an interest as a retired farmer, because I will confine my remarks to following up on the climate change committee’s report of last November on land use—a critical contribution to the reduction of emissions. This report offered advice to the Government on the contribution that land use change could make in meeting climate change mitigation and adaptation objectives. It follows a number of other reports in recent years suggesting how we could achieve more effective carbon storage from soils and biomass, and how different husbandry systems could reduce emissions.

The report recognises the key role of land managers in delivering such ecosystem services as carbon sequestration, reduction of flood risk, improved condition of semi-natural habitats and enhanced biodiversity. Yet, at the same time they have to do so while ensuring that there is sufficient food production—we should not forget the primary role of agriculture—while reducing livestock, one of the recommendations of the committee, and giving up land for increased population, wildlife and environmental protection. These are conflicting stipulations which will require the Government—as the climate change report says—to assist with “skills, training and information” for land managers.

I am not surprised that land managers and farmers find this somewhat short of what will be needed. The chief executive of the National Sheep Association was quoted as saying:

“We are seeing criticisms from welfare campaigners, rewilders, climate change campaigners”,

all of whom,

“ignore the fact that UK sheep farming works very much in harmony with our environment, our landscapes, and our human ecology”.

Noble Lords may think that that shows a level of complacency, but land managers must be recognised as essential in delivering the targets that we are setting for the land use sector. They will need more from government than assistance with skills, training and information. Just as the rest of industry is recognised in the industrial strategy to be dependent—if it is to be internationally competitive—on appropriate support from publicly funded research and development, so will agriculture need innovation, research on new husbandry systems and development on increased productivity from low-carbon production systems.

The tragedy is that, until the 1980s, we had an extremely good applied research capacity in this country. It was decimated, and we now remain heavily dependent on countries such as Holland and even the west coast of the United States of America for funding the applied research that we can implement to produce these low-carbon husbandry systems.

The present welcome focus on ecosystem services was generated way back in 2011 by the UK’s *National Ecosystem Assessment*—a comprehensive overview of the state of the natural environment. It offered a new way to estimate our national wealth and offered policy options that could deliver protection and enhancement to the best effect. These ecosystem services would again inevitably have to be delivered in the main by land managers. But some of the ecosystem services were incompatible with each other. Someone has to make the decision: is the ecosystem service that you want afforestation, which clearly might be appropriate in some instances, or do you want to enhance the local landscape? I can tell your Lordships one thing: the moment you make a dramatic change to the landscape there will be an awful lot of objectors.

The other requirement, which is perfectly sensible and reasonable, is that as you determine which ecosystem services you are going to favour, you have to do it not just by allowing the land managers to make up their own minds but rather by going into partnership with local authorities, local communities, the private sector, conservation organisations, water companies, and so on. So there will therefore always be a danger that the land managers who will be charged with delivering the chosen ecosystem services for enhancement will ultimately be overruled. Yet without the sense of ownership from land managers for these land-use proposals, the chances of success will be small.

There are many successful examples of clusters of farmers working together in harmony with local government and neighbours; they constitute a precedent and are rolling out best practice. So if, when the climate change committee says that the Government should provide more information and the information they are to provide is examples of best practice, that is exactly the information required.

4.16 pm

Lord Hunt of Chesterton (Lab): My Lords, this is an important debate, which was well introduced by the noble Lord, Lord Teverson. It is, first, an opportunity

to review progress in understanding scientific progress and technological developments, especially those associated with extreme and unusual processes and phenomena. Secondly, we should review and identify new and appropriate technologies and strategies for urban areas and communities around the world. I declare my interest as an emeritus science professor at UCL and co-chair of the Asian Network on Climate Science and Technology.

Parliamentarians have supported how essential it is to have a broad and integrated approach to dealing with these issues and to support the Government in that respect. It is only when we work on international programmes that we can make contributions, as the noble Earl, Lord Selborne, commented. Nearly 10 years ago, I was proud to join other UK parliamentarians in helping the growth of the Global Legislators Organisation for a Balanced Environment, which helped ensure that a large number of the countries in the world—150 or so—came together to develop policies that eventually led to the Paris Agreement in 2015.

I will use this opportunity to point out where the UK and other government agencies, as well as research and industry, could progress more rapidly using effective climate policies. I hope to explain the worrying rise in overall temperatures and how in many areas there are extremes in precipitation and other meteorological effects. To give your Lordships an example, when I was chief executive of the Met Office, I learned from our forecasters how west-to-east coherent jet streams in the northern hemisphere tended to become chaotic—I was going to say “fizzle out”—as they came over western Europe, therefore weather forecasters did not talk about the jet stream over Europe. But research that has taken place in the past five to six years in Europe and the United States now shows weather forecasters how the jet stream persists over northern Europe. This partly explains why, associated with the warming of the Arctic and the decrease in polar ice, the jet stream is now much stronger over Europe, which leads to considerable changes in the weather, as we have seen in the past few years. A number of severe winds and temperature changes have been observed.

In tropical areas, extreme precipitation has occurred more frequently over mountainous urban areas such as those in south-west China, including Hong Kong, and Kuala Lumpur in Malaysia. Rapid reconstruction methods in communities damaged by floods have been invented by engineers in some developing countries, such as Malaysia, and a number of other developing countries make use of them—whereas there is a tendency, when you have damaging floods, simply to cast away all the woodwork and buildings.

Extreme winds and rainfall associated with tropical cyclones are becoming more dangerous. Typhoon Haiyan in the Philippines had unique features: the wind was so strong that it pushed back the sea and lifted stones from the bottom that then crashed into buildings and vegetation even a few kilometres inland. In fact, the wind was so intense that the bark was stripped from the trees, which many people studying it said had never been seen before.

In my first debate in the House of Lords in 2000, noble Lords discussed their concern about the rise in coastal sea levels. Since then, there have been serious

floods along the rivers associated with significant and persistent precipitation and high winds. Coastal communities in the UK and around Europe, agriculture and Governments are now having to contribute financially to raising the dykes and pumping schemes. That is a serious matter.

Other equally important and long-term risks in coastal areas have been associated with non-carbon nuclear power stations and nuclear waste-processing facilities. These are also being installed in Asia. Other risks in those areas are associated with volcanoes, earthquakes and tsunamis along coastlines, such as the Fukushima nuclear power plant breach, which UK insurance companies have been involved with. Artificially generated carbon emissions and earthquakes caused by fracking are also a factor.

People will continue to live in these dangerous areas. They will have to make use of these new methods to reduce risk. One of the most important developments in which I am involved is that of fusion energy in small, modular systems, which are now being supported by the Government and the private sector. We now expect those systems to be producing electrical energy, perhaps in the next five to 10 years—a considerably shorter time than the very large international ITER fusion project in France, which is not, I notice, being supported by the UK’s EU parliamentarians.

As recent articles in *Nature* and the newspapers have commented, urban areas are producing some new technologies. One of the most remarkable ones is Wuhan, where very high-level solar panels cover large areas of the city, so that the city becomes rather like a forest canopy, with a great reduction in radiation—heat—hitting the ground; it is reflected.

Finally, Members of the House of Lords who enjoy drinking wine might like to know that one problem of climate change is too much heat, which makes the wine too alcoholic. What are they now doing in France? They are putting solar collectors along the lines of the vineyards. That is very interesting.

4.24 pm

Baroness Sheehan (LD): My Lords, I thank my noble friend Lord Teverson both for bringing such an important debate to your Lordships’ House and for the breadth and depth of his introduction.

We in the UK have accepted that climate change is caused primarily by the burning of fossil fuels. We have committed to, and even led, international efforts to tackle climate change, including the 2015 Paris Agreement and the SDGs, especially SDG 12. As a member of the EU and the G20, we are party to the pledge to phase out fossil fuel subsidies, so why are we coming under increased criticism over our support for fossil fuel subsidies? A headline in yesterday’s *Guardian* stated that UK has the “biggest fossil fuel subsidies” in the EU. I know that the Minister will deny the claim, citing the Government’s own definition of a fossil fuel subsidy—which, by the way, is at odds with the WTO definition as agreed by 153 countries, including us. For the sake of argument, I will call it “UK financial support for fossil fuel projects”.

Although figures are hard to come by—transparency around this subject is a real issue—research conducted by the Overseas Development Institute and CAFOD

[BARONESS SHEEHAN]

shows that between 2010 and 2018, UK Export Finance supported a total investment of £3.8 billion in the exploration and production of dirty fossil fuels. Compare that to the paltry £29 million invested to support renewables over the same period. On the domestic side, the ODI figures show that in 2015-16, fiscal support for fossil fuel-based power for both industry and consumers totalled a whopping £7 billion. Surely it is time to stop the blanket subsidy and the support for fossil fuel-based power and instead target help towards poorer people both here and in the developing world.

A fundamental change is needed in our choice of the industries we want to support; such changes must be carefully managed in a responsible way, ensuring a gradual phase-in, with the retraining of workers and making sure that the removal of subsidies does not harm the poor and vulnerable. With the £7 billion to be released annually, we should be able to manage that. The fact is that corporations and the well-off among us benefit from this financial support, which is hardly fair when schools, hospitals and other public services are starved of cash.

Let me digress slightly and mention the “Give it up” scheme being trialled in India, where people have been asked to give up voluntarily their liquid petroleum gas subsidy. Some 10 million people have done so. The money generated is being used by the Government to provide cooking gas to poor families—now there is an idea.

Air and sea currents see to it that no matter who is responsible for pumping greenhouse gases into our atmosphere, the malign effects of climate change are felt across the globe. Poorer countries are the least culpable but they bear the most catastrophic consequences. I will quote from an article in this Tuesday’s *Telegraph*, which began:

“Mega-storms the size of England are increasingly savaging countries across the Sahel”.

The article, based on UK-led research, stated that, “the Sahel—which hugs the Saharan desert from Senegal to Eritrea—has seen a threefold increase in mega-storms over the last 35 years. The ferocious storms—which produce roughly the same amount of energy in 12 hours that the entire UK consumes in a year—”

almost 6 billion gigajoules—

“can devastate everything in their path”.

Professor Chris Taylor from the Centre for Ecology & Hydrology, who led the research, said:

“Global warming is expected to produce more intense storms, but we were shocked to see the speed of the changes taking place in this region of Africa”—

the Sahel. That region is already plagued by poverty, irregular migration, smuggling and terrorist groups. I fear that we reap what we sow.

In November 2018, the International Energy Agency warned that the world has so many existing fossil fuel projects that it cannot afford to build any more polluting infrastructure without busting international climate change goals, which we now know are at the very limit that our planet can withstand. When the IEA, normally a very conservative agency, issues such a warning, we must take heed. But there is another way. The market in renewables is racing away. According to the IEA, solar generation in developing countries is forecast to

expand from 2% today to nearly 10% by 2040. Battery storage costs are dropping rapidly and hydropower is set to remain big. The age of the internal combustion engine is over. Fossil fuels have had their day and it is time to stop using them and start to clean up after them. Locking Africa into dirty fossil fuel technology is to shackle it to the past, when the future is green. In the words of Archbishop Desmond Tutu:

“People of conscience need to break their ties with corporations financing the injustice of climate change”.

We should not be subsidising fossil fuels. It is wrong.

Baroness Stedman-Scott (Con): My Lords, can I ask noble Lords to adhere to the allocated time? Any headroom we had has now gone and we will be biting into the Minister’s speech. Your help would be appreciated.

4.31 pm

Lord Rees of Ludlow (CB): My Lords, climate science is intricate, but despite the uncertainties it offers two messages that most agree on. First, even within the next decade or two, regional disruptions to weather patterns and more extreme weather will aggravate pressures on food and water and enhance migration pressure. Secondly, under a global “business as usual” scenario we cannot rule out, later in the century, really catastrophic warming and tipping points triggering long-term trends like the melting of Greenland’s icecap, rendering some regions uninhabitable. There are diverse views on the policy response to these messages. Some economists apply a “standard” discount rate and in effect write off what happens after 2050. They therefore assign lower priority to combating climate change than to shorter-term ways of helping the world’s poor. But others argue that standard discounting is inappropriate here and that we should pay an “insurance premium” now to protect future generations against the worst-case scenarios.

As a parenthesis, I would note that there is one policy context where an essentially zero discount rate is applied, and that is to radioactive waste disposal, for which the depositories are required to prevent leakage for 10,000 years. That is somewhat ironic, given that we cannot plan the rest of our energy policy even 30 years ahead. Consider this analogy. Let us suppose that astronomers had tracked an asteroid and calculated that it would hit the earth in 2100, 80 years from now—not with certainty but with, say, a 10% likelihood. Would we relax and say that it is a problem that can be set on one side for 50 years? People will then be richer and it may turn out that it is going to miss us anyway. I do not think we would. There would surely be a consensus that we should start straight away and find ways to deflect it or to mitigate its effects.

The pledges made at the Paris and Poland conferences are a positive step, but they are not enough, especially if there is an aim to limit the expected temperature rise to 1.5 degrees. The recent report of the Energy Transmissions Commission, co-chaired by Adair Turner, was bullish about achieving the requisite global transition to zero carbon within 40 years. An extra investment of \$900 billion per annum would be needed globally. That is a stupendous figure but it is only 0.6% of world GDP over the next four decades. However, that is still of course a massive challenge. Politicians will

not gain much resonance by advocating unwelcome lifestyle changes now when the benefits accrue mainly to distant parts of the world and are decades in the future.

Achieving the energy transition will require accelerated R&D into all forms of low-carbon energy generation and other technologies where parallel progress is crucial, especially storage—batteries, compressed air, pumped storage, flywheels, et cetera—sequestration and smart grids. This scenario offers a win-win option for the UK. Implementing our Climate Change Act is important, although it will cut global emissions by less than 2%. But we produce more than 10% of the world's best scientific research, and we can strive for a global lead and aspire to make far more than a 2% difference to energy R&D.

Solar and wind are front-runners, but other methods have geographical niches. One of ours is tidal energy. Our topography induces especially large-amplitude tides on Britain's west coast. We should therefore explore tidal barrages and lagoons. Because of intermittency in sun and wind, the long-term goal should be continental-scale DC grids carrying solar energy from Morocco and Spain to less sunny northern Europe and east-west to smooth peak demand over different time zones—perhaps all the way along the belt and road to China.

It is surely worth while for the UK, given its traditional expertise in nuclear energy, to explore a variety of fourth-generation concepts, which could prove cheaper, more standardised and safer than existing nuclear designs. The faster these clean technologies advance, the sooner their prices will fall so that they become affordable to, for instance, India, where the health of the poor is now jeopardised by smoky stoves burning wood and dung, and where there would otherwise be pressure to build coal-fired power stations. It would be hard to imagine a more inspiring goal for our young engineers than to spearhead improved clean and affordable energy.

How can the long-term global goal of a low-carbon world get sustained political traction? How can it compete for political attention with urgent local issues? It can happen, just as other social attitudes have been changed in the past, if individuals with mega-influence can mould public opinion. I have two examples. The papal encyclical *Laudato si'* had huge impact, eased the path to consensus at the Paris climate conference in 2015 and gained the Pope a standing ovation at the UN. This week our great secular guru, David Attenborough, has espoused the climate cause at Davos.

The young are far more activist, unsurprisingly, as they can hope to live to the end of the century. Their campaigning is welcome. Their commitment gives ground for hope. To give a parochial instance, I was especially pleased when some of our Cambridge students took an initiative that led to setting up the APPG for Future Generations. Today's actions—or inactions—on environment and energy will resonate centuries ahead. They will determine the fate of the entire biosphere and how future generations live. We in this country can genuinely take a lead.

4.37 pm

Lord Bethell (Con): My Lords, I start by thanking the noble Lord, Lord Teverson, for his remarkable, upbeat introduction to this important debate, and for his characteristic optimism. I also note the incredible expertise of some of the speakers in the debate so far: the noble Lord, Lord Selborne, on land management; the noble Lord, Lord Hunt, on meteorology; and the noble Lord, Lord Rees, on astronomy and asteroids. I noted the optimism with which they spoke about their subjects, an example being the opportunities for farming. I love the idea of the vineyard-based solar panel system—what an amazing image of the opportunities arising from change.

My own subject expertise is in trying to change opinion and to campaign, and that is what I will touch on. That point about optimism is the key one I want to try to get across because, for all the threats we face, we have made progress. We should applaud the remarkable progress we have made to date, both the international consensus that has been built—the noble Lord, Lord Teverson, did very well to list some of the landmarks in that consensus—and the changes the Government have made. Emissions have been cut by 42%, faster than any other G7 nation, at a time when our economy has grown by two-thirds since 1990. That is a hell of an achievement for a country such as Britain.

However, no one is under any illusion about the need to do much, much more. The noble Lord, Lord Teverson, put it very well. A lot of low-hanging fruit, such as reducing our dependency on coal-fired energy production, has already been picked off and we will face tougher decisions in the future. I worry that if we stick to the same tough, government-led, austere, fear-motivated approach, we will not be able to take people with us. I worry that there will not be enough money in the Government's bank account to pay for enough infrastructure, enough political capital to force change or, frankly, enough emotional capital in the country to face the anxiety, year after year.

I have two examples. First, how do we protect the poorest and most vulnerable during this important period of change? The Stern review made depressing reading on that front. It spoke about detailed, multiple, overlapping and costly interventions. The noble Lord, Lord Stern, explained that:

“These interventions keep on growing, as one measure is layered onto another, increasing costs and inefficiencies. The interventions have been wide open to pervasive lobbying and capture, and the result has been”—

and this is the important point—“significantly higher costs”. According to government statistics, 2.5 million households are defined as fuel poor; that is 11% of all households. I know from personal experience that old people are suffering in this tough, cold winter. How will we be judged as a society if the vulnerable and weak are paying for society's decisions?

Secondly, how do we ensure that we continue to take people with us? Support for the climate change agenda is undoubtedly strong, particularly, among the young, as the noble Lord, Lord Rees, said. But if it overtly costs working families jobs and cuts young people's opportunities for full and exciting lives, can we rely on that support? We have to work a bit harder to shore up the political consensus.

[LORD BETHELL]

I have two recommendations, one of which was referred to by the noble Lord, Lord Teverson: to ensure that we do not rely on hand-wringing and shroud-waving for our political motivations. Instead, we must talk about an optimistic future. Of course, the threat to future generations is profound and should not be ducked, but we have to try to create a sense of opportunity. The idea of taking advantage of tragic events to push for change is awkward and disturbing. But we cannot inspire only through fear. We must find a way of turning the threat into an opportunity. The noble Lord, Lord Rees, talked interestingly about trying to get the most brilliant minds focused on this as a generational challenge. We need to think about ways of getting people inspired to turn their modern, unhealthy lifestyles into healthier, natural habits—more bicycling and veganism and less fillet steak and gas guzzling, and more of the wonderful vineyard solar panels of the noble Lord, Lord Hunt.

My second suggestion is that we have to get across a positive vision of where we are going that accords with the natural human ambition for progress and advancement. I would like to leave the House with that. Rather than berating politicians for failing to do enough, how can we inspire this generation to accept this challenge and step up to it?

4.43 pm

Lord Stunell (LD): My Lords, it is a great pleasure to take part in this debate. It is timely and important and I strongly endorse the many excellent contributions that have been made so far. I intend to focus my remarks on the UK's domestic policy response to the formidable challenge of climate change. It is—literally—domestic policy: what is it doing about houses? We have to face up to the fact that we have 20 million homes in this country and the Government would like to be building an extra 200,000 a year, and the standards of the existing and new ones are absolutely crucial to tackling climate change. So I am afraid that my remarks will not be quite as positive as those of the noble Lord, Lord Bethell. Perhaps he will provide the carrot and I will provide the stick to the Government to persuade them to get on with some of the things that need to be done.

The built environment contributes 30% of the carbon dioxide emissions of the United Kingdom, so any policy that we have to reduce carbon emissions has to take tackling emissions from the built environment deeply seriously. Better energy efficiency for our buildings, especially for our homes, reduces carbon emissions, saves energy consumption, reduces the amount of power we need to generate in the first place, lowers the cost to the consumer and improves their health, and reduces costs to the NHS. There are so many different boxes that you have to tick once you start on it that it is perhaps very surprising that we do not take improving energy consumption in the built environment with anything like the seriousness with which we treat improving energy consumption in the transport sector—which actually produces fewer CO₂ emissions.

I am afraid that the present Government have a very poor record of inaction and of making things worse as far as the built environment is concerned.

They blocked the introduction of zero-carbon homes energy standards for new homes in 2016, they have frozen and diverted a lot of the energy company obligation payments which were due to be supporting improvements to the existing housing stock and they have abolished feed-in tariffs. At present, 51% of homes with cavity walls still do not have insulation in those cavities, 63% of the roofs of homes in England have less than 200 millimetres of insulation, which is regarded as the minimum to ensure sensible living standards, and 44% of those on the gas network still have older boilers with up to twice the gas consumption of up-to-date condensing and combined boilers.

Those figures come from the ironically titled *Progress Towards the Sustainability of the Building Stock in England: Sixth Parliamentary Report*, which was published in July last year. It may be characteristic of the problems that its publication date was delayed by 15 months and came only after I had asked three Parliamentary Questions about when it was going to be published. It contains many well-hidden gems, including that the average efficiency of new homes fell in 2016 compared with 2015.

The Government try to deflect responsibility for taking action on to others and to rely on transparency and peer pressure in order to achieve progress. That is why I asked a Question in December about the proportion of public buildings that display energy performance certificates and what the Government were going to do to improve those figures. The Answer I got was interesting.

“We have no estimate of the proportion of publicly-owned buildings to which the public has access which display an Energy Performance Certificate”.

It goes on to state that responsibility for enforcement rests with local weights and measures authorities—LWMAs. They have guidance issued by the department. The Answer states:

“This guidance has been updated periodically since 2008, most recently in March 2016”—

and it is for them to get on with it. I looked at that guidance, but obviously the person who drafted the Answer to the Question did not.

I am very aware of the time here. The guidance makes very clear the duties of those authorities, and that their duty is to report annually to the department, which will,

“publish each year the outcome of their submissions”.

If that is true, the Answer I received to my Question was clearly false, because the Government do have an estimate of the progress being made and of the proportion of public buildings. It might have been more truthful to say, “We haven't actually bothered to look and we really don't care that much”. The impression is that slowly, stealthily and insidiously the Government are backing out of their climate change commitments. I will be more charitable: I think that they have just completely lost focus on the easy wins of CO₂ emission reduction in the built environment.

That brings me to my final point. A briefing from Oxfam alerted me to the fact that the UK Government are currently considering offering to host COP 26—the Conference of the Parties 26—in 2020. Oxfam wants the UK to do so in order to,

“ensure that the international community honours their commitments”.

My plea to the Government is that, while we weigh up the options of hosting that event and of pulling splinters out of other nations' eyes on their carbon emissions, we should also urgently start to pull the planks out of our own.

4.50 pm

Baroness Brown of Cambridge (CB): My Lords, I start by declaring my interests as vice-chair of the Committee on Climate Change and chair of its Adaptation Committee. I repeat the thanks expressed by others to the noble Lord, Lord Teverson, for bringing this important debate to the House today.

This week started with a stark reminder that the climate is changing. We have heard from the noble Lords, Lord Teverson and Lord Rees, about the debates at Davos. Tuesday's *City A.M.* paper reported on its cover that 2017 and 2018 have been the costliest back-to-back years for economic losses from catastrophic weather events, at a financial cost of over half a trillion pounds and with a much greater human cost. We had Hurricane Michael in the US, Typhoon Jebi in Japan and Typhoon Rumbia in China. The Camp Fire in California was the state's deadliest and costliest fire on record, destroying the town of Paradise and costing some \$12 billion. The California fires have also resulted in the largest corporate bankruptcy to date due to climate change—the Pacific Oil & Gas corporation. Insurers globally are now looking at how and whether they can continue to insure against risks that result from the impact that we are having on our climate. Closer to home, the "Today" programme on Tuesday informed us that a record number of wild flowers were in bloom on New Year's Day this year. Literally thousands of species in the UK were observed flowering—charming but ominous.

It is good, therefore, to have a debate on the impacts of climate change where we can consider what needs to be done to ensure that we maintain people's well-being and livelihoods in the face of the changes ahead. We should remember that, even if we could stop all greenhouse gas emissions tomorrow, which we clearly cannot, the impacts of the emissions and warming that have already taken place will continue to develop over the next century: ice will continue to melt, sea levels will continue to rise and the weather will continue to change.

If that is what 1 degree of warming delivers, we do not want to imagine what the 4 degrees or so of warming that we are currently on track for by the end of the century will bring, and we certainly do not want to leave future generations to cope with the consequences. As people have said, it is critical that we meet our commitments made at Paris in 2016 and make our contribution to keeping warming well below 2 degrees, with an ambition of limiting it to no more than 1.5 degrees. We should take a global leadership role in demonstrating that this can be done and we should support others to do so.

We may not want to think about what 3 or 4 degrees of warming could mean, but that is just what we have to do on the Adaptation Committee. Using the latest scientific evidence and excellent modelling from the Met Office, which was mentioned by the noble Lord, Lord Hunt of Chesterton, we work with leading academics and consultants to produce the UK climate change

risk assessment evidence report every five years. This forms the basis of the Government's risk assessment for the national adaptation plan.

We hear, as we have in this debate, a lot about the risks overseas—the typhoons and forest fires, and the impact of sea-level rise on small island states. These are all critical but I want to talk about the risks at home. The climate change risk assessment identifies the following six areas of serious risk to the UK: flooding and coastal change; health and productivity effects from high summer temperatures and heatwaves; water shortages for households, farmers and industry; risks to our plants, wildlife and beautiful places; risks to food in respect of both production and trade; and risks, as we have heard recently, of new pests, new invasive species and new diseases taking hold.

I turn now to the effects even closer to home, by which I mean, like the noble Lord, Lord Stunell, at home. One in six properties in the UK today is at risk of flooding: river flooding, coastal flooding or surface water flooding from drains overwhelmed by the increasing incidence of intense rainfall. Yet there is no requirement for property-level flood resilience measures, even in new homes being built on the flood plains of the south-east. Some of our most recent research for the Adaptation Committee shows that a few measures installed during building, at almost zero cost, could save thousands of pounds in damage and get people back into their homes much more quickly after a flood event. As we approach 4 degrees of warming, a tripling of UK flood damage is predicted.

Some 20% of UK homes overheat already in a cool summer, and the Government's own research shows that all new-build homes are likely to be prone to overheating. But there is no legal requirement to consider overheating in new homes. Average summer temperatures in the south of England have a 50% probability of being 4 degrees higher than today and a 10% probability of being 6 degrees higher than today by 2050—and those are just average temperatures. By 2050, the summer of 2018 will not be seen as a hot summer; it will be the norm. Currently, we have around 2,000 heat-related deaths per year in the UK; by 2050, it is likely to be well over 5,000.

On the current path to 4 degrees of warming, unless we take additional action much of England is predicted to see severe water shortages by 2050. If we reduce our current per capita water consumption from 140 litres per person per day to around 90 litres, as well as addressing leaks and improving industry water efficiency, we can avoid this problem. It can be done. We have some of the highest water consumption per head in Europe; in Belgium, people already manage on just over 100 litres of water per person per day. All these problems can be addressed. We cannot prevent a level of climate change but we can ensure that we have the right measures in place to keep people comfortable and healthy, keep businesses working and keep food growing. Clear objectives are needed from government, with measurable time-based targets supported by committed investment and strong, enforced policy and standards.

I conclude by asking the Minister to ensure that the objectives in the national adaptation programme are clear and measurable. As these objectives are, in the

[BARONESS BROWN OF CAMBRIDGE]

main, those of the 25-year environment plan, I ask that they appear in the environment Bill and other related Bills. While a big step in the right direction, the current proposed indicator framework for the 25-year environment plan has no measurable targets, only directional indicators. We know that the climate is changing, and increasingly we can predict how it is changing, but we are not responding strongly enough.

Baroness Stedman-Scott: My Lords, I am sorry to say this again, but could we please stick to our allotted times?

4.58 pm

Baroness Miller of Chilthorne Domer (LD): My Lords, in declaring my interest as a vineyard owner, I am intrigued by the suggestion of the noble Lord, Lord Hunt of Chesterton, that vineyard-based solar panels are a practical idea. I see that he is not in his place at the moment but I will take this up with him when he returns. The idea of clambering over the panels when pruning or harvesting is definitely a challenging one.

On a serious note, I believe that one of the worst threats of climate change will be to our agricultural systems, because of extreme weather events. Reports from Australia today show record temperatures of 46.6 degrees. One of the results is that 2,500 camels have been culled—camels are used to hot conditions, so that is pretty severe—and wheat yields are down by one-third to a half. Perhaps more insidiously threatening is that soil moisture is at an all-time low. That is important because it makes recovery much harder. If noble Lords think about how difficult it is to get a totally dry sponge to absorb water at first, that should give them an idea as to why totally dry soil has problems reabsorbing water. Equally disastrous, of course, is too much rain too fast, flooding out newly planted seeds, for example.

Recently the All-Party Parliamentary Group on Agroecology had a meeting on agriculture and climate change. We had a presentation from Professor Gideon Henderson, which was especially memorable. Usually climate change discussions leave you feeling depressed—as my noble friend Lord Teverson said in his excellent introduction—and full of fear for the next generation. However, Professor Henderson's message was different. He had just finished chairing a working group for the Royal Academy of Engineering and the Royal Society, and the resulting report is an ambitious plan for how the UK can lead the way in deploying greenhouse gas removal technologies to achieve net zero-carbon emissions by 2050. His conclusions were very land-use based: ramping up forestation, habitat restoration and, crucially, soil carbon sequestration. His emphasis on soils as a major part of the solution was especially interesting to me. Our soils have an extraordinary capacity to absorb and hold carbon if land is farmed and used in the right ways. We could turn the agricultural sector from a major greenhouse gas emitter to a really effective carbon sink.

When Professor Mark Kibblewhite from Cranfield gave evidence to the same all-party group three years ago during the soil inquiry that we held, he made the point that soil research should be fully integrated with other areas of research, such as climate change, but

that was not really happening. Given that that was three years ago, I ask the Minister: is such research now better integrated?

We need to change the way in which we produce food and, to some extent, our diet. However, I assure the noble Lord, Lord Bethell—one of the meat lovers among your Lordships—that he will not have to give up his fillet steak; he just needs to change the sort of steak that he is eating. Luckily, production methods that are high in animal welfare and low in greenhouse gas emissions can coincide. For example, the meat from pasture-fed livestock in the UK, where grass grows in abundance, is more nutritious and more welfare-friendly, as the animals spend more time on pasture, and avoids imported soya, which may well have caused deforestation in somewhere such as South America.

Pasture-fed livestock is one example of a win-win-win situation. One thing that the Government could do to help it is a simple labelling regime. At the moment you can label your meat “pasture-fed” if it is fed on pasture only 51% of the time, but it needs to be fed on it 100% of the time to gain those benefits. I hope the Government will support the Pasture-Fed Livestock Association and make that small change.

Another example of a win-win-win situation is agroforestry. A much more forested landscape, with all that carbon capture, offers less soil erosion and more shade and windbreaks for animals. Under CAP rules you can have such a scheme but so far the UK Government have refused to implement it. Whether or not we end up with Brexit, we must ensure a much more positive policy on agroforestry.

This is about how we use our land. When the Agriculture Bill comes to your Lordships' House, we should make sure that we have some provisions in it for ensuring that in future our agriculture is better aligned to dealing with climate change as well as food production, because at the moment that is missing.

5.04 pm

The Earl of Caithness (Con): My Lords, regardless of greenhouse gases, human beings would be discussing climate change today. We are in a warm interglacial period. These warm periods last about 10,000 years and the last ice age ended 12,000 years ago. It is a reasonable hypothesis that one of the reasons the ice age was prevented from coming again was that hunter-gatherers started settling and becoming farmers. That was the initial start of the check and the hot climate change we are experiencing today.

As the noble Baroness, Lady Brown, said, one of the consequences of climate change that we are now suffering is that sea levels are rising. During our lifetime, the north of Scotland has been steadily rising out of the sea. This is called post-glacial rebound uplift. Dynamic Coast at Glasgow University confirmed to me yesterday that its latest evidence shows that sea levels are outpacing the uplift, so the north of Scotland is now suffering from higher sea levels. Today, we have been told that the Barents Sea is at a tipping point from a climate change point of view. It is changing from an Arctic to an Atlantic climate. That will have quite major effects. This has been described as the first modern example of a rapid climate change shift event.

It is the melting of not just glacial ice but sea ice that has caused problems and has contributed to the moving of magnetic north. Recent research on the movement of magnetic north, which has suddenly accelerated, has shown that it is human abstraction of water, particularly in Eurasia and India, that has helped to shift magnetic north. What does my noble friend on the Front Bench anticipate being the effect of this on climate change? Does he think it is now increasingly likely, as some scientists are predicting, that we will get a global shift again? These happen every 400,000 years or so. The last one was 780,000 years ago, so perhaps we are due for a global shift. That will complicate matters not a little, I suggest.

Let me move from magnetic north to the magnetic field around the Earth. What does my noble friend think of the latest research in Sweden by the Geological Survey of Denmark and Greenland, which claims that cosmic rays have a major effect on our weather? Its research underpins research done about 10 years ago, also in Sweden, which says it is the high sun activity, particularly at the moment, which is the greatest it has been for at least 1,000 years, that is causing climate change. As a result, we have overestimated the amount that carbon dioxide and greenhouse gases are contributing to our climate change. If we have done that, all our models—the models the noble Baroness, Lady Brown, relies on—are wrong. If we are to tackle climate change, whether it is getting colder or warmer, we need to have a factual scientific base. If some scientists are now saying that the reasons are different from what we thought, undermining much of what has been said in the debate, we need to take that into account.

I move quickly on to mitigation and follow up what the noble Baroness, Lady Brown, said. Sea erosion is caused not just by the waves but the sediment in them and their force at sea level. Latest reports say that more than 1 million houses are at threat from coastal erosion in the next 60 years. We ought to start to get a planning policy that forbids any development, not just on flood plains, but in any of those areas that will be subject to coastal erosion. We need to identify areas that we are not going to do anything with, where we are going to let nature take over and where we will make protection. Could my noble friend tell us what is being done on that?

I conclude by challenging us in the West. We are terribly good at thinking we are doing good things with climate change, and it does our ego the power of good to drive electric vehicles, but it does climate change no good at all if we drive an electric vehicle that is made in the Far East, and the power to make it is generated by burning coal. That is far worse for the world than using our old diesel cars.

5.10 pm

Baroness Walmsley (LD): My Lords, yesterday I received a letter from four children called Bamba, Louie, Oscar and Jakson, from year 6 at the Rofft Primary School in Marford, near my home. They are learning about climate change and are concerned that polar bears are losing their habitat. They have questions for the Government which I will come to later. To help me reply to the children, I turned to scientists at one of our leading Welsh universities, Bangor. They told me

about the increasing rate of decline of the sea ice in the Barents Sea, and the feedback loop which will mean that within a decade the limit of the Arctic habitat may have moved a great deal further north. As mentioned by the noble Baroness, Lady Brown, there is little we can do to stop it—it is going to carry on. This indicates the danger of the 1 degree of warming we already have, already affecting our climate in the UK. Last year's "beast from the east" may very well have been caused by it, so polar bears are not the only ones affected by loss of sea ice—we are too.

The noble Earl, Lord Caithness, may not, but 97% of scientists agree that greenhouse gas emissions are the cause of our warming climate. The Paris accord and government policy were based on estimates of how quickly we need to reduce emissions to avoid the dangerous 1.5 degree rise. However, a recent article in *Nature* magazine quoted evidence that current predictions may be too conservative and we could get to dangerous levels as early as 2025. The Government's target of 2050 may sound a very long way off—though it is not for the children of the Rofft school—but 2025 is a great deal nearer.

Far away from the polar bears' habitat, but also related to warming oceans, Dr Gareth Williams of the School of Ocean Sciences at Bangor drew my attention to the effect of the more severe climate change estimates on coral reef regeneration. His conclusion is that in some areas it is much more severe than previously predicted. The warming effect that would result, even if all the Paris Agreement pledges are realised, would not allow corals sufficient time to regenerate between bleaching events.

Why should we in the UK care about coral reefs? The answers are: biodiversity; new medicines; fishing to feed millions; that the loss of low-lying islands means the relocation of people; and that the UK has several overseas territories with coral reefs. Is the UK prepared for increased frequency and intensity of coral bleaching events? What if we start to lose some of our overseas territories due to the erosion of coral reefs? Many of these places support human populations and some house military bases that we share with allies. Will the Government respond to the latest research and revise their emission targets to halt the speed at which ocean warming events are occurring? I agree with the noble Lord, Lord Rees, that the Paris Agreement is not enough—it will be too little too late.

Moving from sea to land, every sector must reduce its impact on climate change. Agriculture accounts for 9% of UK greenhouse gas emissions. Another paper, from Professor Chadwick of Bangor, showed that greenhouse gas emissions from global agriculture are increasing at around 1% per year, yet substantial cuts in emissions could be achieved. His group assesses the mitigation potential of land sparing: increasing agricultural yields, thereby reducing the area of farmland needed and at the same time actively restoring natural habitats on the land spared. Restored habitats such as broad-leaved woodlands, wetlands and peatlands can sequester massive amounts of carbon and offset emissions from agriculture. The study showed that planting mixed broad-leaf woodland is much better at sequestering carbon than monocultures of fast-growing conifers, as well as promoting biodiversity. As has been said, it also

[BARONESS WALMSLEY]

contributes to cooling, prevents soil erosion and flooding, and slows down the release of fertilisers into waterways. Combining this approach with strategies to reduce food waste and meat consumption could help the UK achieve its climate objectives.

Higher yield potential could mean 30% to 40% of current farmland being used for carbon storage, with numerous biodiversity and social benefits. The researchers concluded that if this “spare land” was used to increase UK tree cover from 12% to 30% by the middle of this century and to restore 700,000 hectares of wet peatland, the farming sector could deliver its contribution to the legal target of cutting carbon emissions by 80% from 1990 levels.

The most promise was shown by improved crop plants that are more efficient at capturing nutrients from the soil, using water and photosynthesising. This requires investment in non-medical life science research, which had only a minor role in the Government’s industrial strategy, so I agree with the noble Lord, Lord Selborne, about the potential improvements that we could make through agriculture. Will the Minister say what work is being done in this area? Might our revised agriculture environmental support strategy, aimed at payments for delivering ecosystem services, result in displacing food production overseas unless we improve our own yields at the same time? There is a danger that, unless we increase yields, we could reduce our own emissions at the expense of those of other countries where there might be worse environmental and animal welfare standards.

Is Defra looking at land sparing? What government support is being given to efforts to plant more trees? As for the children, they ask what the Government are doing to get companies to reduce their emissions since only 10% of companies have a strategy for doing so. They are going to write to some local companies to ask them. They also want the Government to encourage more use of renewable energy. I think those are very sensible questions and I hope the Minister can answer them.

5.16 pm

Viscount Simon (Lab): My Lords, I will raise a matter which is slightly wide of today’s debate but none the less very relevant to the future of our world.

Yellowstone Park’s volcano is a massive cauldron which contains several tens of thousands of kilometres of magmatic material. The chances of an explosion are currently thought to be around 1:730,000, but a sudden weakening of the geological layers could trigger a sudden depressurisation event, with the entire system exploding into the atmosphere. The most explosive eruption would produce about 2,500 times the amount of volcanic material resulting in the 1980 destruction of Mount St Helens.

Such an explosion would project ash and lava up to about 16 miles high, which would then be transported around the atmosphere with horrendous effects on our climate, food and drink et cetera, resulting in years of significant cooling. Another immense eruption would cost the lives of so many people that, while it would not be the end of civilisation, it would change the world for the worse.

5.18 pm

Lord Redesdale (LD): My Lords, it is quite a rare event for me to speak from the Front Bench. I thank the noble Lord, Lord Teverson, for giving me this opportunity. I must look back in time to when we did many of these debates on the Climate Change Act 2008—we looked at increasing the amount of reduction needed in carbon dioxide—which was one of the cornerstones of the climate change committee.

I have been working on this area for many years and was one of the founding members of the All-Party Parliamentary Climate Change Group. The words of the noble Earl, Lord Caithness, brought back happy memories of the debates we had where it was thought by many in this House that sunspots caused climate change. I find it interesting that the debate has moved on so considerably that that sort of viewpoint is very much in the minority and the real effects of climate change through manmade action are very rarely questioned.

It has been a very wide-ranging debate. The discussion started by the noble Earl, Lord Selborne, on land management—echoed by the noble Baroness, Lady Miller, about how we should use soil, echoed in turn by the noble Baroness, Lady Walmsley—is one of the areas that we will have to think about very carefully indeed.

As an aside, I was talking to the gravedigger at my local church, who had found that the soil was incredibly dry at the base, which is almost unheard of in Northumberland. We should look at that, because one of the times when people start talking much more readily about climate change is during a drought. We are looking at a drought situation coming up—I declare an interest as the CEO of the Water Retail Company and we have been looking at selling water in summers when there is a drought. This could be a problem with Brexit. Four types of chemical are used and they are volatile and short-lived. If we have a hard Brexit, it might cause even more problems if we cannot get those chemicals.

The noble Baroness, Lady Brown, talked about the engineering issues around flooding. Most of the country’s drains are designed for 1950s rainfall. Now that we have flash floods, we are seeing situations such as happened in Hull, where flooding took place on top of a hill, because we do not have the drainage to deal with present rainfall—which is a slight worry.

A couple of days ago, the Minister called me a Jeremiah over my view of the death of the nuclear industry. I take issue with him, given that we are down to perhaps one new build from four. What I said may be true of a Jeremiah, but I am much more taken with chapter 29, verse 11, which talks about hope in the future and moving forward. In that spirit, one of the most hopeful things to come out in the past couple of years which could affect how we deal with climate change in this country has been led by the Minister’s own department, BEIS. It was brought about by David Cameron and George Osborne. The Minister might remember the fantastic expression, “Get rid of all the green crap”, which led to the Government reassessing how they subsidised renewable energy—they were going to sweep away all the renewable energy. That led to the decision to get rid—from April—of the carbon reduction commitment and greenhouse gas reporting. That will

be replaced by a new regime, the nattily named streamlined energy and carbon reporting, or SECR—which does not really flow off the tongue. However, when it comes into effect, it will apply to 10,000 companies—in fact, any company listed under the Companies Act 2006 will have to undertake the assessment once a year. This is quite incredible. The final guidance, which the Minister's department will probably issue at the end of January, and the SI that went through in July last year state that, each year, companies will have to record all their energy consumption, all their carbon emissions and all principal energy efficiency measures. That will be quite an interesting list. I declare a further interest as the chief executive of the Energy Managers Association and many of my members will be dealing with this. We will be looking at creating tools to help companies to do this.

However, this fabulous piece of reporting does not even stop there. Present reporting regimes such as ESOS—the Energy Saving Opportunity Scheme, which covers the period to 2019—require only a report to be made to be signed off by a director, but the new report will have to go in front of the auditors. I have just been going around many auditors talking to them about how they will audit the reports for all their companies. They will have to look at how they audit all the individual measures. The report then has to go in front of the board for sign-off. It is particularly interesting that LLPs, which were not part of the original ESOS, will be brought in. I liked the measure which requires a named member of the LLP to take the report to the rest of the members. If that named member gets the figures wrong, they can be sued by the other LLP members. That has a real effect. However, the real kicker on the end of it, which I must say is genius from the Government, is that those companies will have to put all this information into their company report. That is a public document that must be listed with Companies House. The problem we have always had is that we have talked about the Paris accord, the agreements and what we are looking to achieve in carbon reduction, but these have always been commitments by the Government. This will be a way of measuring the ability of every large company in the country not only to record the carbon energy it uses but to list all its energy-efficiency measures and make sure that a director is responsible for them. For the energy managers, this is nirvana, this is heaven, because finally directors will be responsible for dealing with energy efficiency, which has always been a Cinderella subject

Of course, as many noble Lords will notice, the best form of energy is that which is not used at all, especially in carbon terms. I welcome very much the way that this is being brought forward. It means that if directors do not take these measures, there are sanctions, which could include a prison sentence. Of course, that will probably never happen, but we will end up with something that I do not think has taken place anywhere else in the world, which is a legal obligation on all the largest companies in the country to come forward with a measurement of their own use of energy, but also what they are doing about it. I hope the Minister will grab this with both hands and take it forward, because it is the most fabulous way of bringing forward energy efficiency in large companies, and if we are to tackle

climate change severely, that is where we will have to do it. If we do go to COP, that will give two years of evidence of what all the companies in our country have been doing.

I could go on at great length about all the issues, because there have been so many raised that need to be addressed. I agree with the noble Lord, Lord Bethell, that the trouble with climate change, and one reason people do not take it seriously, is that if we really believed in climate change we would not take flights on holidays, we would not take that second hot bath, we would decide that our impact on the environment is very large. That is one reason people do not go down this route. One of the difficulties with climate change is that it is such a large subject that people shut down and think, "There is nothing I can do". But as the noble Lord, Lord Bethell, said, we have to take people with us and I hope that the Government, especially with SECR, will do just that.

5.27 pm

Lord Grantchester (Lab): My Lords, I thank the noble Lord, Lord Teverson, for introducing this debate. It has sparked a big response and I thank all noble Lords who have contributed. It was particularly interesting to hear from the noble Baroness, Lady Brown of Cambridge, who serves as deputy chair on the Committee on Climate Change and also chairs its Adaptation Sub-Committee. The debate has highlighted the key threats that have been increasingly recognised on a global scale through the reports of the Intergovernmental Panel on Climate Change at COP 21 at the Paris agreement in 2015 and the most recent updated COP 24 in Poland in December 2018.

All contributions recognised the threats to be immense. The increased risk of extreme weather patterns was recognised by the noble Lords, Lord Teverson and Lord Rees, the noble Baronesses, Lady Sheehan and Lady Brown, and the noble Viscount, Lord Simon, who mentioned exceptional volcanic eruptions. The increased risk of rising sea levels that could reach 2.5 feet by 2010 was mentioned by the noble Lord, Lord Teverson, the noble Baroness, Lady Brown, and the noble Earl, Lord Caithness. The increased risk of habitat changes affecting biodiversity in ecosystems was mentioned by the noble Lord, Lord Teverson, and the noble Baroness, Lady Brown. The increased risk of rising ocean temperatures and acidity, through increased carbon dioxide amplifying their effects, was mentioned by the noble Baroness, Lady Walmsley. The increased risk of climate-related effects on human populations was mentioned by the noble Lord, Lord Bethell, and the noble Baroness, Lady Walmsley. Disadvantaged and vulnerable populations, especially in coastal regions, would be most at risk, and reduced yields of staple crops such as maize, rice and wheat are likely.

The latest IPCC report highlighted new critical predictions that, on current trends, global warming is likely to reach 1.5 degrees above pre-industrial levels between 2030 and 2052. The debate has highlighted how imminent this is, and how short the timespan is to identify and implement key responses with assertive actions. What does this mean for the UK? How have the Government been leading the challenge? Is it adequate, and what further impetus is needed? In this

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regard, the noble Lord, Lord Stunell, challenged what the Government are doing on the built environment, housing and energy efficiency.

The debate highlighted the key challenges for the UK, and the noble Baroness, Lady Brown, outlined a list of these. It included flooding and coastal change risks, also highlighted by my noble friend Lord Hunt, and the risks to communities, businesses and infrastructure. All this was experienced around the UK in recent winters, with coastal storms and erosions in the east, damage to homes and businesses in Cumbria, the Thames Valley and Somerset, and damage to the Dawlish section of western rail. There are also risks to health, well-being and productivity from high temperatures, and, as mentioned by the noble Earl, Lord Selbourne, and the noble Baroness, Lady Miller, risks to agriculture, the economy, soils, freshwater supplies and ecology, as well as to energy generation and industry.

The debate has highlighted key roles for industry and actions it can take. The noble Earl, Lord Selbourne, highlighted the role of land managers with low-carbon husbandry systems. Once again, my noble friend Lord Hunt raised the role of universities, agencies and policymakers on an international scale, and many speakers remarked that the Government could engage better in their sectors of interest.

In response to their responsibilities under the Climate Change Act 2008, the Government agreed in 2017 with these key priority risk areas, and in July last year published their most recent national adaptation programme, or NAP, and a strategy for climate adaptation reporting, with over 100 key actions for the period 2018-23. I look forward to the report from the noble Baroness, Lady Brown, and her Committee on Climate Change, due later this year. But the initial response to the Government's document has been less than complimentary—it has been described as only a partial plan, not entirely sustainable or effective. Only some of the urgent risks are dealt with in this list; gaps have been left and the Government initiatives are contradictory—for example, the withdrawal of Flood Re, which is critical to those who live in flood risk areas getting affordable home insurance.

Have the Government looked far enough ahead to reflect on their current objectives and short-term policy actions? What is the Government's response to the challenge from the Met Office's UK climate projection that summer rainfall could decrease by up to 47% while winters could be up to 4.2 degrees warmer, with a 35% increase in rainfall during winter months? The noble Baroness, Lady Brown, argued that overheating and water shortages are challenges that should become part of UK action plans. Wide-ranging, ambitious plans are certainly needed to limit temperature rises to below 1.5 degrees. Practical, purposeful ways are needed to build a greener economy, investing in new skills and new industries.

The initial challenge posed by the Climate Change Act 2008 was well met at the start, but response and progress have noticeably faltered following the Conservative win at the 2015 election. The noble Lord, Lord Teverson, highlighted this key date in his

introduction. The Government immediately withdrew or reduced renewable energy obligations and feed-in tariffs for wind and solar, undermining the establishment of new industries and jobs. They upset the investor community with reversals of policies and scrapped new initiatives into new technologies such as carbon capture and storage and the Swansea tidal lagoon—as regretted by the noble Lord, Lord Rees. They cut and scrapped grants to encourage low-emission and electric vehicles, and are now presiding over a nuclear mess. The Committee on Climate Change has reported that the UK is no longer on track to meet the fourth and fifth carbon budgets, and the noble Lord, Lord Teverson, is correct to ask what the Government's response is to this challenge.

While the Government can show leadership at Paris and take key roles internationally, they need to take care not to take a self-congratulatory tone when so much more is needed. While renewables made up 33.3% of energy generation in 2018, transport reductions have barely been affected, with transport having overtaken energy supply as the highest emission sector in the UK. Transport emissions are continuing to rise rather than fall. A report this week, highlighted by the noble Baroness, Lady Sheehan, shows that the UK leads the EU in giving subsidies to fossil fuels, and that over €12 billion a year is spent in support of these fossil fuels—significantly more than the €8.3 billion spent on renewable energy. The latest October 2018 IPCC report concluded that global net human emissions of carbon dioxide would need to fall by about 45% from 2010 levels by 2013, reaching net zero emissions around 2050.

Labour has responded with a commitment to a net zero emissions target by 2050, increasing the ambition of the Climate Change Act, which requires only an 80% drop. Labour is committed to generating 60% of energy from renewables and low-carbon sources by 2030. These plans mean that offshore wind capacity must be multiplied by a factor of seven. Onshore wind needs to double its capacity and be allowed access to bid in future CfD auctions, and the solar industry must be reinvigorated by the challenge to triple the UK's capacity.

As my time is short, I will finish by posing the following questions to the Government which the debate has highlighted. What are the Government's strategies on these important issues? They seem to have disappeared. Will they concentrate on economic low-cost solutions? Will they encourage best practice by stakeholders working co-operatively and provide positive signals to agriculture and forestry? Lastly, will they support new technologies and research into new sources of energy storage and rebalancing subsidies?

5.37 pm

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley)

(Con): My Lords, the debate is due to end at 5.55 pm, so I hope the noble Lord, Lord Teverson, will understand if I eat into any time that he was hoping to use to wind up at the end of this debate. I take this opportunity to join all other speakers in congratulating him on introducing this debate and, as my noble friend Lord Bethell put it, on doing so in such an optimistic and positive manner.

It is important to be optimistic on these matters, as most speakers have been. The noble Lord, Lord Redesdale, said that I had accused him of being a Jeremiah—I have possibly accused all Liberals of that on this subject in the past, and I will probably do so again. It is my nature to be an optimist, and I am an optimist in this field. Dare I use the title of my noble friend Lord Ridley's book and say that I am a *Rational Optimist* on these matters? We have a good story to tell; I say that as a Minister in this Government, but it is a good story for the United Kingdom as a whole. We can refer back to the 2008 Act, which went through with the agreement of all parties. We can refer back to the work of the coalition Government. All three parties and the entire country have played a role.

I again offer my congratulations to the noble Lord, Lord Teverson, on the expertise that he attracted to the debate. We are very fortunate when one considers that we have such people as the noble Lord, Lord Rees; the noble Baroness, Lady Brown, vice-chairman of the CCC and chairman of its adaptation committee; and the noble Lord, Lord Chesterton, a former head of the Met Office. I think it is almost 25 years since I visited the Met Office as a Minister in another department; we all grow old. There has been expertise from all sides, and to that I add my noble friend Lord Selbourne, given all the work that his various committees have done over the years. That is not to downgrade the expertise and experience of all the others who have spoken in the debate. I was very grateful for the brief intervention from the noble Viscount, Lord Simon, on volcanoes. I shall not respond to that now, but if I get an inquiry in due course, I shall write to him—but it might be beyond me or even those who advise me.

As always, I begin by repeating the assurances that the Government have always given about where we are on the threats posed by climate change. I stress again the commitment that all Governments have made over many years to deal with it, and to demonstrate global leadership in doing so. We are already seeing major impacts of climate change both globally and here in the UK. Many noble Lords have spoken of the various changes we have seen. I add to that that we have had the 10 warmest years on record since 1990; eight of those have been since 2002. The hottest days of the year are getting hotter; minimum temperatures are getting milder.

I heard it put in much the best and simplest terms by an old land manager in my part of the world, Cumbria, when he retired. He said, "Every year has been the somethingest". It is not necessarily all going in one direction, but as I think we all want to point out, the weather becomes more unreliable, the climate becomes more unreliable and we are seeing more extreme events. I put it in these terms: every year has been the somethingest, and the trend is clear.

Much reference has been made to last October's intergovernmental panel on climate change and its special report warning of global warming of 1.5 degrees. It is the most comprehensive assessment we have of the evidence for that rise in global temperatures and its impact. Its most pressing message is that the world must act with urgency, because the evidence suggests that we are currently on track for a 3-degree rise in global temperatures, and we cannot say how devastating

that could be. Large-scale irreversible effects such as melting ice sheets would continue to have an impact not just for a short period but for centuries to come. Biodiversity and ecosystems could be affected. The noble Baroness, Lady Walmsley, rightly referred to the loss of coral reefs. According to my figures, some 90% of coral reefs could be at risk. Poor and disadvantaged populations would be disproportionately affected, particularly those on small and low-lying islands. Our food and water supplies and infrastructure would be threatened.

The report states that with concerted effort and urgent action, we can limit warming to 1.5 degrees, but even that will obviously have a significant effect for which we need to be prepared. However, the most serious impacts caused by rises in temperature would be avoided.

That raises two questions: first, how do we protect the UK and other countries from those inevitable rises; secondly, how do we limit temperature increases to avoid the projected 3-degree rise? The answer is adaptation and mitigation, and I will address both in turn. On adaptation, some climate impacts are unavoidable, so we are integrating climate risk into our long-term planning. We recently published our second national adaptation programme. I apologise in advance to the noble Lord, Lord Teverson, because I will refer to a number of programmes we have published; indeed, he said that the road to hell would be paved with them. However, if we were not making plans of this sort, I believe I would hear even more from the noble Lord. It is right that we make plans.

As a result of that programme, we will invest £2.6 billion between 2015 and 2021 to reduce flood and coastal erosion risk. We review multiagency flood plans on an annual basis; coming from Cumbria, I take that particularly seriously. We have had two pretty bad occasions of flooding there in this century alone: in Carlisle, where I live, and in west Cumberland, in Cockermouth. I remember going to Cockermouth as the Adaptation Minister and seeing the work being done there. The noble Baroness, Lady Brown, is right to point to the small things one can do when rebuilding and developing houses, including moving power points higher so that when the floods come in next time, with a bit of luck, the electricians will be beyond the water. So things are happening.

Since 2003, an annual heatwave plan has been published by the Department of Health; I think it was the noble Baroness, Lady Walmsley, who talked about problems there. We are also helping developing countries to deal with the impacts of climate change: building their capacity to take action and catalysing large-scale public and private finance initiatives. Our climate finance has already helped 47 million people to cope with the effects of climate change, supported 17 million people to access clean energy and reduced or avoided more than 10 million tonnes of CO₂. So we are doing a lot on adaptation, and I assure the noble Baroness, Lady Brown, that we will continue to do so.

On mitigation, how can we do our bit? One small island can only do so much, so the rest of the world must do more to limit temperature rises. We can limit our emissions, develop technologies and drive international action; indeed, we are doing all three. In 2008, the UK

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led the world by passing the Climate Change Act. As the noble Lord, Lord Teverson, said, we can be collectively proud of that. The Act requires us to reduce emissions by 80% by 2050, compared with 1990 levels. The Act created the world's first legally binding targets and provided a blueprint for climate action internationally.

Since then, we have shown that we are serious about decarbonising our economy. We are showing the world that you do not have to choose between growth and climate action. I am grateful to the noble Lord, Lord Teverson, for stressing the figures: we have reduced emissions by more than 40%, compared with 1990 levels. He gave the figure of 43%, which I think is correct. At the same time, the economy grew by some two-thirds. We outperformed our first carbon budget and are on track to meet the second and the third. However, we recognise that we need to go further, and therefore I hope that in due course we will show that we can move towards the very demanding fourth and fifth budgets.

We have published the *Clean Growth Strategy*, which again sets out our robust plans to tackle the challenging decarbonisation still to come. It sets out policies until the end of 2030. Again, I have to say to the noble Lord, Lord Teverson, that I do not think that that is a question of chopping and changing. It focuses on areas where decarbonisation has clear joint benefits such as cleaner air from low-emission vehicles and so on. We have set ourselves ambitious targets to meet the challenges ahead. For example, we want to improve business efficiency by 20% by 2030 and improve the energy efficiency of existing and new buildings by then. We want to end the sale of all conventional petrol and diesel cars and vans by 2040 and to develop one of the best electrical charging networks in the world. Noble Lords will know that further research is going on in universities up and down the country, much of which the Government are supporting. We are also looking at hydrogen and other areas.

Agriculture is a concern of my noble friend. There too we are getting on and making progress, but I should say to him that we also welcome the CCC's report on land use, which makes an important contribution to the evidence base. We will consider it very carefully and we look forward to the CCC's follow-up feasibility report next year.

Our commitment, investment and strategy are helping us to become a world leader in low-carbon business. The world is turning towards clean energy and we will support UK companies to take full advantage of this opportunity. Through the support of Governments of all persuasions—Labour, the coalition and the current Government—we have already seen a reduction in the cost of renewables, allowing us to increase their use dramatically. In 2017, some 50% of our electricity was

generated by clean sources, while last year we achieved a record 76 hours of continuous coal-free electricity generation. By 2025 we will have phased out coal from our energy mix altogether.

We will continue to support and improve the route to market for all renewable technologies. I will give just one example, which is that of offshore wind. We are making some £557 million available for the further contracts for difference. More is happening with offshore wind generation. I recently visited what is now the largest wind farm in the world, off the coast of Cumbria. We are making enormous progress and seeing the costs coming down—we referred to this only last week in our short debate on the subject of nuclear generation. Nuclear becomes harder and harder as the cost of renewables comes down and as we see advances in the technology for battery storage and other forms of generating energy.

I am coming rapidly to the end of my time and have only two minutes left. I am afraid that I am going to have to say to my noble friend Lord Caithness that on this occasion I will not be addressing his concerns about the shifting of magnetic north. It is probably important and I can assure him that there is some research into its possible contribution to changes in climate variability. If I can find out more, I will let him know and write to him.

There are other questions I would love to have addressed but, as I said, I wanted to give that optimist's picture. We are at the forefront of efforts to tackle climate change domestically and abroad. But, having been optimistic, I do not want noble Lords to accuse me or the Government of being complacent. We recognise that the delivery of our future carbon budgets will require concerted action across the economy. We want to build on the success achieved by all Governments to date to deliver cost-effective emissions reductions in our homes, businesses and transport. This was part of the general theme expressed by all noble Lords and is something that the Government—but also academia, business and civil society—have to do.

The Deputy Speaker (Baroness Morris of Bolton) (Con): My Lords, I apologise but the time allotted for this debate has now elapsed and therefore I must put the Question.

Motion agreed.

Tenant Fees Bill

Returned from the Commons

The Bill was returned from the Commons with the amendments agreed to.

House adjourned at 5.55 pm.

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