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PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

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

Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
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

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

House of Lords

Wednesday 26 June 2019

3 pm

Prayers—read by the Lord Bishop of Chichester.

Metal Theft

Question

3.08 pm

Asked by ***Lord Faulkner of Worcester***

To ask Her Majesty's Government how they plan to counter the increase in metal theft on the railway network, from construction sites and from churches.

Lord Faulkner of Worcester (Lab): My Lords, I beg leave to ask the Question standing in my name on the Order Paper, and remind the House of my railway interests as declared in the register.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, we recognise the disruption and distress that metal theft can cause. That is why we supported the introduction of the Scrap Metal Dealers Act 2013 and continue to work with the police and industry to further improve the response. A rise in the value of metal may be a driver in recent increases in metal theft incidences. However, recorded offences in March 2018 are still 73% lower compared to March 2013.

Lord Faulkner of Worcester: My Lords, I agree with the Minister that the Scrap Metal Dealers Act has been very successful, not least because it was followed up by Operation Tornado and the activities of the scrap metal task force. However, figures for recent times, particularly the past two years, are not as good as the Minister indicated. In the case of railway and cable theft, for example, delays caused in the year up to 2019 are 83% up compared to the previous year. Will the Minister look at these figures again and pay particular attention to the need for stricter enforcement, while encouraging police forces to visit scrapyards to ensure that metal is not being sold for cash?

Baroness Williams of Trafford: I entirely agree with the noble Lord's latter point about enforcement. As he said, it is up to local authorities and police forces to do that to deter the theft which we historically saw. His point about cash is also well made, but that was covered by the Act. The task force was never intended to be a long-term group, and was disbanded in 2014, following the successful implementation of the Act. In the specific case of railways, the national crime tasking and co-ordination group brings rail and telecoms together. It is organised by the national crime tasking and co-ordination group. In addition, we have the NPCC-led theft working group, chaired by the national policing lead, ACC Robin Smith.

Lord Cormack (Con): My Lords, I speak as a vice-president of the National Churches Trust. Will my noble friend acknowledge that this is an increasing problem, particularly in rural churches, and will she meet a deputation from the National Churches Trust to discuss it?

Baroness Williams of Trafford: I totally agree with my noble friend that this issue is a problem for churches, but I would say that both rural and urban churches probably suffer from it. The sentencing guidelines on theft highlight that where a theft of heritage assets causes disruption to infrastructure, this should be taken into account when assessing the level of harm caused. I would be very happy to meet my noble friend and a delegation.

Lord Paddick (LD): My Lords, in her Answer to a Question last week about the dramatic increase in catalytic converter theft, a Minister—it was not the noble Baroness, Lady Williams of Trafford—stated:

"Metal theft is down by 73% since the scrap metal Act was introduced in 2013",

as the noble Baroness has just said. However, when challenged by the noble Lord, Lord Faulkner of Worcester, that Minister went on to say that,

"metal theft has increased by 30% over the past year".—[*Official Report*, 20/6/19; cols. 841-42.]

I accept that both statements may be true, but is it not misleading to rely on the change since 2013 to create the perception that metal theft is not a current cause for concern when, clearly, it is?

Baroness Williams of Trafford: I do not think that my noble friend was trying to confuse the two figures. She acknowledged that although metal theft was up 30%, it was still down 73% since 2013. The two statements are not incompatible.

The Earl of Clancarty (CB): My Lords, what strategies are in place to protect our public sculptures, some of which are vulnerable to metal theft? Are we fully aware of what we may have already lost in recent years and what has disappeared from our townscapes and other spaces, either through metal theft or for other reasons?

Baroness Williams of Trafford: The noble Earl raises the general issue of metal theft. In terms of an analysis of which sculptures are vulnerable, they are clearly protected from theft in varying degrees. I will take his point back to the department because I do not have any facts or figures on it in front of me. I do not suppose that sculpture is any less vulnerable to metal theft than other types of metal structures are.

Lord Mackenzie of Framwellgate (Non-Afl): Bearing in mind that the theft of metal from railways, as referred to in the Question, can be very serious, is the Minister satisfied that co-operation between the British Transport Police and the local police forces which would probably check the scrapyards is as good and effective as it might be? I do not know whether it already does so, but is there a case for allowing the British Transport Police to check scrapyards in cases where there has been serious theft from railway premises?

Baroness Williams of Trafford: As I said to the noble Lord, Lord Faulkner, it is the job of the police and local authorities to enforce the lawfulness of scrap metal exchanges at scrapyards. As the noble Lord, Lord Mackenzie, said, the theft of metal from railway lines can be not only a treacherous undertaking but, in many cases, fatal. The deterrent must come from the

[Baroness Williams of Trafford]
point of view of protecting both the people who might take those risks and the scrapyards that might receive stolen goods.

Baroness Browning (Con): My Lords, I support the points made by the noble Lord, Lord Faulkner, as together we piloted the Bill through your Lordships' House. I appreciate that once an Act of Parliament is on the statute book, it is often left to others to make sure that it works, but I urge my noble friend to pay particular regard to rare earths. The Government must be well aware of the way that metal prices fluctuate. We should be as concerned about what is happening with rare earths and their usage as with any other commodity of which we have limited resources.

Baroness Williams of Trafford: I thank my noble friend and commend her on the part she played in passing the 2013 Act. I agree with everything she said. The British Metals Recycling Association has recently written articles about metal theft being on the rise due to the global rise in metal prices. It is pushing for certain amendments to the 2013 Act to combat this; we are working with it to consider the points it has raised.

Future Generations

Question

3.16 pm

Asked by ***Lord Bird***

To ask Her Majesty's Government, further to the Written Answer by Lord Young of Cookham on 26 November 2018 (HL11361), by what means, if at all, they require public bodies to act, and to demonstrate how they act, in a manner which seeks to ensure that the needs of the present generation are met without compromising the ability of future generations to meet their own needs.

Lord Young of Cookham (Con): My Lords, public bodies operate in the context of an overall framework of government policies and guidance that ensure financial and environmental sustainability. Fiscal rules implemented have meant that the Government are forecast to meet their fiscal targets early, with debt falling as a proportion of GDP in 2020-21, reducing the burden on future generations. Government guidance, such as the Green Book, ensures that public bodies consider monetisable and unmonetisable value, including environmental impacts on air, water and climate change.

Lord Bird (CB): It is interesting that today we have a "The Time is Now" demonstration outside; it is interesting to us all to realise that we are moving towards many big problems. The thing about the Welsh commission—which I am very pleased the Government want to look at—is that it tries to bring together poverty, education and so on, so that we can look at the problems coming down the line. I would like the Minister to agree to meet me so that we can look at what has happened over the last five years with the Welsh commission. I am guilty of banging on about the Welsh; I am not a Welshman, but I do love this Act.

Lord Young of Cookham: The noble Lord refers to the future generations Act, which is operational in Wales and which we are following with interest. As he said, it imposes obligations to achieve certain objectives in Wales. Future Generations Commissioner Sophie Howe is charged with monitoring the implementation of the proposals. To some extent we are replicating that approach in the environmental Bill to be published later this year, which will set up an office for environmental protection to monitor progress towards our environmental objectives, with powers to impose sanctions against public bodies that do not follow them. So far as a meeting is concerned, I first met the noble Lord in 1991, when he was launching the *Big Issue* and I was Housing Minister. That was an agreeable encounter, and I am sure the next one will be as well.

The Lord Bishop of Oxford: My Lords, it has been a real privilege today—as the noble Lord, Lord Bird, mentioned—to spend time with some of the 16,000 people, many of them young, representing all faiths and none, who have come to say to Parliament that the time is now on climate change. I very much support the proposal from the noble Lord, Lord Bird. Does the Minister agree that the issues of climate change, both in the material sense and the perceived sense—public opinion—are absolutely the pressing priority for the future generation? Following the commendable adoption of the net zero by 2050 target, will the Minister share with the House what the Government's next three priorities are in combating climate change?

Lord Young of Cookham: It was interesting that in the debate the noble Lord, Lord Bird, initiated last Thursday, climate change was one of the top priorities of Members of your Lordships' House, so it is not solely an issue for the younger generation. The right reverend Prelate asks what our priorities are. Last year we published our 25-year environmental plan and later this year, a Bill will put a legislative framework round that. I agree that the greatest betrayal for this generation would be to pass on to the next generation a planet in worse condition than it currently is. Our objectives are to drive up air quality, reduce plastic waste and food waste, ban the sale of ivory and conserve energy. The environmental Bill, to be introduced later this year, will explain how we will take those objectives forward.

Lord Wigley (PC): My Lords, we will be happy to have the noble Lord, Lord Bird, as an honorary Welshman, particularly after last Thursday's debate. In the wind-up to that debate reference was made—the Minister has made it again today—to the five-year review for Wales. The Government said that they would wait to see the outcome of that review. As it will be another couple of years before that comes out, can the Minister give a commitment that the Government will treat issues such as the carbon targets with great urgency, and can they link up to find out what lessons have already been learnt in Wales in that regard?

Lord Young of Cookham: The noble Lord makes a helpful suggestion. There will be an opportunity later today to debate the net zero carbon emissions policy under the SI. The remit for the commissioner in Wales is slightly broader than just climate change.

However, the elements that relate to climate change can be transposed, as I said earlier, into the environmental Bill, with an office not dissimilar to that of the Future Generations Commissioner in the Office for Environmental Protection, which will have roughly the same remit as Sophie Howe has in Wales.

Baroness Hayter of Kentish Town (Lab): My Lords, one way of ensuring that public bodies think about future generations is to ensure that they hear their voices. Today's 16 year-olds are the parents of babies born in 2037, who will themselves vote in 2055. Is not the best way of ensuring that decision-makers consider future generations to give 16 and 17 year-olds the vote, both in any referendum and in electing the people who govern the country?

Lord Young of Cookham: I understand the noble Baroness's proposition. She will know that the current position of this Government is not to extend votes to 16 year-olds—but who knows what may happen in the future?

Baroness Jones of Moulsecoomb (GP): My Lords, can I give the Government a good idea? Perhaps they will think about strengthening the Youth Parliament, because young people are clearly politicised and want the Government to do something. If we strengthened the Youth Parliament and gave it a more constitutional role, the Government could hear from it directly and in a more co-operative way.

Lord Young of Cookham: I am a great fan of the Youth Parliament and when I was in the other place I attended some of its sessions there. It gives young people an opportunity to taste public life and I hope that many of its members will go on to become Members of Parliament. Perhaps I may reflect on the broader issue the noble Baroness raises about whether we might give more powers to the Youth Parliament. It is a helpful and positive suggestion.

Lord Wallace of Saltaire (LD): My Lords, is not part of the problem of short-term policy-making, when we should have long-term thinking, that the ministerial churn is enormous? A number of senior ministerial posts are on their third postholder since 2015 and are expecting a fourth within the next four to six weeks. The noble Lord is an absolute pillar of the example of long-term postholding in government. Does he have any recommendations to make about how we may shift from this constant change of ministerial office to a longer-term prospectus?

Lord Young of Cookham: The noble Lord makes a valid suggestion. I was a Minister 40 years ago and since then I have been churned many times, often against my will. The noble Lord makes a serious point. It takes time to come to terms with a portfolio and then to develop one's own priorities and initiatives. It is demoralising, just when one has discovered one's responsibilities and what one wants to do, when one gets the call from No. 10 to say that one's talents have been recognised but need to be deployed elsewhere. It is right that Ministers should spend at least two years in the same position. However, it may not always be possible—as next month may show.

Social Care: Free Personal Care

Question

3.25 pm

Asked by ***Baroness Wheeler***

To ask Her Majesty's Government what assessment they have made of the Institute for Public Policy Research's report *Social care: Free at the point of need—the case for free personal care in England,* published on 23 May, and whether this matter will be addressed in the forthcoming Social Care Green Paper.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Baroness Blackwood of North Oxford) (Con): My Lords, we welcome the contributions made by recent reports on how social care should be funded in future, including the report by the IPPR. The Green Paper will bring forward ideas for including an element of risk pooling to help protect people from high and unpredictable costs. This Government are committed to ensuring that everyone has access to the care and support they need, and we are clear that people should continue to expect to contribute to their care.

Baroness Wheeler (Lab): I thank the Minister. Age UK estimates that more than 1 million older people have died in the past two years either waiting for a care package or having been turned down and that nearly 1.3 million people have an unmet need for basic care support, such as washing, dressing and going to the toilet. Macmillan research shows that 8% of people living with cancer who have critical or substantial needs and who should qualify for council support receive no practical help at all and that 60% of their carers experience stress, anxiety and depression. I hope that when she responds the Minister will not just repeat the Government's stock answer on so-called extra funding. The King's Fund, the Nuffield Trust and the Health Foundation have independently identified the huge scale of government local authority social care cuts and the £2.5 billion investment needed just to keep the current system going. May I once again ask the Minister for news of the Green Paper? When is it going to be published? What is holding it up? The IPPR shows that free personal care would treble the number of older people with access to state-funded care, improve their health and well-being and save billions of pounds in hospital costs. Surely it is one of the key options for solving the current care crisis.

Baroness Blackwood of North Oxford: I thank the noble Baroness for an important question. She is absolutely right that the Green Paper must be a priority. It will set out our sustainable plans for reform. We have welcomed the contributions that have been made by a number of recent reports. The noble Baroness rightly pointed to the IPPR, the Joint Select Committees, the Health Foundation, the King's Fund and the Resolution Foundation. They have made some important proposals which are being considered as part of the Green Paper's work going forward. The noble Baroness is right that we cannot wait for that, because there are people who need improvements in care now, and that

[Baroness Blackwood of North Oxford]
is part of what the better care fund has been set up to do—to improve the spreading of best practice and the new models of care work which have been put front and centre for the long-term plan improvements. That was introduced in 2015, and has brought in the funds required, taking the total of increased funding to £7.7 billion by 2018-19. We are looking at how we can make sure that that improves. It has brought changes across the system.

Baroness Campbell of Surbiton (CB): My Lords, research carried out by the Independent Living Strategy Group, which I chair, concluded very recently that charging for the support disabled people need to go about their daily lives is unfair and counterproductive and undermines the primary purpose of the Care Act. Will the Minister tell me whether the Government have considered implementing the recommendations of the Darzi report, which called for extending the NHS's "need, not ability to pay" principle to social care, especially for younger disabled people who have no savings and who want to save, to get a life, to get a house, to go to university and so on?

Baroness Blackwood of North Oxford: I thank the noble Baroness for the important point she has raised. The Government have established an interministerial group for disability chaired by the Secretary of State for DWP on exactly this point to identify barriers for those with disabilities and to drive forward co-ordinated action across government to try to address this. We are identifying organisations required to provide quality and comprehensive services based on clinical need which do not discriminate between patients on the basis of disability. I will take away the points the noble Baroness has raised because they are hugely important.

Baroness Manzoor (Con): My Lords, there are examples of good social care packages across the country, but these are patchy. Can the Minister say exactly how the Government are currently disseminating good practice so that the elderly and young people who need social care packages get them now rather than in the future?

Baroness Blackwood of North Oxford: I thank my noble friend for her question. We should pay tribute to those who work very hard in the social care system under very challenging circumstances. Swindon, for example, has brought in a co-designed service with users and an increase in reablement of 150%, bringing an annual saving of £1.9 million to the health and care economy, while also reducing DTOC. Services and improvements such as these should be spread across the system. That is exactly what the better care fund is designed to do, and it is what the new models of care commitment within the NHS long-term plan will spread across the system so that we can improve social care for all.

Baroness Pitkeathley (Lab): My Lords—

Baroness Brinton (LD): My Lords—

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, it is the turn of the Liberal Democrats.

Baroness Brinton: My Lords, the IPPR report also notes that, if health and social care were truly integrated, the NHS could save £1.2 billion a year, rising to £4.5 billion by 2030, by reducing the number of admissions to hospitals and delayed transfers, as well as placing a real focus on funding care in the community. Will the new Green Paper ensure that true integration is fully addressed and that it is not just a case of adding "Social Care" to the title of the department?

Baroness Blackwood of North Oxford: The noble Baroness, Lady Brinton, is absolutely right. Integrating social care funding is the key priority of the social care Green Paper. It is part of the work that we are prioritising through the better care fund, but it is also part of the ICS work.

Homophobic Attacks

Question

3.31 pm

Asked by ***Lord Scriven***

To ask Her Majesty's Government what assessment they have made of reports of a rise in the number of homophobic attacks.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the latest official data indicates an increase in police-recorded hate crime across all strands, including sexual orientation. The increase is mostly due to improved police recording. The latest Crime Survey for England and Wales indicates a downward trend in hate crime incidents overall over the past decade. However, any instance is one too many and the Government stand alongside all victims of this abhorrent crime.

Lord Scriven (LD): I am sure that the Minister agrees that it is normal and natural for some people to be born gay but that it is not normal and natural to be born homophobic—that is a learned prejudice. That being the case, what more will the Government do to support schools teaching inclusive relationship education that face demonstrations outside their gates? These do nothing to help eliminate homophobic prejudice and violence.

Baroness Williams of Trafford: I totally agree with the noble Lord that nobody is born with prejudice in their heart: these things are learned only from the external environment. In terms of what the Government are doing to get this message over to children, who are not themselves yet full of prejudice, the Home Office has funded multiple projects aimed at tackling homophobic, biphobic and transphobic hate crime. These include the Kick It Out campaign, which is a football project; the Barnardo's project, which works with schools in East Riding—I have visited the project and it is wonderful—and Galop, which produced and distributed a series of fact sheets and carried out research to understand and tackle online homophobic, biphobic and transphobic abuse. He will also have seen some of the campaigns that we have had recently on public transport.

Lord Rosser (Lab): The Home Secretary, in his Conservative leadership campaign, pledged to put 20,000 more police officers back on the streets—a figure that is very similar to the reduction in the number of police officers since 2010. Previously the Government have sought to argue that the number of police officers does not affect the crime rate, and the Home Secretary, with his campaign pledge, has now managed the feat of going off-message on his own policy line. Does this mean that the Government now accept that the incidence of crime, including ugly homophobic attacks, is influenced by the number of police officers in post and not just by improved police recording, as the Minister has suggested, and that we are all now paying a price for the substantial cuts in police numbers since 2010?

Baroness Williams of Trafford: My Lords, I do not think I have ever shied away from this issue at the Dispatch Box. In fact, I quoted my right honourable friend the Home Secretary in saying that the police had faced unprecedented demands in the last couple of years, particularly from terrorist crimes. He has now pledged over £1 billion to enable the police to recruit an additional 20,000 police officers. I do not think he has ever tried to deny that there have been unprecedented demands on the police.

Lord Cashman (Non-Afl): These attacks are a brutal reminder of inequality, where people are stabbed, beaten and abused for showing affection. I will make an observation and then ask my question. We are in dangerous territory indeed when some politicians seeking high office talk of sacrificing LGBT rights and the Secretary of State for Education hesitates before defending and supporting head teachers on relationship and sex education guidelines. What will the Government do to address their own findings that more than two-thirds of LGBT people fear discrimination on the streets, and how will they ensure that crimes based on someone's sexual orientation, gender identity or disability are treated equally to those based on race and faith?

Baroness Williams of Trafford: I totally agree with the noble Lord's points on inequality. While I have the opportunity, I wish Stonewall a happy 50th birthday. He is absolutely right that two-thirds of LGBT people feel they cannot express love for their partner in public; this was borne out in the survey that we carried out involving 108,000 people, the largest such survey in the world. On his point about head teachers too, I totally agree. Teachers should—and will—be able to teach children about the different types of relationships that exist in our world. As I mentioned at the Dispatch Box last week, comments in the press such as "Four year-olds are being taught about gay sex" completely misrepresent the situation.

Baroness Barker (LD): My Lords, the law governing hate crime stems from the legislation on human rights and equalities. Conservatives have now indicated three times that they are going to scrap human rights law by 2020. In the year of Stonewall's 30th—not 50th—birthday, does the Minister agree that this suggests that the legal protection for people in minority groups is somewhat under threat?

Baroness Williams of Trafford: I apologise for saying 50 instead of 30—

Lord Cashman: It is both.

Baroness Williams of Trafford: So we are both right: that is good; I was convinced it was about the same age as me—49, obviously. The noble Baroness is absolutely right. I am proud that this is such a tolerant country, a country so committed to equality. You will not find a finer example of tolerance and equality around the world than the UK.

Lord Lexden (Con): My Lords, do the courts need any stronger powers in punishing homophobic crimes?

Baroness Williams of Trafford: The Law Commission has been commissioned to look into hate crime and whether there are any gaps in the law. The noble Lord, Lord Cashman, touched on this when he spoke about equality across sentencing. The Law Commission is due to report to us next year.

Baroness McIntosh of Hudnall (Lab): My Lords, the Minister referred to the unprecedented nature of the challenges that the police face. While I do not in any way seek to underestimate those challenges, does she agree that what is unprecedented is not the challenges but the fact that the police are facing them with a severely depleted workforce?

Baroness Williams of Trafford: When I referred to unprecedented challenges, I was referring to the rise we have seen in recent years of cybercrime—an incredibly challenging crime to deal with—and terrorist incidents on the streets of this country. We acknowledge the fact that the police are under strain, hence my right honourable friend the Home Secretary's announcement.

School Admissions for Children Adopted from Overseas Bill [HL]

First Reading

3.39 pm

A Bill to make provision for children adopted from overseas to receive the same priority for admission to maintained schools as children looked after or previously looked after by a local authority in England.

The Bill was introduced by Lord Triesman, read a first time and ordered to be printed.

Arrangement of Business

3.39 pm

Baroness Smith of Basildon (Lab): My Lords, I apologise for detaining the House after Questions but I have to raise an urgent and important issue affecting today's business. Later we will debate an amendment in the name of my noble friend Lord Grantchester on the Government's secondary legislation amendment to the Climate Change Act that commits to cutting carbon emissions to net zero by 2050. We support that objective and obviously will not oppose the SI. However, we regret that there is a lack of detail as to how the target will be achieved and that shipping and aviation

[Baroness Smith of Basildon]
are excluded. Yet again, the Government are avoiding detailed scrutiny of their climate change policies. Still, none of that will stand in the way of the 2050 target becoming law, with our support.

It was therefore with some shock that we heard the Prime Minister, Theresa May, mislead the House of Commons today at Prime Minister's Questions when she accused Labour Lords of,

"trying to block the net zero 2050 legislation".

Clearly Mrs May has been misinformed. I would have welcomed an apology and correction by now. As that has not yet been forthcoming. I ask whoever is responding to confirm that the Prime Minister has got it wrong, and ask that she is now informed that she should apologise and ensure that a correction is made.

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): I am happy to recognise the Official Opposition's support for our objective to achieve net zero carbon emissions by 2050. Of course I understand that Members on the opposite Benches will want to challenge our policies and how we achieve them. On an issue where we agree, though, I have to admit that we are slightly disappointed that we might have a vote this evening. We are absolutely committed to achieving the target and want to work on a cross-party basis on the goal that we all share. My noble friend Lord Henley will have more to say when he introduces the order later, and I very much hope that we will persuade noble Lords that a vote is not necessary.

Baroness Smith of Basildon: My Lords, that is not good enough. The Prime Minister, albeit possibly inadvertently because she was badly advised, made a mistake. She has put misinformation on the record in the House of Commons. It is quite legitimate to support a target and an aim but to think that there are better ways of doing it. That is not opposing or trying to block something. I repeat: will the noble Baroness make it clear to the Prime Minister that she should apologise and retract her misinformed statement to the House of Commons?

Baroness Evans of Bowes Park: As I have said, I am happy to recognise the Official Opposition's support and I will make sure that I feed that back.

Lord Harris of Haringey (Lab): My Lords, surely the Leader of the House has to recognise that the role of this House in tabling regret amendments, rather than opposing orders, is an extremely important one. If the Prime Minister is allowed to continue in the misbelief that a regret amendment is the same as opposition, perhaps this House might find itself opposing statutory instruments rather than simply regretting them.

Lord Grocott (Lab): My Lords, is the Leader of the House going to answer the question? I will repeat it if she has missed it. At Prime Minister's Question Time, the Prime Minister clearly made an inaccurate statement. I was in the Chamber at the time and it stunned me when she said what she said; I probably had not followed this as closely as I should have done. I assume that she would gather her information about events in this House from the Leader herself; I may be wrong in that respect but I guess it might be the case in Cabinet or in another context. Is the Leader of the House now going to tell the House that the Prime Minister made an error and that that error needs to be corrected? Obviously it cannot be corrected immediately in the House of Commons, and I am afraid that it certainly cannot be corrected with as large an audience as is available nationwide at Prime Minister's Question Time, but the least damage will be done if the Leader of the House now apologises for what has happened on behalf of the Government and responds to my noble friend.

Baroness Evans of Bowes Park: I think I have responded, in the sense that I have recognised the Opposition's support. I have also said that I will take back the concerns about the way that this has been interpreted. However, I have been very clear to the Prime Minister and my other Cabinet colleagues, as I always have, that members of the Opposition in this House have supported the target. As I have said, we look forward to the debate later, and I hope we will persuade noble Lords of our commitment and our realism in trying to achieve the target.

Lord Blunkett (Lab): My Lords, if the Prime Minister accepts a peerage, perhaps we could ensure then that she understands the processes and procedures of this House.

Lord Naseby (Con): I am reflecting back some years and I cannot think of a case in which a problem created in the Commons was corrected in your Lordships' House. There may be a precedent. I do not think my noble friend was in the Commons, so I will say that this is clearly an important issue and the Opposition should allow the Government Front Bench to reflect on it and find out exactly what happened. I do not see how it can possibly be answered at this time.

Census (Return Particulars and Removal of Penalties) Bill [HL]

Third Reading

3.45 pm

Bill passed and sent to the Commons.

National Insurance Contributions (Termination Awards and Sporting Testimonials) Bill

Second Reading

3.46 pm

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

That the Bill be now read a second time.

Lord Young of Cookham (Con): My Lords, it is a pleasure to open this short Second Reading debate on the National Insurance Contributions (Termination Awards and Sporting Testimonials) Bill. This is a small but important Bill that aims to bring the national insurance contributions, NICs, and tax treatment of termination awards and sporting testimonials into closer alignment. The rules determining the income tax treatment of termination awards and sporting

testimonials were legislated for in the Finance Acts 2016 and 2017. Implementation of the measures in this Bill, announced at Budget 2018, will replicate these rules in NICs legislation.

The Bill has been expected for some time. Both measures were first announced at the Budget 2015, consulted on and published in draft in 2016. They were subsequently confirmed at Budget 2018, so they are expected by those affected and have been subject to much scrutiny. Together, they mean that a 13.8% class 1A employer NICs charge will be applied to income derived from any termination award over £30,000 or sporting testimonial over £100,000 that is already subject to income tax.

Let me give more detail on termination awards. Between 2013 and 2014, the Office of Tax Simplification reviewed the tax treatment of employee benefits and expenses. The OTS published an interim report in August 2013 identifying termination awards as a priority area. It found that relatively few employers and employees properly understood the regime and it recommended reform. The Government announced at Budget 2016 that they would implement the reforms of the tax and NICs treatment of termination awards and, shortly after this, they published draft legislation.

The reforms to the income tax treatment of termination awards were legislated for in the Finance (No. 2) Act 2017 and took effect from April 2018. The Government confirmed at Budget 2018 that the associated reforms to NICs legislation would be in place for April 2020. However, the fact that termination awards are currently subject to different income tax and NICs treatment has created confusion. Moreover, the current misalignment incentivises well-advised employers to disguise final payments as compensatory termination awards that benefit from a NICs exemption.

The Bill will place a 13.8% class 1A employer NICs charge on income derived from termination awards on amounts over £30,000. However, I assure noble Lords that employee NICs payments will remain entirely exempt. Employees will not face any additional liability as a result of these changes. Only around 1% of the workforce will receive a termination award in any given year, and of these around 80% will be unaffected by the Bill. This measure will raise around £200 million per annum for the Exchequer and make a useful contribution to public finances.

Finally on termination awards, it might be helpful if I address one of the main points raised during Report in the other place. Opposition Members proposed a new clause that would have required the Government to report every two years on the impact of the changes to termination awards on the number and size of awards, as well as any effect on specified groups with protected characteristics. As the Exchequer Secretary explained, the Government had already assessed the impact of the policy in compliance with our duties under the Equality Act 2010 and the conclusions were published as part of the tax information and impact note. No groups are explicitly targeted by the policy, which affects all groups identically in legal terms. Our assessment found no disproportionate impact on any of the groups specified in the proposed new clause. It is also worth noting that since 2017, if not further back, the Government have received no representations from stakeholders regarding any disproportionate impact on protected groups, despite our consulting extensively in 2015 and legislating for changes to the income tax treatment of termination awards in 2017.

I turn to the second measure in the Bill: aligning the class 1A employer NICs treatment of income from sporting testimonials with the income tax treatment. A sporting testimonial is a one-off event, or a series of related events, held on behalf of sportspersons who have played for a certain club for a long time. This often takes the form of an exhibition match involving famous players from the past and present. The testimonial can be used to raise money for the sportsperson before retirement, or sometimes to raise money for charity.

The relevant income tax changes came into force from April 2017. The rules governing sporting testimonials are now changing to give clarity to the NICs treatment. Currently, where a sporting testimonial is non-contractual or non-customary, it can be organised by a third party rather than the employer, to raise money without it being subject to NICs. Where the employer arranges the testimonial, if it is part of the contract or there was an expectation that the sportsperson would be entitled to one, the testimonial is already subject to income tax and NICs.

From April 2020, any income derived from non-contractual and non-customary testimonials arranged by third parties exceeding the £100,000 threshold will be subject to a class 1A employer NICs charge of 13.8%. I will say a few words about the £100,000 threshold. Some noble Lords may be aware that the Government consulted extensively on the proposals for reform, the draft legislation, guidance, and the threshold. Following this consultation, the Government increased the tax-free threshold from £50,000 to a very generous £100,000.

These types of testimonials will not be subject to employee NICs to ensure that the sportsperson is not adversely affected. I also emphasise that the Government expect the impact on charitable donations to be minimal, since donations made from sporting testimonials via payroll giving, operated by independent sporting testimonial committees, will not be subject to any income tax or NICs at all. I also reassure noble Lords that the vast majority of sporting testimonials will be unaffected by the Bill. HMRC estimates that there are only around 220 testimonials each year, with an average taking of around £72,000.

In conclusion, although this is a small Bill, it is nevertheless important and necessary. By bringing the national insurance and tax treatment of termination awards and sporting testimonials into closer alignment, the Bill simplifies the tax system, reduces the incentives for manipulation and raises important revenue for our public services. I commend it to the House.

3.54 pm

Lord Macpherson of Earl's Court (CB): My Lords, I will speak briefly in support of the Bill. It would be poor form not to, since the Bill has its origins in George Osborne's last Budget, when I was his Permanent Secretary.

[Lord Macpherson of Earl's Court]

In many ways, it is a textbook piece of tax legislation. It originated from a proposal from the Office of Tax Simplification and reflects extensive consultation. I recognise that increasing tax on redundancy payments will not satisfy all, but if they are subject to income tax, it follows logically that they should be subject to national insurance. Who knows? A higher tax charge might deter unnecessary redundancies.

Nearly every Government I worked for at the Treasury looked at bringing income tax and national insurance closer together. I remember a review in the mid-1990s, encouraged by the noble Lord, Lord Heseltine, which I suspect was led by the noble Lord, Lord Young, as Financial Secretary to the Treasury. However radical their initial intentions though, Governments tend to shy away from wholesale reform, understandably scared off by the number of winners and, more importantly, losers. The difference in assessment periods and tax base of national insurance and income tax is problematic. National insurance is assessed weekly; income tax is assessed annually. National insurance is payable only on earnings; income tax is payable on savings and rental income too. Income tax includes a number of reliefs, not least on pension contributions; national insurance does not. National insurance provides pension entitlement; income tax does not. National insurance is not payable by employees over the pension age; sadly, income tax is payable until you die. The income tax system is progressive, marginal rates increasing with income; national insurance is not. Indeed, once earnings go above the upper earnings limit, the employee's marginal rate falls from 12% to 2%.

Therefore, although there would be substantial administrative gains if income tax and national insurance were brought together, and the tax system would become altogether simpler and more intelligible for citizens, Governments generally conclude that full alignment is altogether too difficult. Indeed, I wonder how much Governments really want it. National insurance rates have almost doubled during my working life, while successive Governments have taken credit for reducing the basic rate of income tax from 33% to 20%.

All that said, it is still possible to create greater alignment. The Bill represents a small step in that direction. I would be grateful if the Minister would confirm that the Government remain committed to finding further ways of bringing income tax and national insurance closer together. It is right in principle that sporting testimonials and large redundancy payments are subject to income tax. If that is the case, they should also be subject to national insurance.

It is a pity that only employers' national insurance contributions—class 1A—are being applied. There is a strong case for applying employee national insurance contributions as well. No doubt the Government will argue that there are precedents for exempting certain types of employment income from class 1. For example, benefits in kind, such as a company cars, are subject to class 1A but not class 1. I encourage the Government to look at this again at some point in the future. The national insurance system should not discriminate between different forms of remuneration. Potentially, it would bring in some useful additional revenue, which, to judge by the spending commitments of the candidates to be the next leader of the Conservative Party, will be needed.

In seeking greater alignment between national insurance and income tax, I encourage the Government to keep two areas in their sights. The first is self-employed earnings, where the Office of Tax Simplification recommended abolishing class 2 and raising class 4. Sensibly, the Chancellor came forward with a proposal on this in 2017, but he was forced by a strange coalition of Brexiteers and the Official Opposition to withdraw it. At some point, maybe many years hence, a Government will be elected with a rather more compliant majority than exists today. At that point, I hope Treasury Ministers will have another go at simplifying the system and creating greater alignment between employee and self-employed national insurance.

Secondly, by bringing the starting point for income tax and national insurance closer together, Gordon Brown achieved broad alignment in the early 2000s. For the rest of that decade, the annualised lower earnings threshold was maintained in line with the income tax personal allowance. The coalition Government chose to prioritise increases in the income tax allowance. The national insurance threshold has been left behind. At some point, I hope the Government will seek to close the gap. I am encouraged that both candidates in the Conservative Party leadership election have advocated a rise, although they have not yet said how they propose to fund it. I know closing the gap fully would be very expensive, but if in future the Government have the resources to cut taxes, I hope they will make this a priority. Meanwhile, I strongly support the Bill and wish it safe passage.

3.59 pm

Baroness Kramer (LD): My Lords, I intend to be very brief on the Bill and I certainly will not oppose it, but I want to pick up a couple of issues raised by the noble Lord, Lord Macpherson, from a slightly different angle. I follow the logic of keeping national insurance contributions so that, essentially, they track the pattern of income tax—though I am delighted by the Minister's assurance that this is not mission creep and we will not very shortly see coming down the track an attempt to apply a national insurance tax on the employee. We are looking at employees at a fairly critical and difficult phase of their lives. That is one thing you can be fairly sure of when somebody's employment ends, especially when it is an unexpected redundancy. That is the issue I want to raise.

Our tax system deals very badly with earnings that spike in one particular year. To give a redundancy example, somebody who is made redundant in one year and receives a substantial payment might then not be employed for the next three years. It makes you question whether applying the taxes we do was appropriate in the way that it was attached to that redundancy payment. We do not do things such as income averaging, which other countries use. As we look at the whole world of work and how it is changing—with changes in how people are employed and paid, and the mixed and portfolio lifestyles they have—we need to step back and look again at how we track both income tax and NICs. I have no problem bringing them into

alignment if that can be workable, though the transition looks absolutely terrifying and near impossible. At some point, however, we have to look much more fundamentally at whether these systems actually work with the way people work and earn their living today.

With that exemption, and taking the Minister entirely at his word that there will be no move to suddenly apply NICs to the employee, I support this legislation. The Minister was kind enough to meet us earlier and clarified a couple of questions in his opening statement, but I want to know whether there is any further information on one issue: do we have any evidence that this was being abused? Logically, one could work out how it could be abused, but I am not quite sure how much evidence there is that anyone was abusing it. That is rather an interesting question when we look at this legislation today.

4.02 pm

Lord Tunnicliffe (Lab): My Lords, before I begin, I should like to thank the Minister and his team for the briefings they have held on this Bill. Early engagement is always useful, particularly when dealing with technical taxation measures. In particular, his team's and his own thoroughness is such that I do not expect to have to bring forward any probing amendments; the concept of the Bill has been battered into my brain sufficiently.

Second Reading is normally a time for us to come together and debate the lofty ambitions of the Government of the day. Clearly, the role of your Lordships' House is somewhat constrained when it comes to matters of finance. However, noble Lords ordinarily enjoy the opportunity to make speeches on wide-ranging aspects of the UK economy. But as has become conventional in these somewhat unconventional times, Ministers have found themselves scrambling for any legislation that can bulk out the timetable and survive a fractured House of Commons. So, having dealt with the fate of 19 individual animals—as important as they are—just last week, your Lordships' House now finds itself discussing the mirroring of current income tax arrangements for termination awards and proceeds from sporting testimonials for national insurance purposes.

I understand from those who follow such things that I achieved notoriety in the stand-up routine of the *Times* journalist Matt Chorley when I used his catchphrase, "This is not normal", in a debate in February. However, we find ourselves in the longest parliamentary Session by sitting days since the English Civil War while the Government scrape the barrel for things to do. This truly is not normal. We on these Benches would prefer to be dealing with more pressing tax matters. That includes taking action to crack down on the tax avoidance and evasion that prevents much-needed extra spending on public services.

Nevertheless, while the Bill before us lacks ambition, we must diligently carry out our work and consider the implications of these changes to the tax code. The genesis of the Bill was a wide-ranging review by the Office of Tax Simplification in 2013. The first set of recommendations, to make relevant payments subject to income tax, were legislated for several years ago. Now, as the Minister explained, we are legislating to levy class 1A employers' NICs charges on the same payments. While the OTS has a noble aim, the matters under consideration today provide a reminder of why tax is often anything but simple.

On termination payments, we have concerns that the introduction of additional employer NICs may act as a disincentive to responsible employers who want to top up statutory redundancy payments in recognition of an employee's contribution to the firm. I am grateful to Treasury officials who have listened to this concern in meetings and I accept their argument that the number of cases is likely to be small. However, I hope that the Minister can provide reassurance that the Government will reflect on this point when reviewing the impact of the legislation in due course.

While the definition of a termination payment is beyond the scope of the Bill, as helpfully laid out in a letter from the Minister on 24 June, I hope consideration will be given to how future tax changes can encourage employers to properly look after those employees whom they have to let go.

I would be grateful if the Minister could clarify how different forms of termination payment, whether below or above the £30,000 threshold, are treated for the purposes of determining eligibility for, and the calculation of, social security benefits such as universal credit.

In a meeting with the Minister and his officials, we also discussed the potential for errors to be made when the new regime takes effect in 2020. I was reassured that responsibility for any miscalculations will lie ultimately with the employer and that individuals will not be pursued by HMRC to recoup any sum from which the correct deduction has not been made. I would be grateful if the Minister could put this on the record and confirm that this differs from the situation with regard to income tax, whereby shortfalls in tax due can be recouped in the usual way.

Turning to sporting testimonials, I understand that the Minister will provide further clarity on the types of event to which the Bill extends; that is, providing a plain English explanation of "non-contractual, non-customary". The policy note on GOV.UK notes that the impact of this change is "negligible". It notes that around 220 testimonial committees are established each year, but that only a small number will be impacted by the measure. It further acknowledges that there will be a cost and additional administrative burden for testimonial committees as a result of the policy change. Given that the Exchequer will gain little, I return to my previous observation that tax simplification, while desirable, should not be prioritised over other, more fundamental issues in the tax system or wider UK economy.

A concern raised by my colleagues in the Commons related to the Bill's impact on charitable donations arising from testimonials. A number of sports men and women who are financially secure choose to use their testimonial to support charities, including their own foundations. However, introducing a new NICs charge will reduce the funds passed on to those organisations. Can the Minister clarify what guidance will be made available to committees to ensure that charitable donations resulting from testimonials are treated in a tax-efficient manner? As in the case of redundancy payments,

[Lord Tunnicliffe]
it would be a shame if an unintended consequence of this measure was to introduce additional barriers to what we all recognise as generous and responsible behaviour.

Finally, as the Bill progressed through the Commons, my colleagues probed what steps the Treasury will take to review its impact. We may choose to pursue this as the Bill progresses here, particularly in relation to my concerns about charities. We look forward to continuing our engagement with the Minister and his officials, and hope that the Government will take appropriate steps to address the concerns raised. I also note that the more interesting elements of the Bill, frankly, sit in the income tax legislation to which it cross-refers. Therefore, it would be inappropriate for this House to address the fundamental concept of the Bill, which is to use the essence of the tax legislation as the basis on which it functions. We are not likely to pursue any amendments to that end.

4.10 pm

Lord Young of Cookham: My Lords, this has been a short but interesting debate, and I am grateful for all the contributions made. The noble Lord, Lord Macpherson, claimed paternity for this reform and emphasised the logic of what is contained in the Bill. He reminded us of the different characteristics of national insurance and income tax and raised some broader issues about alignment. I can confirm that we will continue to look for opportunities for alignment, as he suggested. He wanted to extend the measure to employee NICs, which I think would qualify as mission creep in the vocabulary of the noble Baroness, Lady Kramer. We have no plans to charge employee NICs on termination awards, or indeed on testimonials. We think that the changes in the Bill strike the right balance between simplification and keeping taxes associated with redundancy at a reasonable level.

The noble Baroness asked about abuse. HMRC has evidence that a minority of well-advised employers have been manipulating the rules to minimise their NICs liability, which is a further reason for seeking to bring in this alignment. She made an interesting point about averaging: namely, that if you get a lump-sum redundancy or testimonial and no other income for a period, you should be allowed to spread it over a number of years. I would be misleading her if I said that that was likely to happen, but it is an interesting suggestion which we shall take on board and see whether there is an opportunity to spread the receipts.

I am grateful for the kind words of the noble Lord, Lord Tunnicliffe, about Treasury officials. He raised concerns that the Bill would result in smaller termination awards being made to employees unfortunate enough to lose their jobs. Noble Lords will know that no individual, on termination of his or her employment, will face an additional NICs liability as a result of the Bill. The class 1A employer NICs liability is a liability on the employer. On his question, as I think I said earlier, only 1% of employees receive a termination award each year, and of these only 20% will be affected by the Bill—but it is entirely up to businesses how any additional NICs liability is accounted for.

The noble Lord asked for reassurance that responsibility for any miscalculations of class 1A employer NICs or income tax will lie with the employer. I am happy to confirm that position for national insurance. In the case of any underdeduction or underpayment of PAYE income tax by an employer, HMRC is obliged to recover in the first instance from the employer. However, in some circumstances, for example where the employer made an innocent error or the employee knew that insufficient tax had been paid, HMRC may transfer the PAYE income tax to the employee at a later point.

The noble Lord asked how different forms of termination payment were treated for the purpose of determining eligibility for, and the calculation of, social security benefits such as universal credit. I can reassure him that the changes being introduced in the Bill do not affect the interaction of termination payments and universal credit. Termination payments in the form of redundancy pay are treated as capital rather than earnings and are therefore disregarded as income for universal credit purposes. However, if that payment results in someone having more than £16,000 in savings, they would no longer be eligible for universal credit. Termination payments in the form of payments in lieu of notice—PILONs—are treated as earnings for universal credit.

None the less, the Bill will not negatively affect a household's universal credit entitlement, because earnings for universal credit are considered net of income tax and NICs. This is fair, as the purpose of a termination award or sporting testimonial is to ensure that the individual unfortunate enough to lose their job receives a lump sum, a large part of which is tax free, to cover the costs associated with retraining and finding a new job.

With regard to sporting testimonials, the noble Lord raised a concern that the new NICs charge could reduce donations to charitable organisations. I am happy to reassure him that, because testimonial committees are required to operate PAYE on income from testimonials in excess of £100,000, any charitable donations can be made through payroll giving without incurring any income tax or NICs liability at all. HMRC will ensure that the published guidance will make this clear prior to implementation.

I also assure the noble Lord that, although we have received no indication that the current guidance is causing any practical difficulties and this Bill does not make any changes that would supersede it, we will continually update our guidance in response to the issues raised during the passage of the Bill. This will include some practical examples of non-contractual and non-customary sporting testimonials to ease understanding, in response to the issue just raised by the noble Lord.

The noble Lord also asked what steps the Treasury would take to review the impact of the measures in the Bill. Again, I reassure him that the Treasury will continue to keep these issues under review once the measures in the Bill are in force. In the published tax information and impact notes for the measures in the Bill, the Government set out their commitment to review the policy through communication with taxpayer

groups affected by the measure. We are also committed to carrying out post-legislative scrutiny three to five years after the Bill becomes an Act.

I say to the noble Lord and to all other noble Lords who have taken part in this debate that we are of course happy to have further informal discussions before the remaining stages of the Bill if any noble Lords would find that helpful. I am grateful for the opportunity to explain the issues that have arisen today and for the support of noble Lords for the Bill, and I am delighted to commend it to the House.

Bill read a second time and committed to a Committee of the Whole House.

Climate Change Act 2008 (2050 Target Amendment) Order 2019

Motion to Approve

4.17 pm

Moved by ***Lord Henley***

That the draft Order laid before the House on 12 June be approved.

Relevant document: 53rd Report from the Secondary Legislation Scrutiny Committee

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con): My Lords, two weeks ago, in laying this order, my right honourable friend the Secretary of State for Business, Energy and Industrial Strategy made a Statement in another place, subsequently repeated here, setting out the Government's ambitions to reduce greenhouse gas emissions from a target of at least 80% to 100%. This draft order does just that by seeking to amend the Climate Change Act. The target, otherwise known as net zero, will constitute a legally binding commitment to end the UK's contribution to climate change.

I note the attention the Secondary Legislation Scrutiny Committee has drawn to this draft order, specifically on the economic and wider societal implications. I thank the committee for its review of the order and will address these points in my speech. However, first I will set out the case for action.

Last year the Intergovernmental Panel on Climate Change published its report on the impact of global warming at 1.5% above preindustrial levels. In that report it made it clear that a target set to limit global warming to 2% above preindustrial levels was no longer enough. It made it clear that by limiting warming to 1.5%, we may be able to mitigate some of the effects on health, livelihoods, food security, water supply, human security and economic growth—

Viscount Ridley (Con): My noble friend mentions "2%" and "1.5%". Surely, he means 2 degrees centigrade and 1.5 degrees centigrade above preindustrial levels?

Lord Henley: My noble friend is absolutely correct. I should have said 1.5 degrees centigrade and 2 degrees centigrade, and I am grateful for that correction.

The panel made it clear that countries across the world, including the UK, need to do more.

The House has heard of the great progress we have made in tackling climate change; of how we have cut emissions—on this occasion I will correctly give a percentage—by 42% since 1990, while growing the economy by 72%; of how we have cut coal from 40% of our electricity generation to less than 5% in just six years; and of our leadership role in sectors from offshore wind to green finance. That progress has been delivered by parties across this House and by communities across the UK. But we know that this is only the start and that we need to do more. That is why we commissioned our expert independent advisers, the Committee on Climate Change, to see if we should, and could, go further than our 80% target and set a target for achieving net zero greenhouse gas emissions. On 2 May the committee responded.

In its report, the committee has told us, quite clearly, that ending the UK's contribution to global warming is now within reach. It has advised that a net zero emissions target is necessary, because climate change is the single most important issue facing us; feasible, because we can get there using existing technologies and approaches, enabling us to continue to grow our economy and to maintain and improve our quality of life; and affordable, because it can be achieved at a cost equivalent to 1% to 2% of GDP in 2050. Due to falling costs, this is the same cost envelope which Parliament accepted for an 80% target back in 2008. That is before the many benefits, from improved air quality to new green-collar jobs, are taken into account.

The Secondary Legislation Scrutiny Committee drew particular attention to the economic and societal impacts of this transition. While this statutory instrument does not in itself place a direct burden on any other body than central government, it is right that we understand how to meet the costs of this transition in a fair and balanced way. That is why the Treasury will be taking forward a review on how to achieve this transition in a way that works for households, businesses and public finances. The review will also consider the implications for UK competitiveness. We provide full impact assessments when we set carbon budgets and will continue to do so for the sixth carbon budget when that is set.

In its report, the Committee on Climate Change made it clear that 2050 is the right year for this target and is the appropriate UK contribution to the Paris agreement; it does not currently consider it credible for the UK to aim to reach net zero emissions earlier than 2050. I thank the Committee on Climate Change for the quality, breadth and analytical rigour of its advice.

Recent months and weeks have been a time of huge and growing interest in how we tackle the defining challenge of climate change. Calls for action have come from across society, and we all know that in doing this, it is important that we take people with us. My message today is that we have listened and we are taking action.

This country has long been a leader in tackling climate change. Thirty years ago, the then Prime Minister Mrs Thatcher was the first global leader to acknowledge at the UN,

"what may be early signs of man-induced climatic change".

[Lord Henley]
Eleven years ago, Parliament—under a different Government, of a different hue—passed the ground-breaking Climate Change Act, the first legislation in the world to set legally binding long-term targets for reducing emissions. That Act, passed with strong support from all sides of both Houses, created a vital precedent on climate: listen to the science; focus on the evidence; pursue deliverable solutions. Today I believe that we can make history again as the first major economy in the world to commit to ending our contribution to global warming. I ask the House to come together today in the same spirit to support this draft legislation.

Lord Howell of Guildford (Con): Before my noble friend comes to an end, does the measure address carbon consumption, as opposed to carbon production? Carbon consumption is increasing fast and will increase further under this measure. Is that not considered important?

Lord Henley: My noble friend is of course correct: as he is aware, this is about carbon production. If we wanted to measure total consumption, we would need worldwide agreement with other countries and changes would have to be made. At this stage, that is not the case. We believe that this is an important moment to show the world what we are determined to do, and not to rest on our achievements.

I was not coming to an end, because now is the time to say a word or two, particularly as it came up in various interventions after Question Time, on the Motion—

Lord Rooker (Lab): Before the Minister goes on to a different subject, as I understood him the noble Lord, Lord Howell, was asking about carbon production. I do not think the Minister addressed that. I think his noble friend was talking about issues such as afforestation, so that we do things other than cutting out boilers in houses. Does the order address those aspects of climate change?

Lord Henley: The order addresses setting a new target. Obviously, we will have to address the questions about how we achieve it. As I understood my noble friend's question—I may have misunderstood him—he was concerned about our production of carbon as a country. He was addressing consumption and what one could therefore say was displaced production: consumption by means of importing things that might otherwise have been produced in this country. That is what I was trying to address, and I hope that the noble Lord will accept that. On his other point about the means by which we do that—whether we can also reduce levels of carbon by planting trees, carbon capture and storage, or whatever—I imagine that all these matters will come up, but that is another issue and not for the order.

I turn to the amendment in the name of the noble Lord, Lord Grantchester, because it might help if I say a few words now in advance of him, presumably, moving his amendment and then making a decision on what he wants to do with it. I believe that his amendment is unnecessary and that a bipartisan approach to the order is very important. As I put it earlier, this is something on which the bipartisan approach and the need to take people with us is important. Perhaps I can deal with the three points that he makes in his amendment.

On the first, I direct the noble Lord to the detailed and analytically rigorous report we have had from the Committee on Climate Change and assure him that it is just the start. We will build on the frameworks set out in our clean growth strategy and industrial strategy to deliver that target. As the climate change committee has acknowledged, those provide the right framework for action. In addition, our forthcoming White Paper will outline the Government's vision for the energy system to 2050. On his second point, we are using the powers set out in the 2008 Act—an Act introduced by the Government of whom he was a supporter, and which again had cross-party support. The climate change committee's report has also shown that that target is now feasible and deliverable, and can be met within the same cost envelope as the 80% target. I have also announced that the Treasury will publish a review on that point. On his final point, although emissions from international aviation and shipping are not formally included within the legislative target, we have made clear the need for action across the whole economy, including international aviation and shipping. As he knows, emissions from domestic flights and shipping are already covered by our existing domestic legislation—

Lord Deben (Con): My Lords—

Lord Henley: If I may finish this sentence, I will give way. They are already covered by our existing domestic legislation and the Committee on Climate Change accounts for international flights in its advice to us on setting interim carbon budgets. That will continue to be the case for our more ambitious target.

4.30 pm

Lord Deben: Does my noble friend wish to emphasise the fact that, under the arrangements here, shipping and aircraft emissions are included in our estimates and budgets so that, although how we will do it internationally may still be a matter for argument, the Government have committed that the net zero will cover emissions from aeroplanes and shipping?

Lord Henley: My noble friend is correct. I was trying to distinguish between domestic and international in the legislation that we already have. As I and my noble friend have made clear, both of them will continue to be covered in our interim budgets.

Today is just the start. We have laid a strong foundation in the clean growth strategy and the industrial strategy—a point borne out in the independent advice from my noble friend Lord Deben as chairman of the Committee on Climate Change. As I think all noble Lords will accept, achieving net-zero emissions will require hard choices and leadership. It will require us to agree on the ends and strive for consensus on the means, which is why I stress how important it is to take people with us. It will require us to continue to transform our economy, our homes, our transport, our businesses and how we generate and use energy.

Our forthcoming energy White Paper, which noble Lords must wait for, will outline the Government's vision for the energy system in 2050 and a series of actions to enable that system to evolve during the next decade to achieve our 2050 aims. We will lay out plans across other sectors in the months and years ahead. With continued cross-party support and collaboration across all sectors in society, we can deliver this. I commend the draft order to the House.

Amendment to the Motion

Moved by ***Lord Grantchester***

At the end, insert: "and that this House supports the objective of achieving net-zero carbon emissions by 2050, and acknowledges the substantial implications of this Order for the United Kingdom; but regrets that Her Majesty's Government have (1) given little detail of how the emissions target will be met; (2) made a substantial change in policy without the full and proper scrutiny that such a change deserves; and (3) not introduced regulations under section 30 of the Climate Change Act 2008 to include greenhouse gases from (a) international aviation, or (b) international shipping, as part of the emissions target".

Lord Grantchester (Lab): My Lords, I thank the Minister for his explanation of the order. I was always fearful that proposing my amendment before the House could give rise to misinterpretation. The amendment has been carefully drafted. As the House well understands, there are only two mechanisms by which the House can signify a response to the Government concerning statutory instruments: either a regret Motion or an annulment Motion. A careful reading of this amendment will confirm that Labour very much supports the order. Indeed, it forms the basis of Labour policy and was called for in the other place as far back as a year ago by our party leader, Jeremy Corbyn, and the shadow Secretary of State for Business, Rebecca Long-Bailey.

The amendment does not seek to block the order or frustrate the process. The order will go forward today. It is another step in the right direction, as envisaged by the drafting of the Act in 2008. As scientific knowledge advances and experience is gained, today's momentous move to a permanent net-zero carbon economy can be put into effect by the order, which substitutes the figure of 100% for 80%. However, the text of the amendment lays bare that the Government are not doing it properly. It reflects the summary conclusion reached by your Lordships' Secondary Legislation Scrutiny Committee's 53rd report, paragraph 12 of which states that,

"the Department should have acknowledged",

in the Explanatory Memorandum this order's far-reaching impact and summarised,

"the work that is underway to assess the significant costs and wider impacts of the transition, to inform Parliament's scrutiny".

The Minister in the other place, Chris Skidmore, did not take account of this in subsequent dialogue with the committee. Paragraph 10.3 of the Explanatory Memorandum to the order states:

"If the instrument makes provision different from that recommended by the Committee, the Secretary of State must publish a statement setting out the reasons for that decision, pursuant to s3(6)".

It could certainly be concluded that this order does not follow that recommendation and that the Secretary of State has not made adequate statements about that decision.

The most important feature is included under the third point of the amendment: that, once again, the Government have,

"not introduced regulations under section 30 of the Climate Change Act 2008 to include greenhouse gases from … international aviation, or … international shipping—

IAS—

"as part of the emissions target".

In 2012, the Committee on Climate Change recommended this only for Ed Davey, then Secretary of State for Energy and Climate Change, to reject it and say that it should be covered at international level. In 2015, the Committee on Climate Change again recommended the proposal for inclusion under the fifth carbon budget for the years 2028 to 2032. Once again, it was rejected. Now again, in 2019, as part of the "net zero by 2050" target, IAS emissions are excluded.

In its recommendations, the Committee on Climate Change has proposed that emissions from international aviation should be added, based on the UK's share of the EU Emissions Trading Scheme's cap of flights departing the UK. In their interpretation of Brexit, the Conservative Government have signalled that they will remain party to the ETS. Can the Minister confirm this and state why this recommendation cannot go forward?

The committee recommended that emissions from international shipping be added based on projections of UK emissions in one of three options: bunker sales, trade share of the UK global trade percentage or activity based essentially by route. I will be happy if the Minister writes to me with a serious response to the recommendation. However, I point out to him the words of the Prime Minister's office responding to questions on net-zero emissions by 2050:

"This is a whole economy target … and we intend for it to apply to international aviation and shipping".

Paragraph 10.5 of the Explanatory Memorandum replies that the Government,

"will continue to leave headroom",

—note the "continue"—for IAS emissions in carbon budgets while reduction strategies are,

"developed within International Maritime Organisation and International Civil Aviation Organisation frameworks".

However, this is a hollow commitment, as the Government are already failing to abide with the fourth and fifth carbon budgets, which were drawn up within the pathway of reaching 80% carbon emissions reduction at 2 degrees of global warming. Let us state it again: this order is to reach 100% reductions to reach net zero at 1.5 degrees of warming. The latest, updated emissions projections from the department are that we are some 7% over the requirements for the fourth carbon budget and 13% over those for the fifth. What urgent steps are the Minister and the Government taking to get the UK back on track to meet the already-agreed carbon budgets?

The headline recommendations of the Committee on Climate Change report of May 2019 on net zero were clear: in order to deliver,

"a greater than 50% chance of limiting global temperature increase to 1.5°C",

[Lord Grantchester]

a net-zero greenhouse gas emissions target for 2050,

"would respond to the latest climate science and fully meet the UK's obligations under the Paris Agreement".

It stated:

"A net-zero GHG target is not credible unless policy is ramped up significantly",

and recommended:

"Delivery must progress with far greater urgency".

There needs to be widespread collaboration across government with all sectors of the economy to deliver benefits for the environment, the economy, customers and citizens. Net zero will be possible only if the UK meets the challenge of decarbonising transport and heat; 2040 is already too late for the phase-out of petrol and diesel-powered vehicles. Battery technology development is urgently required. There is still no serious plan for decarbonising the UK's heating systems. Carbon capture usage and storage is yet to get started and afforestation targets are not being delivered.

It is important to recognise that the committee declared the costs as manageable. As the cost of renewables has fallen, the cost equivalent of 1% to 2% of GDP in 2050 is the same as its previous estimates of meeting the 80% reduction. It judged this cost affordable. The committee called for an early review by the Treasury to assess the plan for funding and a distribution of costs for business, households and the taxpayer. Can the Minister give an indication today in regard to the scope of this review, as the Chancellor of the Exchequer has already suggested opposition to the current 1% to 2% of GDP cost? This review should be comprehensive and include taxation, subsidies, incentives and customer costs, as well as the wider potential benefits and costs of inaction and climate events.

The Government also need to unblock the hurdles put before onshore wind's participation and provide clarity to the nuclear sector. The importance of energy efficiency for homes and businesses needs repurposing, along with carbon-free housebuilding. That there is so much to propose and debate underlines the Government's lack of policy proposals. The forthcoming energy White Paper gives the Minister the opportunity to answer these challenges and include the Government's plans, with milestones, to achieve a minimum of net zero by 2050. Indeed, this target may need to be reassessed again. Having set this framework, the Government must introduce a comprehensive strategy of engagement across businesses, customers and the wider public. The Government deliver a wide range of services—through health and education, among others—and are well placed to lead the country's response to achieving necessary targets. The Minister will remember that the House wished only to secure the achievements of a smart meter rollout in debating that legislation last year.

It should also be recognised that the foundations are in place to enable the UK to reach net zero by 2050. Successive Governments have attained notable achievements and set up the necessary framework, within which measures can be brought forward at least cost. I refer here to the achievements secured through the capacity market and the contracts for difference framework.

The indicators for success are positive. Fifty per cent of electricity generation now comes from low-carbon sources. The country has just experienced an 18-day period of coal-free generation. I could not wish my amendment to be misunderstood any longer and we are making progress. We will continue to work with government and all stakeholders to meet the climate challenge, and we approve of the order. However, the Government need to recognise the urgency to make progress. Can the Minister assure the House that the energy White Paper will be published with enough time to review it and enable a debate to happen before the Summer Recess? Can he give the House confidence that goes beyond rhetoric that the Government will tackle the issue seriously and that our schoolchildren can now return to their studies with hope?

My amendment is clear. I approve of the order before the House but regret that the Government are not taking their responsibilities seriously. I beg to move.

4.45 pm

Lord Deben: My Lords, the issue before us has been debated often before, but I think it would be helpful if I were to describe how the process works. First, I want to go back to the Climate Change Act and remind the House that it was entirely a cross-party decision. It was proposed by all the opposition parties. It was prepared by the Conservatives with Friends of the Earth, and it was supported by the Liberal Democrats, the nationalist parties and the independents—yet it was not pushed in that way. It was pressed upon the Government that the Government should introduce it in order that it would be a totally cross-party decision. My predecessor, the first chairman of the climate change committee—I declare my interest as chairman—was manifestly independent and able to mirror that cross-party agreement. There were a few who voted against it. My noble friend Lord Lilley has been opposed to it ever since then. I venture to say that he was wrong then and he is wrong now, but that it not the point. He is in a minority now, as he was then.

The reason we passed that Act was that we saw that climate change was the biggest material threat to us that existed. Now fast forward to Paris. It is worth reminding the House that the agreement in Paris is, of course, not perfect, and many countries will not do what they promised to do. Indeed, if they all do what they promised to do, it is still not enough; they will have to do more. However, the fact is that it was a unique moment in the sense that every country in the world agreed to do something together. That has never happened before and is illustrative of the fact that the world understands just how serious the issue is. Those who seek to hold Britain back must remember that this is a decision which the world has made and is continuing to make a reality. I will come in a moment to the question of the distinction between production and consumption emissions, but it is worth starting by saying that we agreed on measuring production emissions because those are the emissions that we can control; they are the things that we can make sure we reduce and, if we concentrate on them, we will not double count.

We had to put Paris into operation. In the cross-party balance that I shall seek, I must start by congratulating the Government on being the first Government who

asked for the means whereby we could meet our Paris obligations. It was that request which the climate change committee sought to answer in its recent report. I was unhappy to hear those who said that the report was uncosted and unprepared. It has been recognised universally as the most seriously presented, costed effort to show the answer to the three main questions we were asked. The first was: was it necessary to do this and, if it were necessary, should it cover carbon and greenhouse gases as a whole or just carbon? The second big question was: was it possible? The third big question was: by when was it possible? The committee approached these questions by using all the information that was available, by seeking to fill in gaps where there were gaps and by seeking the best information and the best scientific base in order to fill those gaps.

Those who do not accept what we are doing today have a responsibility to argue the case, the details and the facts, and to show the science which they claim argues a case different from this one. I put it to your Lordships that this is by far the best document that has been produced, making the best attempt to look at how to face this real international emergency, and that so far, no one has made any basic statement, backed by facts and science, that gainsays the argument that we can do it, that we have to do it and that we can do it by 2050.

Therefore, I thank the Government for asking the question. I remind the House of what I said in another debate: if you ask the question and you get the answer, you cannot ignore it. The problem with knowing is that it brings with it responsibility. It is the story of Genesis: once you know, you cannot avoid responsibility. Mr Trump does not want to know because, if you know, you have to act.

I put it to the House that those who deny the way in which we propose to act, feeling that it is impossible, have to explain to the House why this issue is not as serious as we think it is. It is no good just saying, "Well, it's going to be expensive and difficult, and really we don't much like it". They have to explain why they believe that climate change is not the threat that it is and that ignoring it will not risk what most of us believe we risk.

I remember a comment made by my noble friend Lord Garel-Jones. He said to a climate change sceptic, "If we do what the climate change committee says and it turns out not to be right, we will have cleaned up the world in a remarkable way. It might have cost us a lot of money but, on the other hand, if we do what the sceptics say and they turn out to be wrong, we will have buggered up the planet". That is the fundamental choice that we are making. The Government have accepted that that means that we have to set this zero target, and it is of course a target for all greenhouse gases and not just carbon. Those of us on the committee came to the decision that that was so, and we have argued that case on some very—if I dare use the word—conservative lines.

First, we have assumed, and argued on the basis, that we have only the technology that we have; we have not taken a sort of Bush-ite attitude that something will turn up. Secondly, we have not taken into account the extra advantages that one could argue would come in other areas, such as health. We have not done that because we felt that we should put the most conservative —in other words, the most expensive—facts before the nation, as that was the right way to do it. We have also made sure that we have not included any major estimate of the reduction in costs, even though the costs of what we are doing have fallen dramatically in the past. We did all those things because we believed that that was the way to make the nation accept that this was possible, necessary and affordable, even if we put the highest price tag on it, as we should.

We are disappointed, I have to say, that those who appear not to have done the mathematics have produced new figures, some entirely out of the blue and some based on absolute nonsense. The Global Warming Policy Foundation talked about a figure reached by suggesting that to retrofit every house in Britain would cost £150,000 per house. Of course, you can produce any old figure you like if you start with rubbish figures in the first place.

I am sorry to see that a letter was sent to your Lordships by the president, I think, of the Global Warming Policy Foundation, which says, first, that we are presenting a new Bill. There is no new Bill here. We are saying that the amount of money, of between 0.5% and 2% of GNP—which Parliament had already voted for to cover the 60% reduction in emissions that we first thought we had to achieve, then voted for again to cover the 80% reduction—is the same amount that will be necessary to reach net zero. The reason for this is that we have been able to meet the 80% reduction at a much lower price than we expected, not least because of a reduction in the cost of offshore wind and the like. I remind the Government, to whom I have one or two things to say, that offshore wind became as cheap as it did because the Government intervened, providing the possibility of the money to create a market, which meant that offshore wind dropped in price. This is not just a matter of leaving the market to act, but of creating the circumstances in which the market can act.

I point out to the House that the figures in this document—this letter written to everyone—are just not true. The true figures are those that have been worked on for months by the best brains we could put together. Those are the figures on which we should base our future, not figures that have always been wrong. The Global Warming Policy Foundation has been wrong on every single figure it has put forward; there is no reason now to accept what it says. I say to my noble friend that when you agree to a net zero target, agree that it will be statutorily enforceable, and agree that you will commit to it, it is necessary to provide the means of doing so. The Government have not done that. As we said in our last annual report, the Government, although on course to meet the third carbon budget, are not on course to meet the fourth or fifth carbon budgets. Unless they do so, they cannot meet the net zero target we are today putting into law.

The whole idea of having budgets was that nobody would put off until tomorrow that which they should do today; that is why we have budgets. If we did not, as we perfectly well know, every Government—Labour, Liberal Democrat, Conservative or any party you

[LORD DEBEN]
like—would always find a good reason for not doing today what they ought. The targets in those budgets set a mechanism by which we have to do what is needed now. If we do not meet those targets, we are laying on the shoulders of future generations that which we should carry. We have to carry it. The words of these young children remind us that it is their future we have in our hands. Many of us in this House will not be here in 2050, but what happens in 2050 will affect all those we love most. The idea that we should betray them by not doing what we know we should is unacceptable.

The Government have to recognise that they are behindhand on their decisions about transport. The year 2040 is far too late; we cannot do it on that basis. It must be at least 2035 and, in my view, 2030 ought to be our target because I do not see how otherwise we give ourselves enough elbow room to reach it. The Government have not faced up to the problems of heating, which is a real issue.

The area where the Government are most to blame is of course their refusal to improve the regulations for housebuilding, which means that every year we are building more than 200,000 houses that do not meet the requirements and will have to be changed in future. I am afraid that I have used an improper word about this before but we are building crap houses and putting the cost on the shoulders of the people who buy them. That is unacceptable and the Government could change it tomorrow. If they do, though, let us make sure that means that it starts immediately and we do not excuse people who have planning permission so the building goes on for five or six years.

Frankly, I am ashamed of the housebuilders who, given that nine of them make 80% of the houses built, could have done this together. Instead they have blamed the Government and said, "The Government have to do it: we're not prepared to do it ourselves". If you applied the amount of money given to the chief executive of Persimmon to the houses he built, he could have built them all to the sort of standards we necessarily have. I look to the Government to make significant changes as far as that is concerned.

The Countess of Mar (CB): My Lords, I hate to interrupt the noble Lord, but is he aware that the *Companion* suggests that speeches should be limited to 15 minutes, otherwise they engender boredom?

5 pm

Lord Deben: I beg the noble Countess's pardon but this seems to me rather an unusual situation and, if she will let me, I should like to finish. I hope the House will accept that.

I must make a comment about measuring consumption. We will provide those figures regularly from the Committee on Climate Change, but you have to control the things that you can control and not deal with those that you cannot. In that sense, it seems right that we should keep to the internationally agreed production figures.

I end—I was going to end at this point in any case—with a simple fact. The Government have done the right thing. I have to say that I am sorry about the inevitable misunderstanding of an amendment expressing regret because cross-party agreement is vital to win this battle but, when we pass this historic, remarkable and wonderful statutory instrument, the Government must understand that three simple words go with it: "Now do it". It is no good simply saying it, taking credit for it or saying, "We're all in it together". In the end you have to do it—not tomorrow but today.

Lord Donoughue (Lab): My Lords, before the noble Lord sits down, he referred to the Global Warming Policy Foundation, of which I am chairman. The noble Lord—apparently wildly but, I am sure, sincerely—claimed that every figure printed by the foundation was wrong. I congratulate him on having read every one of the millions of figures we have published; I certainly have not done so. He said that all other forecasts of the costs of this programme were wrong, and perhaps implied various motivations. Is he suggesting that the BEIS forecast of the costs, quoted in the Chancellor's letter to the Prime Minister and 40% above his, is wrong?

Lord Deben: I did not say what the noble Lord said; I said that on each occasion we have had a target—of 60%, 80% and now 100%—the estimates of the Global Warming Policy Foundation have been wrong. I have looked very carefully at the foundation's website; we have checked everything it says, and in each case, it is not right about the figures.

As for the BEIS figures or the Chancellor's figures, I merely say that we have spent many months producing the best figure that can be produced. I have still to understand the basis, in science or economics, of any other figure produced. I have discovered that those Global Warming Policy Foundation figures that I have been able to discern are much less accurate than those we were asked for, spent months producing and have given to the Government. I suggest that we stick to the proven figures rather than those that fit other people's views.

Lord Lilley (Con): Before my noble friend sits down, has he read the document in my hand? It states that the cumulative cost of the Climate Change Act up to 2030 would be £3 billion. The document was produced and published by the Global Warming Policy Foundation, written by me and drawn entirely from the Government's published figures, which my noble friend's committee has never refuted, rebutted or criticised.

Lord Deben: I would hate to refute, rebut and criticise my friend at so late a point in my speech, but he has only just returned from asking a question that included all those points while admitting that he had not actually read the Committee on Climate Change report.

Lord Lilley: I have.

Lord Deben: He may have read it now, but he asked prejudiced questions about it when he had not even read the documents. As far as I can discover, no member of the Global Warming Policy Foundation has ever been to any of the presentations we have made of these documents. I really wish that they would have an argument with us on the facts.

Baroness Jones of Moulsecoomb (GP): I point out to those Members who wish to argue about this that it is freezing in here and I do not have a cardigan. Could we speed up a little?

Lord Fox (LD): My Lords, I will take that as my cue. I fear that I am intruding on a domestic, and of course we do not like to comment on domestic disputes. I assure the noble Baroness that I will attempt and indeed succeed to be somewhat more economical in time.

We welcome this debate and the tabling of the amendment. We understand the point made by the noble Lord, Lord Grantchester, and, in a different way, the point the noble Lord, Lord Deben, made in his very powerful speech—that we ought to understand more about how the means of this delivery will be willed. In the end, that is the key to achieving this objective.

This SI is the equivalent of sitting around a kitchen table, unfolding a map, pointing at it and saying, "That's where we want to go". It does not in any way get us any further down the road unless we understand how we are going to get there. I will try to maintain a practical end to this speech.

Call it self-indulgent or self-referential behaviour to point this out, but in September 2017 the Lib Dems approved a policy called "A Vision for Britain: Clean, Green and Carbon Free", one of those great slogans we come up with. Its mission was to push the Government further and to push them to ask the question of the CCC about zero carbon in 2050. It was a milestone, and the reason I mention it is that it was an achievement for my colleague who cannot be here today, the noble Baroness, Lady Featherstone. I wanted to acknowledge her role in some of this.

New Liberal Democrat policies will continue to press the Government harder and will be further refined. They will also seek to outline some of the challenges and issues that need to be addressed to meet this incredibly exacting target. It is not just about stopping doing things; we will have to take carbon, CO_2 and greenhouse gases out of the system to achieve this. Although I respect the point the noble Lord made about using existing technologies, I challenge that it is the outer edge of existing technologies that will enable us to do some of those things. There is a lot of work for the Government to enable us to be in that position.

That is why we need the Government to explain how we are going to go forward. We should be approaching this problem multilaterally. We are talking about the United Kingdom, but we sit in the continent of Europe. It would be much more sensible if we were doing this as a bloc and a group in the European Union. Noble Lords would expect me to say that.

We need to be very clear on what we are trying to do and we need to be very honest about how we measure what we have achieved. That means basing it on our real footprint. There cannot be fudging of figures. We cannot disregard our imports, where we are simply exporting our footprint, and we need to be very careful about things such as offsets. The CCC sets out some big technologies, but I will pick on a few in no particular order, and not an exhaustive number. I will talk about low-carbon power, energy efficiency, electric vehicles, domestic heating, and air travel and shipping.

We of course need to accelerate the development of renewable and low-carbon power. As Liberal Democrats, we will be setting forward a much more ambitious target than we have even achieved now. It should be said, in the spirit of self-congratulation, that the level we have now was very much laid down through the work the coalition Government did, notwithstanding some dismantling around offshore wind, which occurred in the succeeding Government. The fact we have been able to have coal-free generation over the past few weeks is very much a credit to them. But creating the right investment environment for zero-carbon or low-carbon generation is a real challenge—I do not have to tell the Minister that—and we need to understand how the Government will work with industry to deliver the right investment vehicle with some idea of a framework. From a personal point of view, as I have said before, I think that included in that should be effective energy storage, because without that we will not have a flexible, low-carbon grid.

Everybody talks about energy efficiency; we have already heard about it twice. We have to introduce a major programme. We already have much of the legislation we need; we need to enforce the regulations.

On the subject of building, and not just conventional techniques, there is a revolution out there. I sat on the Science and Technology Select Committee. Off-site building can deliver much higher-specification buildings. The Government need to lead on that process with the buildings they commission.

Electric vehicles are interesting, because they are an important personal commitment for people. They are a big acquisition that people make in their commitment to the environment. Actually, it is quite hard. The waiting lists are long. One of the problems, as has already been mentioned, is battery technology. We have the Faraday challenge, but we are importing many of the batteries we need for current electric vehicles. We need a much stronger supply. Can the Minister tell us where we are on the Faraday challenge gigaplant? When will the spades be wielded, because it will take years before it is working? How is the Road to Zero going? Where are we on it and will we firm up the targets? Things such as on-street charging remain behind the game. There needs to be consumer certainty around the plug-in car grant. Can the Government give a long-term view on that, rather than just to the end of the year?

Decarbonising heating is a very important point that has already been mentioned. There are options, such as hydrogen and heat exchange. How are the Government going to frame this? The last time we had a big domestic switchover, it was between coal gas and natural gas, and a single national monopoly delivered it. What is the means by which this process will be delivered? Will it be locally, through LEPs, by private enterprise? We know how well—or not well—the smart meters process has gone, so what is the thinking within the Government to deliver this?

5.15 pm

Regarding air travel, for this Government on the one hand to move this SI and on the other to support—and indeed encourage—a third runway at Heathrow is completely hypocritical. The Minister could use this opportunity to declare that the third runway will be abandoned or reviewed. I suspect that he will not. On the other hand, he could use this opportunity to throw his weight in front of the bulldozers when they arrive, and take Boris's place there.

None of us underestimates that there are many challenges. There is a will in this House to take this point on the map and go there, but we are not going fast enough and we are not all moving with the intensity that needs to be generated. We welcome the fact that the regret amendment has been tabled by the noble Lord, Lord Grantchester. We understand and will support it, but overall we want the order to succeed. We look forward to the Minister answering the nitty-gritty. It is only understanding the process—the steps—that will bring us closer to this absolutely vital objective.

Baroness Worthington (CB): My Lords, I welcome the Government's accepting the recommendation to change the target in the Climate Change Act to a 100% reduction by 2050. It feels very appropriate to be having this debate today, as we have marchers outside—tens of thousands of people who have come here to express their concern about the climate crisis and the loss of biodiversity that we are now living through—and others lobbying inside the building.

Climate impacts are being felt far faster than scientists and models predicted. The melting of the Greenland ice sheet this season is completely unprecedented for this time of year, at roughly three times the average. Heatwaves are blighting Europe throughout this month. Chennai, a city with a population of 10 million, is currently out of water. The everglades are on fire and coral reefs are continually being bleached. I could go on. We are living in an age in which the consequences of our actions are now becoming apparent. We have known about this problem for decades, but collectively, humanity has been too slow to respond.

In this context, the UK has shown great leadership and must continue to do so. We are now committing to a law that will take us to a net zero target by 2050, which is the right thing to do. We need to do this despite who is in the White House, despite China having 1,000 gigawatts of coal-fired power stations and despite Russia sitting on the largest fossil fuel reserves of any nation. To sit back and wait and expect some other country or institution to take this action would be a recipe for disaster. We cannot solve the problem ourselves, but we must lead by example.

We can work out how to deliver economic growth without contributing to the climate crisis. We have already made great progress. Thanks to decades of clever policy interventions, how we make electricity is now far cleaner. We are seeing large periods without any coal-fired power. This is incredible, given that we are the home of the Industrial Revolution and brought this technology to the world. We can use that clean electricity to make other parts of the economy cleaner too. Let us focus on transport, then on industry and heating. We now have the potential to get to net zero using existing technologies. The Government are therefore to be commended for agreeing to this change to the long-term target.

However, the Government have not fully accepted all the advice from the Committee on Climate Change and have said that they do not rule out using international offsets to get to our target. I do not object to this if they are well done and well regulated, and it will make no practical difference in law, because we do not set out limits and offsets until 18 months before the start of any budgetary period. However, having deviated from the very clear advice of the CCC, we can now go even further than the 100% reduction target because it will be far cheaper and easier should we allow international offsets into this system. In meeting this goal, if we want to stay at the costs we have accepted—1% to 2% of GDP—we can go further. It opens up the opportunity to go into minus figures—minus 120% or minus 150%. This is now possible, and it would be the right thing to do. This will not be the last debate we will have about the 2050 target. I think we will go further, beyond zero, because we will then be paying back the carbon debt we owe to the rest of the world. Historically, our per capita emissions far outweigh most countries', and it is those countries that will see the impacts hit hardest. The pressure will be kept on us and I am sure that we will go to those much more ambitious targets in time.

Turning to the amendment in the name of the noble Lord, Lord Grantchester, I will make three points. First, the policy details of how we will get to our intended goal are obviously very important and emissions projections are not currently on track to meet our fourth and fifth carbon budgets. Better policies are needed to ensure that we harness the power of the private sector to deliver cost-effective reductions in the transport, heat and agricultural sectors. Part 3 of the climate change Act introduces a series of enabling powers that will allow the Government to introduce new incentives and penalties that would align business incentives with this goal. They would restrict or price emitting activities, and would reward and create incentives to invest in the solutions that get us towards our goal. These powers exist and all we need to do is conduct a public consultation on their introduction. That is what we should focus on now: broad, market-based approaches across the economy to align signals so that we can do what we have done in the power sector in all other sectors of the economy. We have to act urgently but proportionally, and aligning incentives is one of the most effective ways we can do that. That is the first step we must take and the CCA allows us to do it.

Secondly, Section 30 of the Act was accepted and introduced to allow us to omit international emissions from shipping and aviation using an SI. It is regrettable that the Government have not taken the opportunity to include that in the SI we are debating this afternoon. Rejecting once again the advice of the CCC is clearly a missed opportunity. Both international aviation and shipping sit outside the scope of the Paris Agreement and are governed by dedicated bodies. They are designing a rulebook that will help them to address climate change. The UK must lead in those negotiations to ensure we get an international solution to those two important

sectors, but at the same time we must lead domestically; including them formally in the budgets would have given a clear signal that we intend to do that.

My third point concerns the statement that the Treasury will be encouraged to review the costs of meeting these targets. In this assessment, we must acknowledge that this issue cannot be reduced to a simple cost-benefit analysis. This is a moral question: the moral question of our time. No price can be put on the future of humanity; the planet will be fine, but most of humanity will not be. This is the critical issue: if we reduce this down to a nickel-and-diming of how much we will gain from one policy versus another—the net benefits or costs—failing to take into account that this is something we simply must now do, we will get the wrong answer. There are many examples of our doing things because they are morally correct, without carrying out a cost-benefit analysis, and this is clearly the defining example. When the Treasury is asked to look at this question, the one thing it must consider—it will be an essential part of making this politically acceptable—is the fairness with which we tackle this challenge and the distribution of the costs, to make sure that the people who are most able to pay do pay, and that those who cannot afford to take on extra burdens are protected. That is the question the Treasury should concern itself with, not a basic cost-benefit analysis of whether this is the right target. It is the right target; if it is not, then it is only because it is too weak and we can go further.

Finally, I return to the debate about measures and policies. I urge all those who are concerned about prioritising using our political capital to take action on policy that we refer to data and analysis. We can refer to the CCC's own work. I fear that, too often, we are wasting our time talking about issues that do not currently involve large emission volumes. I am against the expansion of Heathrow, like everyone else, for local reasons, but it really has very little to do with the national issues of climate change. The same can be said of fracking. We must focus on the things that matter: transport, heat, industry and agriculture. I really hope we will focus on those in the months to come and introduce the policies we need to get to this target. I am very happy that we are having this debate today.

Baroness Young of Old Scone (Lab): My Lords, I declare an interest as chair of the Woodland Trust and I welcome the Government's commitment to net zero carbon as enshrined in this instrument. I will make two very brief points. First, to reach this target, we have to move away from fossil fuels—I commend in that regard the noble Baroness's speech immediately prior to mine—but we also have to undo some of the damage already done. One way to do that on a large scale is to plant more trees. Trees eat atmospheric carbon for breakfast. The Committee on Climate Change has called for a 9% increase in tree cover in this country. If that is to be done in the next 12 and a half years, which is the deadline calculated by the IPCC for having any hope of keeping temperature rises to below 1.5 degrees, it means 74 million trees a year. The Government's current target is 11 million trees in the five-year lifetime of this Parliament—although who knows what that is going to be? In reality, in the past six months the Government have not even met their own target. According to figures kindly provided by Defra, government action resulted in the planting of fewer than 500,000 trees in the past six months. That is a long way off the rate required.

I recognise that the Government have now put in place some £60 million of additional funding for tree planting in the interests of combating climate change, but that is still not enough. The amendment is therefore fully justified. We need rapid clarity on how the target will be delivered. Unless planting rates are increased 50-fold, the tree element of the CO_2 reduction plan will simply fail. It can be done and it will have huge additional benefits, for biodiversity as well as a range of human health and resilience effects, reduction in heat, water resource protection, flood risk management and air quality improvement. So it is worth doing, it is effective, but it needs to be done faster. The Government's commitment is admirable in principle, but it needs urgent practical action in the next 12 years, and not by 2050, if the impact of tree planting is to have results. So I commend the comment of the noble Lord, Lord Deben, about just doing it.

I make this comment to critics of the target. We are not doing ourselves a service by being mealy-mouthed about the costs of doing nothing. I understand entirely why the climate change committee has taken a conservative approach and does not want to try to estimate the costs of not hitting the target. But the reality is that we do not need to do that; we simply need to ask the insurance industry globally. It has recognised the impact of floods, of heat, of ecosystem destruction, and the impacts on agriculture. It is already paying out for those effects. Ask the insurance industry if you are in any doubt about whether the investment that we are envisaging is worth while.

Viscount Ridley: My Lords, I declare my interests in coal but also in renewable energy—wind and wood in particular. I am genuinely shocked by the casual way in which the other place nodded through this statutory instrument on Monday, committing future generations to vast expenditure to achieve a goal that we have no idea how to reach technologically without ruining the British economy and the British landscape. We are assured without any evidence that this measure will have,

"no significant … impact on business"—

but where is the cost-benefit analysis on which this claim is based? Where is the impact assessment? They do not exist. We are told that the Treasury will run exercises in costing the proposals after we have agreed them, but that is irrational. Who among us in our private life says, "Yes, we'll sign a contract to buy a house, and only after the ink on the purchase is dry will we try to find out the price of the house"?

We are faced with a measure which is likely to cost at least £1 trillion on top of the £15 billion a year that we are now spending on subsidies to renewable energy. Let us remind ourselves just how big a sum £1 trillion is. If you spent a pound a second, it would take you 30,000 years to get through £1 trillion. You would have had to start before the peak of the last Ice Age, when woolly mammoths and Neanderthals roamed

[Viscount Ridley]
across the tundra where we now sit. Now we are talking about spending £1,000 a second for the next 30 years.

The Committee on Climate Change says that the cost will be even higher. It assumes that UK GDP will have almost doubled, from about £2 trillion to about £3.9 trillion a year by 2050, and that we will have been spending 1% to 2% of GDP every year between now and then. That means that we will have spent between £30 billion and £60 billion a year for 30 years: a total of £900 billion to £1.8 trillion. That number has been described in this debate as "manageable" and "affordable" by the noble Lord, Lord Grantchester. It has been described as "nickel and dime" by the noble Baroness, Lady Worthington. But hang on a minute—where does the Committee on Climate Change get the estimate of 1% to 2% of GDP?

5.30 pm

On behalf of the Global Warming Policy Foundation, to which I am proud to be an unpaid scientific advisory panel member, Andrew Montford has been trying to find out how the CCC reached this cost estimate—and he has got nowhere. He has been referred to many documents which repeat or otherwise restate this number, but none that actually calculates it. He has referred to a statement that gives 1.3% of GDP as an estimate of the sum of the resource cost, yet there is no breakdown of the resource cost. My noble friend Lord Deben says that it is all set out in detail. In fact, it is not: it is impossible to get at how this calculation was arrived at.

It is important to note, by the way, that this £900 billion to £1.8 trillion is arrived at by comparing hypothetical policy scenarios anyway. This allows the Committee on Climate Change to soften the overall cost of decarbonisation by netting off energy efficiency savings. But these would be pursued anyway, so it is not right to do that. The CCC also ignores the deadweight losses from taxes and subsidies, which are likely to be a significant extra cost.

Let me give your Lordships an example of just how much of an underestimate the 1% to 2% of GDP might prove to be. Take hydrogen. The Committee on Climate Change places great emphasis on hydrogen: it mentions its importance in electricity, in heating, in buildings and in industry. It thinks that we will need to burn about 8 billion kilograms of hydrogen a year by 2050. It estimates that 80% of this hydrogen will have to come from reformed natural gas. So, when process losses are taken into account, we would actually end up by significantly increasing both our fossil fuel consumption and, of course, our emissions—all of which would make carbon capture and storage absolutely indispensable to this net zero ambition, as I and others have said in the past. Where are the constructive plans to do this at a reasonable cost? Silence.

If the environmental movement is really serious about zero emissions, it must embrace either nuclear power or carbon capture. Renewables and behaviour change will not work. One is physically impossible, because of low energy density, and the other is politically impossible. Most British homes are heated with gas. To replace that with electricity and bring all British homes up to the most energy-efficient standard would cost around £2 trillion, according to the Energy Technologies Institute. That is £2 trillion on homes alone.

What will be achieved by all this spending? We will not prevent floods, storms or drought: they will always happen. We will still have to deal with flooding, even if we get emissions to zero. Nor is the purpose of these plans to bring down global emissions. We have no hope of that—we are 1% of global emissions and others are glad to export to us from their low energy cost economies. So we would mainly be exporting our emissions and living the good, green life on China's fossil fuels. The only remaining purpose of this measure—and we have heard it again and again here today—is to set an example to the world, to be the shining city of virtue on a hill. Who are we kidding? When the Prime Minister goes to the G20 meeting this weekend and asks others to follow suit, she will get very few takers. Japan has just announced another 20 gigawatts of coal-fired power stations. The EU has already rejected this very target since this instrument was tabled. America, Australia, Brazil, China, India—none of them will pay the slightest attention to what we do here today. This is not soft power, it is soft in the head.

There are real environmental problems in this world: the overfishing of the oceans, plastic pollution, invasive alien species, and the conservation of the curlew and the red squirrel in my part of the world. These are urgent and important. They need money, but it will be a pittance compared with the sums we are talking about. Yet they are starved even of that pittance because of the coalition of preachers and profiteers who have climbed on the climate bandwagon and demanded a limitless budget.

We need to look at these costs alongside the cost of doing nothing—that is, the cost of damage by climate change. This is called the social cost of carbon and is an estimate of the total harm done by emissions now and brought forward from the future. That metric is not mentioned in this order or in the Committee on Climate Change's report. The best guess in the current scientific literature is that the social cost of carbon is about $45 per tonne, which is roughly the number that the Obama Administration were using. Can my noble friend give us his department's estimate of the social cost of carbon? What is his department's estimate of the abatement cost per tonne of the net zero ambition?

Once we know those numbers, we can know whether we are getting value for money with this expenditure. Otherwise, we might be committing to a climate policy that is actually more harmful and costly to human and planetary well-being than climate change itself—which would surely be irrational. I fear that hasty and ill-supported commitment making of this kind is the sort of thing that provokes judicial review. The Government should pause, think this through and do a proper cost-benefit analysis before they commit to this policy.

Before I sit down, I will address some of my noble friend Lord Deben's remarks. Some years ago the Committee on Climate Change published on its website a personal attack on me, claiming to refute some points I had made in this House. It did not have the courtesy to inform me that it was doing this and it

refused to tell me who had written it. It contained material inaccuracies and a quotation from an IPCC document that had been doctored to remove a critical clause which confirmed the accuracy of my remarks. I pointed this out to my noble friend but he refused to correct the errors—so I shall take no lessons in accuracy from him.

Lord Turner of Ecchinswell (CB): My Lords, I declare an interest in a renewable energy company primarily involved in the wind business, though not in Europe. It is primarily involved with China, India and developing world; contrary to the implication of earlier comments by the noble Viscount, Lord Ridley, there is quite a lot of action occurring in those countries as well as in our own.

I very much hope that we will support this order with enthusiasm and strong cross-party support, continuing that pattern of cross-party consensus about which the noble Lord, Lord Deben, spoke earlier. There has been a consensus; it has been opposed by a minority of sceptics, but the facts have continually proved those sceptics wrong. We have to take action because it is clear that global warming is occurring, and it is now occurring at an accelerating pace.

In 1998 we faced, because of an El Niño effect, a year in which temperatures soared well above the trend of rising temperature that scientists had predicted. As a result, there was for about eight years thereafter something of a pause in the average rise of temperatures. At that time, many sceptics—including, I suspect, some contributing to this debate today—leaped on that pause and said, "Well, that proves that global warming is not occurring". However, the fact is that nine of the hottest years on record have occurred since 2005 and the five hottest have been the last five. On the current pattern of this year, it is looking almost certain that by its end we will be saying that the six hottest have been those up to 2019. We are facing very clear evidence that warming is occurring.

We also have to take action because there will be extremely harmful effects. What is going on in India has already been referred to; I have just come back from there, where I was engaging with many people in the Indian steel and cement industries who are putting in place plans for radical reductions in their carbon emissions. While I was there, the temperatures in northern India were over 50 degrees centigrade. With only a few degrees warming, the North Indian Plain will be essentially unliveable for human beings. We face major challenges from climate change, but there are other parts of the world where it is truly life-threatening.

We cannot now stop significant global warming—it is baked in already—but we have to limit it as much as possible. The guideline of how much we should limit it by is well described by the IPCC report from November of last year, which argued effectively that beyond about 1.5 degrees centigrade of warming, the effects are non-linear—they are multiplying. Every 0.5 degrees centigrade further does not just make it a bit worse but a lot worse, so that is a reasonable target. To achieve that, the whole world has to get to about net zero emissions sometime around 2050 or 2060. Some developing countries growing rapidly will find it difficult to get there by 2050 but can get there by 2060. That makes it a reasonable target for us, with our greater economic capacity, to get there by 2050.

The costs of our getting there by 2050 are clearly manageable. When estimates are produced of the costs of achieving emissions reductions, sceptics always come out with arguments that say, "These estimates are far too low". However, experience suggests precisely the opposite. In 2003, the Government estimated that the cost of reducing emissions in the UK by 60% would be about 1% to 2% of GDP. In 2008, when I was the first chair of the climate change committee, we estimated—on the basis of a very detailed, sector-by-sector analysis of what the resource costs would be in power production in the transport sector, and so on—that to achieve an 80% reduction it would be 1% to 1.5% of GDP. The CCC, on the basis of equally detailed analysis, has now suggested that 100% would cost 1% to 1.5% of GDP.

Why have those costs come down, or at least why has what you can achieve for the same costs gone up? The answer is that the costs of key technologies have come down far faster than any of us dared believe would happen. The cost of solar photovoltaics has come down by about 85% in the last 10 years, the cost of wind power by about 75% in the last 10 years, and the cost of batteries by about 85%. That shows the extraordinary power of scale economies, learning-curve effects and induced technological change—once you have clear, quantitative targets, you drive cost reductions that would not otherwise occur.

It is almost certain that such technological change, learning-curve effects and economy-of-scale effects will occur in future and will probably prove the climate change committee to have been too conservative again. But it has been right to be conservative and say, "These are the maximum costs that we might face and which will occur if we do not have radical cost reduction, but it is highly likely that we will". The most effective way to ensure that we get technological change and cost reductions from learning-curve and economy-of-scale effects is to set a stretching target so that industry knows that that is non-negotiable and that within that, it can invest to achieve those cost reductions, confident that that will be economic. That provides us with a strong basis for supporting this order—with, I hope, unanimity, and certainly with strong support.

Baroness Jones of Moulsecoomb: My Lords, in preparation for the debate this afternoon I looked up the Government's climate change policy page and I got an error message: "Page not found". That was at midday today—I do not know if it is up and running now—but it says something about the Government's ability on the issue of climate change.

I wanted to disagree with the noble Viscount, Lord Ridley, but I felt it was not fair to keep interrupting him. He says that there will be "no significant impact on business" but of course this will have a significant impact on business. Climate change will be dreadful; we have to make sure that business understands that and that it moves on.

I am told that the reason the Chamber is so cold is because a valve is stuck open. That shows that we cannot always rely on technology, because even the simplest technology can go wrong. My teeth are chattering now, so I shall hurry through my comments.

[Baroness Jones of Moulsecoomb]

I congratulate the noble Lord, Lord Deben, on his speech. I particularly liked his being prepared to point out that 2030 was perhaps a better target than 2050. I would go further and say 2025. We cannot afford that length of time.

I also congratulate the noble Lord, Lord Fox, who talked about what could be better and what the Government need to do. I have just challenges for the Government, because over the past weeks, months and years, and again today, I have listened to the Government telling us how great they are on climate change, how they are acting and how much they are spending. Quite honestly, it is a load of tosh, because they are not doing enough.

5.45 pm

I support the Labour amendment. It rightly asks for policy, real measurable action and scrutiny. I look forward to a much fuller answer from the Minister after this debate. The Government lack any sense of urgency. As others have pointed out, today could not be a better day. We have thousands of people outside: a mass lobby of Parliament saying that politicians are not doing enough. I feel embarrassed to be in this House as a politician when people are saying that we are not doing enough.

At least 2050, as in this statutory instrument, is a date that we can have as a target. It is unrealistic in how well we will survive, but at least it is a date. As a Green, I find it hard to talk about climate change because I find it quite emotional. When I say "emotional", I do not mean crying a few tears, I mean absolute boiling fury that we are not dealing with it properly. Somehow the Government do not understand that they must accept the science. The science is saying that we must get a move on, but this Government really are not.

I ask myself why the Government and others in this House have such a problem with accepting the science, which is perfectly clear. I understand that the more we have invested in the current system—and Members of this House have more than most—the harder it is to accept that we need to move on, things have to change and drastic action is the next step for all of us. One infuriating thing is that we did not have to be here, because back in the 1970s and 1980s, when a lot of us began to see the problem, we had the ideas, skills, industry and infrastructure to be a world leader in climate change technology. We could have boomed in that field. Some answers were in technology and the engineering industry, but many were in politics and the political will to do something—to change public awareness and bring the public along with us.

Members opposite will know that in 1989, Margaret Thatcher gave a speech at the UN that included this statement—I never thought I would quote Margaret Thatcher approvingly:

"Of all the challenges faced by the world community in those four years, one has grown clearer than any other in both urgency and importance—I refer to the threat to our global environment".

That will be 30 years ago in November. She said:

"It is the prospect of irretrievable damage to the atmosphere, to the oceans, to earth itself … It is life itself, incomparably precious, that distinguishes us from the other planets. It is life itself … that we wantonly destroy. It is life itself that we must battle to preserve".

I wonder who wrote that—it is quite beautiful—and I wonder what has happened to the Conservative Party in the meantime. You are really not measuring up to Margaret Thatcher.

Viscount Ridley: The noble Baroness will be aware, because she will have read Charles Moore's excellent biography of Margaret Thatcher, that she later resiled from those views—on climate change specifically, not on other environmental issues—and said that, yes, the problem was exaggerated.

Baroness Jones of Moulsecoomb: Yes, I am well aware that all politicians can get it wrong at various times, and she was wrong there.

What has happened to the Conservative Party in the meantime? We have a Government who resist onshore wind installations, which would supply cheap, clean energy, while supporting dirty, expensive fracking. Fracking is not the answer: it is a way to pump more fossil fuels into the atmosphere and, in the process, allow a rapacious private company, Cuadrilla, to stifle legitimate, peaceful protest. The Government push a steep VAT increase—from 5% to 20%—for new solar battery systems while coal remains at a discounted rate, and propose a third runway at Heathrow and more roadbuilding. We seem to be in a topsy-turvy world where the Government do not understand what is happening.

At the same time, three children—three climate protesters—from the Albany Academy, are being punished for attending the youth strike for climate protests. Children fighting for their future is not a crime. A brave planet protector, Angie Zelter, has been in court this week for protesting with Extinction Rebellion. She says:

"I cannot really understand why those in power have refused to act. After all, it is their world, too".

It is noble Lords' world, too. Many will have children and grandchildren who will be massively affected by this issue. I wish noble Lords over there would be a little quieter. Is that possible?

Fine words are not enough to fight erratic weather patterns that cause disasters in rich and poor countries. They are not enough to clean our rivers and seas of plastic pollution, to clean our polluted air, to save the curlew and the red squirrel up north, and certainly not enough to guarantee supplies of clean water, uncontaminated food and to resist global economic collapse. Can we please have some policies that will make a difference? As the protesters outside are saying, the time is now.

Baroness McIntosh of Pickering (Con): My Lords, I congratulate my noble friend on introducing the order today, including what from our debate are proving challenging targets. I shall restrict my remarks to putting a specific question to my noble friend. Is it not the case that, in the short term, emissions will rise, particularly in the context of hydraulic fracturing for methane gas—an issue raised by other noble Lords? It is generally recognised that it is an inevitable result of fracking that methane will leak out of the natural gas wells at two stages: first, during the well being hydraulically fractured and the methane escaping; and, secondly, during the drill-out following the fracturing, when methane

is released into the atmosphere. It is also generally understood that methane can be far more powerful than CO_2 in its role in increasing greenhouse gas emissions, which leads to the inevitable warming of the Earth's atmosphere.

Will my noble friend take the opportunity in summing up the debate on the statutory instrument this afternoon to explain how we are going to meet our targets to reduce greenhouse gas emissions and global warming by 2020 without inevitably increasing greenhouse gas emissions and global warming by continuing to pledge to fracture in the immediate future?

Baroness Brown of Cambridge (CB): My Lords, I offer the Minister my strongest support for the order.

I remind the House that we are being asked to sign up to a new target, not a new cost. I want to dispel a few misconceptions. The Committee on Climate Change identified the range of costs needed to meet the net zero target as between 1% and 2% of GDP. Those costs are not costs to the Exchequer. Yes, there will be a role for public funding in some areas, such as to avoid a competitiveness impact on the UK manufacturing industry, but the vast majority of the changes will, and should, be delivered through private investment.

I declare an interest as vice-chair of the Committee on Climate Change. In our report, we compare resource cost estimates to GDP to give a sense of scale. It does not follow that the estimates have an impact on GDP. The impact on GDP could easily be positive, as we shift away from using imported fossil fuels, for example, or as we develop newer industries that will boost our productivity and growth as an early supplier of new, low-carbon technologies globally. We need to be very careful in how we think about the numbers.

However, as many noble Lords have indicated, and as the CCC said in its net zero report, changing the target is just the first step and, in many ways, is the easy part. The real challenge will be the swift ramp-up in policy that needs to follow. I have had the honour of being the sector champion for the offshore wind sector deal as part of the Government's industrial strategy. As the Minister is aware, a major renewable energy conference is under way in London; I believe that he spoke at it today. The conference is exciting; for example, it shows the impact of our investment in offshore wind on UK jobs and companies.

Will the Minister consider a swift and simple indication of the Government's policy intent to deliver this new net zero target? A simple indication of intent would be removing the six-gigawatt cap for the next round of CfD auctions while offering no additional funding. The offshore wind industry is ready to respond to such an indication. This would be a win-win. It would show the Government's intention to act swiftly; it would help to create more jobs; and it would deliver more zero-carbon electricity at no additional cost to the Exchequer or the consumer.

Lord Lilley: My Lords, I declare a non-pecuniary interest as a director of the Global Warming Policy Foundation.

We are debating the consequences of a departing pledge by the outgoing Prime Minister; it is probably the most expensive leaving present in history. Harold Macmillan said that when both Front Benches are united, they are almost invariably wrong. It is in that context that I rise, with some trepidation, to show that at least some scrutiny is going on. Macmillan's point was that, where both sides agree, you do not get proper scrutiny and the normal adversarial approach of our Houses of Parliament does not apply—that is, we do not look with enough rigour at what is going on. That is particularly true if, as was the case in the House of Commons, this House eschews any serious consideration of cost on the grounds that the higher the cost, the better—almost—because it shows how virtuous we will be. That was certainly the attitude during the passage of the original Act in 2008.

My principal plea is for a proper impact assessment of the order. I say that with some feeling: I came to this issue because in 2008, when the then Climate Change Bill was before the House, I went to get a copy of the impact assessment and was told by the Vote Office that I was the only person who did. I was the only person who read it and raised the issue of cost throughout the Bill's proceedings. That is why impact assessments are important. I read the impact assessment and discovered that, at that stage—when the target in the draft Bill was a 60% reduction in emissions—it showed that the potential costs were twice the maximum benefits. If the costs of something exceed the benefits, you do not do it. That does not mean that the target was wrong; it means that you look for more cost-effective ways of achieving that target. But we did not; we ignored it. We ploughed ahead anyway—and went further: we raised the target from 60% to 80%. One would normally expect that to increase the cost disproportionately, because the things you have not done would be costlier than the things you would do to meet the lower target, and the benefits would rise less than proportionately, because you would get the greatest benefits from the early reductions in global warming and fewer benefits from any incremental reductions.

After we passed the Act, the Government did produce an impact assessment—under much goading from me. Sure enough, it showed that the cost of meeting the target was going to double, but it also found that the benefits were going to increase tenfold. They found £1 trillion of benefits previously overlooked and ignored by the people who had produced the original impact assessment. That must surely raise a feeling of unreality in the minds of people considering this. If you can conjure £1 trillion of benefits out of nowhere, we really are dealing in extraordinary detachment from reality and normal accounting.

I want to see a proper impact assessment this time, even if we did not get one originally and the one we eventually got lacked credibility.

6 pm

Lord Rooker: In this rewriting of history we are listening to, we need to remember that when the noble Lord talks about receiving the Bill, he was in the Commons. The Bill had undergone four to five months of scrutiny in this place, where it started life. I moved the Second Reading in November 2007. Therefore, all the scrutiny that took place here and all the questions that I and other Ministers were subject to were continually worked on by our officials. We could not answer all the

[LORD ROOKER]
questions to start with, and it was inevitable that changes would be made after it reached the Commons and went on the statute book. I reject entirely the rewriting of history; it is as though the noble Lord suddenly discovered something when the Commons was scrutinising the Bill. It was this place that did the scrutiny on the Bill before it even got to the Commons. I think we spent twice as long on it as the House of Commons.

Lord Lilley: I am sorry; I obviously have not made my point clear. An impact assessment was produced before the Bill went through either House, and a second was produced after it had been enacted by both Houses. Those two things differed in the dramatic way I have described. I asked my research assistant to go through the entire proceedings of both Houses; he could find no serious scrutiny of the cost either way, but if the noble Lord recalls otherwise, naturally I will change my assessment and realise that he missed something.

My opposition has always been based on the economics of what we previously committed ourselves to, and my concerns today relate to the economics. I recall that when the Third Reading of the 2008 Act finally took place, I and the four others who had decided to vote against it—just as a matter of principle on the economics—retired to the Smoking Room to drown our sorrows and noticed as we did that it was then, in October, snowing outside. I went back to remind the House that we were passing a measure in the belief that the world was getting warmer when it was snowing in London in October for the first time in 74 years.

Baroness Worthington: My Lords—

Lord Lilley: I was immediately interrupted by people saying, "But surely you realise that extreme cold is a symptom of global warming". Is that what the noble Baroness was going to say?

Baroness Worthington: I have two points. There is a great difference between weather and climate change, which the noble Lord would, I hope, have understood if he has read any of the reports on this topic. Secondly, the Act commits us to no costs, because it merely has a target and enabling powers. Each individual policy then enacted to reach those targets will have an impact assessment that has a full cost-benefit analysis. The noble Lord was absolutely wrong to oppose this Act on the basis of cost, because it is a target-setting measure with enabling powers. Is the noble Lord aware of that? Could he also comment on the fact that people have repeatedly said that the Act commits us to following EU targets on renewable energy? This is another falsehood; the Act says nothing about the need to do anything through any particular technology. Does he acknowledge that?

Lord Lilley: Yes. That is not a point I have made, but I acknowledge that the noble Baroness is right to rebuke whoever did make it. I am not opposing this measure; I am demanding an impact assessment, one that covers the aggregate. The Minister's response is that we will get a cost-benefit analysis of individual measures, as the noble Baroness referred to. I just think we ought to know what the rough total is, as assessed by the Treasury. I am not alone in this; I call in aid my noble friend Lord Deben. He rightly said that I should have read the CCC report in its entirety, rather than just the summary, before I asked my question. Now that I have read it in its entirety—I did so without losing the will to live at any point—I know that it calls for a full impact assessment by Her Majesty's Treasury. I am endorsing that call.

Lord Deben: As it was me who was asked the question, I remind my noble friend that what we said was that the Treasury should look at the distribution of the cost to make sure it was fairly spread. That is a different thing from what my noble friend is asking for.

Lord Lilley: My recollection is the words, "look at the cost, and in particular the distribution", which seems sensible. I endorse both aspects of my noble friend's appeal to the Treasury.

Viscount Ridley: Does my noble friend agree that the Secondary Legislation Scrutiny Committee report on this order says:

"It would have been helpful for the Department to provide a summary of the work that is underway to assess the significant costs and wider impacts of the transition, to inform Parliament's scrutiny of the instrument"?

Lord Lilley: Absolutely. That is what we ought to do in this House: look closely at these things. That does not mean to say we reject them. Unless we know the cost of this measure, which is potentially enormously costly, we are really buying a pig in a poke. I hope the House will focus on that point: should we go ahead and pass this without an impact assessment, or should we at least demand that the Treasury comes forward with such an impact assessment and a distributional assessment as soon as possible?

That distributional assessment is important, because these measures tend to fall disproportionately on low-income households. We have seen that in any country where the cost of climate change measures has come into political contention, those on modest incomes have tended to vote against them. We saw it in Australia and Canada; we have seen the gilets jaunes in France. We should beware and be aware that we are imposing large costs on ordinary households, and we should not go ahead and do that lightly and without knowledge of the figures.

Lord Ravensdale (CB): My Lords, I declare my interests as an engineer working in the energy industry.

I welcome the Government's commitment to net zero carbon emissions by 2050. However, as noble Lords have already said, this target will involve significant technical challenges. I want to introduce a different slant to the debate today by talking about some of the technical challenges that will be need to be met, the key areas of uncertainty and the options for mitigating them. A comprehensive review of how this target will be met is critical and I hope to see more detail of this in the forthcoming energy White Paper.

The key risk areas we need to consider within the scope of the amendment are on-demand power generation and hydrogen. It is widely accepted that a 100% renewables

power generation system is impracticable barring any unforeseen technical advances. This is partly due to the technological limitations of energy storage and the implications of grid stability with a variable power supply. A large amount of on-demand power will be required to counter the variability of renewables and there are two options for that at a high level—gas turbines with carbon capture and storage, or nuclear.

Gas turbines with carbon capture and storage are an attractive option to meet our commitments, but there are several uncertainties with large-scale carbon capture and storage. One uncertainty is the capture rates that are feasible with the technology—whether it can capture the amount of carbon that we need it to—and another is that the economic viability of the technology is still unknown. If capture rates are lower or the technology is more expensive than anticipated, alternatives will have to be sought to large-scale use of carbon capture and storage. It is critical that there is a pilot project from the Government to consider scaling up this technology and the viability of it in more detail.

The concerns are well known about the economic viability of nuclear compared with renewables. It is worth noting that the costs of large nuclear are currently less than the existing offshore wind capacity that has been built. However, the future offshore wind capacity will be cheaper than current large nuclear. It is difficult to make the comparison between nuclear and renewables because of the different characteristics of these technologies in terms of costs.

It is critical that the industry responds to the cost challenge set out in the nuclear sector deal and brings down the costs of nuclear from the £90 per megawatt hour we have seen with Hinkley to around £60 per megawatt hour. Given the doubts over whether large nuclear can deliver, we need to focus on several things to meet that cost challenge: first, small modular reactors, as a fallback and to complement large nuclear, are critical; and, secondly, advanced nuclear technology.

How will these technologies solve the cost issue with nuclear? The first way is through modularisation, which is inherent in small modular reactor design and is already used in other high safety integrity industries such as shipping and air transport. We need to look at moving the production of reactor modules to factories off-site to reduce the cost of reactor technology and to bring down the capital costs of nuclear plants. Secondly, with advanced nuclear, there are several designs out there which are passively safe, simpler and of a much higher thermal efficiency than existing plants and will help in that regard.

Government investment is required to see these promising designs through to fruition and to get them off the ground. On the point made by the noble Lord, Lord Deben, on what happened with offshore wind, we can replicate that with nuclear and use it to bring down the cost of the technology and help us meet our 2050 targets.

Hydrogen also has a key role to play in a net zero economy, whether through heating buildings, energy storage or fuel for heavy vehicles. However, there are many uncertainties about the best means of producing, distributing and storing hydrogen. For example, as has been pointed out by other noble Lords, the preferred means of production—steam methane reforming—will involve large-scale carbon capture and storage and the issues with that that I have pointed out.

Can the Minister say how the Government intend to de-risk these key areas of uncertainty—hydrogen, carbon capture and storage and nuclear—to ensure that the UK can meet the 2050 target as planned? The timing for large investments could not be more fortuitous in many ways, with the Government able to borrow for 50 years at less than 1.5%.

6.15 pm

Lord Donoughue: My Lords, I declare my interests as in the register. This massive proposal, which is imaginative and exciting in many ways, is being rushed through Parliament, partly because the departing Prime Minister has a desire for a legacy and partly because of the claimed emergency over climate change or global warming. I am in the minority as I was rather sympathetic to the Prime Minister on many things—but not on this issue.

On the latter issue, warming, we have certainly experienced a mild warming cycle for some 140 years, with carbon emissions playing a significant role in it. I have never questioned that. I listened carefully to the noble Lord, Lord Turner, but I cannot find any sudden acceleration. According to Met Office figures, the past 20 years show a rise of 0.3%, which is broadly in line with the whole cycle. It is slightly slower than the further warming in the last quarter of the 20th century, so it is of concern, but it is not a sudden emergency.

The excitement occurring now may arise from the forecasts by models of a boiling planet later this century. That may happen—anything may happen—and I understand people who want assurance, but so far there is no observational scientific evidence for it. Nearly all those models—there are more than 100 of them—have been deeply inaccurate so far and have been seriously biased towards overheating, sometimes by up to 300%. Interestingly, only the Russian model has been accurate for this syndrome, so these models should be treated with care.

There has quite rightly been much discussion of costs. The climate change committee's prediction of a net benefit cost of £50 billion per annum by 2050 may be optimistic. Other outside estimates reject it; the Department for Business, Energy and Industrial Strategy puts the cost 40% higher, at £70 billion per annum. That was quoted by the Chancellor in his letter to the Prime Minister. All seem to agree that the total expenditure by 2050 will be more than £1 trillion. That seems testing. The committee's figures seem to omit carbon taxes and renewable subsidies, amounting to around £1 trillion, and the decarbonising of heat by refurbishing all houses. I should point out that that figure was from a respectable sectoral energy institute, which is why it was quoted. I find the total financial liability falling on consumers and taxpayers very complex to account for, but it is likely to be huge and perhaps larger. Equally, it could perhaps be smaller. We do not know, as the climate committee admits.

As an infrastructure project, this revolutionary programme involves greater public expenditure than any done by this country since we committed to fighting

[Lord Donoughue]
the Second World War. It inevitably involves massive disruption to our existing economy. There will certainly be benefits—I accept that—but it will create a new and potentially more expensive energy base, and worsen our export competitiveness by raising costs. It would probably close, or export, our existing high-energy consuming industries—steel, engineering, cement et cetera—and if it does, it will hit jobs and living standards. The idea of a cleaner environment is commendable, and I have always supported it, but these are huge costs.

We have to ask, as the Chancellor did in his letter to the Prime Minister, which areas of public expenditure may have to suffer the costs to pay for it. Will health, social care, schools or defence be cut to shoulder that burden? My Labour colleagues, in particular, may wish to consider that. Will it be, as is the case with the £15 billion in current climate costs, that the working people of this country carry the main burden, relative to their incomes, through paying significantly higher energy costs and green taxes to subside renewables? I note that the committee seems to appreciate that problem and I will be interested in the Government's response to it.

The climate change revolution is predominantly a professional-class religion where the main cost is paid by working people who often do not share the faith. The noble Lord, Lord Deben, claimed that most people are on his side. There is no evidence for that. Polls have long shown that working people do not massively support this project, and they have not yet heard of these proposed new burdens. Whatever noble Lords' feelings about decarbonisation—I sense that most people probably like the general idea because they rightly, like me, dislike pollution and want a better environment—they must surely agree that it is irresponsible of the Government to push through this massive and not fully considered project in a statutory instrument without serious assessment of the practicality of its proposed details or costs, and where those costs will fall. Surely with such a massive project we can wait until the Treasury—or perhaps, as I would like to see, an independent inquiry chaired by the Treasury followed by full parliamentary scrutiny—reports to us. This project must be properly handled by the Government, positively, with concern for our future environment but also with responsible concern for its technological and financial practicality, and the livelihoods of our working people.

My final, and even more worrying, point is about the cavalier way in which this costly adventure has been launched. It is being proposed on a single-nation basis—not that that is its ideal, but it is there. The UK is apparently to be prepared to do this with no guarantees of the global environmental benefits, thus offering virtue-signalling moral leadership to the whole world. That is dangerous. Our share of global emissions is just over 1%. If we alone decarbonise tomorrow, that is the amount by which global carbon emissions will diminish, yet in the next few years China and India alone—the great carbon emitters—will increase their carbon emissions by more than double that share. Our contribution will be swamped and carbon emissions will still rise, but at what economic cost to the working people of this country?

Pursuing zero carbon in Britain alone while the big emitters continue to pollute the atmosphere on a massive scale is a futile gesture of moral imperialism. No doubt the virtue signallers have good intentions—I have never questioned that—but, as an earlier politician wisely said, the road to hell is paved with good intentions. We should mobilise the present environmental energy to encourage the great economies of the world to look seriously at the scientific facts on climate change, not at the alarmist propaganda, and then, in a measured way in conjunction with the observational evidence, move towards a time when carbon emissions are more limited. However, that world discipline and its benefits must be guaranteed and not based on delusional hopes. There should be no false paper promises based on ill-supported forecasts, like the Paris agreement.

Until then, our Government must take their national duties responsibly, scrutinising any climate venture with care, checking the observational facts of the science and allowing into the process sensible sceptics asking questions—as was traditionally done under Enlightenment science—and not behaving, as the BBC now sadly does, like a Stalinist censor, excluding any informed sceptic who questions wilder climate fantasies. I say to the BBC that working people will not have much extra revenue to buy their licences if all these proposals go through. Above all, the Government must scrutinise properly. We may eventually wish to enter this revolution but must first agree on whether it will pragmatically achieve its shared purpose, what it will cost and who will pay for it.

Lord Henley: My Lords, I do not think that I will be behaving like a Stalinist censor if I kill off the debate at this stage; I suspect that the House will be with me if we bring this to a conclusion. I shall address a few of the points made in the debate, although I confess that I will not be able to address all of them by any means.

Perhaps I may start by making a brief comment to my noble friend Lord Lilley, whom I served with on various occasions many years ago and for whom I have the greatest respect. He worried that this was one of those measures where the two Front Benches being in agreement probably meant that it was wrong and that it would not get proper scrutiny and proper debate. Certainly I can say that the two Front Benches are not in total agreement on this because we have the amendment that we have been debating from the noble Lord, Lord Grantchester, and I said earlier that I did not think there was much point in it. He was worried that his amendment could be misinterpreted. I think that it was and still is misinterpreted and that it is unnecessary.

I also say to my noble friend that there has been considerable debate over a mere two hours. There have been contributions from a number of noble Lords, ranging from the noble Baroness, Lady Jones, who feels that we are not going nearly far enough, the Liberal Democrat Benches, who say that we are not going far enough, and others who say that we are going too far. We have covered a large range of subjects, including whether we are failing on our carbon budgets and the suggestion that we need to do more onshore. The noble

Lord, Lord Grantchester, said we need greater clarity on nuclear. Even my noble friend Lord Deben, who generally supports what we do, feels that we are failing on domestic heating and cars, and wants us to go further on those issues.

The noble Lord, Lord Fox, wants me to lie down in front of a bulldozer at Heathrow, but that is not part of my plan. However, he also mentioned the importance of storage—a subject that he and I have discussed on other occasions. I agree that that is important and that there are matters such as storage, energy efficiency, batteries, hydrogen and heat exchange where more work and more research need to be done. The Government will be doing more and he will hear about that in due course.

Many noble Lords felt that there needed to be more on the costs and in the way of impact assessments and so on, and I will address those matters in due course. Others, including my noble friend Lord Ridley and the noble Lord, Lord Ravensdale, talked about carbon capture and storage. Again, that is vital for the future and we obviously need to look at it.

I could go on, but it is important that I address two particular points. The first is on costs. Secondly, I should say a little—I cannot say more—about "how". The question of how deals with the next two carbon budgets and the claims that we will fail on those and in so doing will—as my noble friend said—fail later, putting off and making it difficult to reach the net zero target by 2050.

6.30 pm

I shall start by saying a little about cost. I am very grateful for the work of the climate change committee, including my noble friend and other members. The committee estimates that the annual cost of delivering a net zero target is now within the same range as the 80% target was when that target was set in 2008. The noble Lord, Lord Turner, reminded us that this was the same range we had for the original target of 60%; things have moved on but we have kept within the same range. This does not mean that GDP will be 1% or 2% lower in 2050 as result of changing the target. GDP is used simply to give a sense of scale. The actual impact could be completely off-set by the many benefits, such as economic growth, green-collar jobs, reduced air pollution, reducing the risks of catastrophic climate change and so on.

There is then the question: why not publish an impact assessment? Again, we had the detailed report by the CCC, which is broadly in line with our own ideas. As we have made clear, and as I believe the noble Baroness, Lady Worthington, made clear in one of her interventions, we carry out full impact assessments when we set the carbon budgets; these place legally binding caps on United Kingdom emissions over successive five-yearly periods on a path towards reaching our 2050 carbon emissions targets. Carbon budgets 1 through to 5—covering the period from 2008 to 2032—have already been set through secondary legislation with accompanying impact assessments. In due course, when we come to the sixth carbon budget, which will cover the period from 2033 to 2037, we will produce another full impact assessment.

Again, as we have made clear throughout, we will publish individual impact assessments on individual measures produced following the setting of the target. This order, however, is about setting that legally binding target for 2050 using those powers set out in the 2008 Act. I can give a further assurance that we will consider the Treasury review very carefully. The Government are considering its timing and scope and the review of costs. We will come forward with an update on this in due course.

The next question is a big one.

Viscount Ridley: I am most grateful to my noble friend the Minister and apologise for intervening. Can he address my point about why the Committee on Climate Change has not shown in sufficient detail its workings in arriving at this figure of 1% to 2% of GDP?

Lord Henley: My Lords, I have mentioned the Treasury review, which will be available when it comes out in due course, but that question is a matter for the Committee on Climate Change, which is independent. The committee will no doubt—I hope—consider my noble friend's request and make that information available to him.

The second big topic I want to address in the limited time for which I feel the House will tolerate my speaking is the beginning of the question of how. I have made clear that the energy White Paper will come forward later in the summer. At this point, I have to say that, if noble Lords can be a little patient, there will be more to come before the House and more to hear. There have been accusations that, although we have met the first three carbon budgets, we are not on track to meet the fourth and fifth. We are over 90% of the way to the fourth and fifth carbon budgets, even before many of the policies and proposals in the clean growth strategy have had an opportunity to bite. But we recognise that there is a need to take further action and we are delivering that.

I shall give a few examples. I am thinking about complaints from my noble friend Lord Deben about housebuilding standards and a point made by the noble Lord, Lord Fox. The future homes standard provides that new-build homes will be future-proofed with low-carbon heating and world-leading levels of energy efficiency by 2025. We have published the carbon capture and utilisation action plan. We have announced £60 million for the next contracts for difference auction. But I note the point made by the noble Baroness, Lady Brown, about the offshore wind sector deal, which she has championed. She also very kindly mentioned the fact that I had spent lunchtime—and missed my lunch—addressing that conference, but I still had time to come here and deal with this important business. I am grateful for having had the opportunity to do so. We have also increased support for the transition to zero-emission vehicles to nearly £1.5 billion.

We are doing a lot; there is more to do. The order is about legislating to end our contribution to one of the most serious environmental challenges we face: climate change. We aim to be one of the first countries and one of the first major economies—if not the first G7 country—in the world to legislate for that net

[Lord Henley]
zero target. I believe we are doing, and achieving, a great deal. I do not believe that the amendment in the name of the noble Lord, Lord Grantchester, takes us any further. In fact, it is an unhelpful distraction. He said that it was likely to be misinterpreted; I have to say that it was, and is. I hope he will feel able to withdraw it.

Lord Grantchester: My Lords, I am grateful for all the contributions to today's debate. We should not make the order contentious but we should point out where the Government are falling short. The debate should not disguise that this is a momentous occasion, and I am honoured to be able to approve the order today. The Government are right to adopt Labour's policy by amending Section 1 of the Climate Change Act 2008 to create a more ambitious target. Indeed, it may be the only way to avoid a carbon catastrophe and the horrors that will be realised if the world does not come together to prevent a 1.5-degree temperature rise by 2050.

However, I regret that we are going about this in the wrong way. Net zero emissions by 2050 is an enormous aim, and it needs more than rhetoric to be realised. We need to develop alternative energy sources on a scale never seen before. The Government must urgently commit to a green industrial revolution and a transformation of energy in the UK, harnessing the resources of the state and the private sector to invest in the infrastructure. However, for an issue that will have such enormous ramifications, the Government have not outlined the route ahead. It is only right for Parliament to be given the information to consider such changes in full, and that Parliament must be able to appreciate the necessary implications of all actions.

The Government cannot simply lay this instrument and hope for the best. Challenging times are ahead and the lives of each of us will change. We now need a commitment that the absolute priority is overcoming this existential threat to our planet. Should circumstances change and it becomes apparent that the Government must bring the target forward, we need a guarantee that they will be prepared to do so.

According to the best scientific advice at the moment, the new target of net zero emissions by 2050 is the right path for the UK to avoid the greatest challenge the planet has ever faced. Because of the urgency of the climate challenge, I understand that, in these unusual and exceptional circumstances, no consultation is being undertaken and there is very little information at this stage. However, I wish through this amendment to put the Government on notice that they must come forward with full information on how the UK will fulfil the statutory commitment. I think the House is in unison on this, and I ask it to underline the challenge to the Government by voting for the amendment.

6.40 pm

Division on the amendment to the Motion.

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Amendment to the Motion agreed.

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Motion, as amended, agreed.

Safeguarding Vulnerable Groups Act 2006 (Specified Scottish Authority and Barred Lists) Order 2019

Motion to Approve

6.54 pm

Moved by ***Baroness Williams of Trafford***

That the draft Order laid before the House on 20 May be approved.

Relevant document: 53rd Report from the Secondary Legislation Scrutiny Committee

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, as noble Lords will know, the Disclosure and Barring Service—the DBS—makes considered decisions regarding whether an individual should be barred from engaging in regulated activity, which is close, regular work with children, vulnerable adults or both in England, Wales and Northern Ireland. The DBS also maintains the lists of individuals it has barred from undertaking regulated activity with children or with adults. Individuals can be barred if they are convicted or cautioned for a relevant offence, such as sexual or violent offences, or if they are referred by their employer who is concerned that the individual poses a risk of harm to children or vulnerable adults.

Barring plays a key role in safeguarding children and vulnerable adults from those who pose the greatest risk of doing them harm. It is vital that employers are supported in making informed decisions about an individual's suitability when they recruit for the most sensitive roles. As noble Lords will know, it is an offence for a barred individual to work or seek to work in regulated activity. This order relates to the process by which an individual may be barred from working with children or vulnerable adults and provides for greater recognition of barring decisions taken in other UK jurisdictions.

The order gives effect to provisions under the Safeguarding Vulnerable Groups Act 2006, also known as the SVGA, to ensure that barring decisions made under the law in Scotland are recognised by the DBS in England and Wales in cases where no additional information comes to light. In particular, an individual whom Disclosure Scotland decided not to bar cannot subsequently be considered for barring in England and Wales on the basis of the same information. To give effect to these provisions, the order specifies that the Scottish Ministers are the "relevant Scottish Authority", and the lists maintained by the Scottish Ministers under the Protection of Vulnerable Groups (Scotland) Act 2007 are "corresponding lists" to those lists of barred individuals maintained under the SVGA.

As noble Lords will know, criminal records disclosure and barring are devolved matters. As such, it is important that the DBS and its Scottish counterparts work together and recognise each other's decisions. The existing framework provides that an individual who is barred under Scottish legislation is also barred in England and Wales and vice versa. Therefore, an individual who has been barred in one jurisdiction cannot work with vulnerable groups by seeking employment in another.

The order gives practical effect to that recognition and ensures that effective safeguarding is maintained across the UK. This avoids the possibility of a "double jeopardy" situation for the individual where the DBS might bar an individual whom Disclosure Scotland had previously decided not to bar on the basis of the same information. It is already the case under Scottish law that Disclosure Scotland is not required to consider an individual for barring who has already been considered by the DBS.

A similar statutory instrument will be made by the Secretary of State under corresponding Northern Ireland legislation to ensure consistency across all three jurisdictions. As a result, each barring body will recognise barring decisions taken by another.

I hope that that is a simple explanation that noble Lords will feel able to support, and I commend the order to the House.

7 pm

Lord Rosser (Lab): My Lords, I thank the Minister for the explanation of the purpose and content of this draft order, to which we are not opposed. Having said that, I hope that the Minister feels more confident than I do that she fully understands it. Much of what I want to say is taken unashamedly from the recent report from the Secondary Legislation Scrutiny Committee, and also, in part, from the wording of the Explanatory Memorandum. I will also raise a couple of points in the light of what was said when the draft order was considered in the Commons.

The Safeguarding Vulnerable Groups Act 2006 sets out the arrangements under which the Disclosure and Barring Service may bar individuals from certain roles which involve working with children or vulnerable people in England and Wales. It also includes provisions setting out the relationship between the barred lists maintained under devolved legislation in Scotland and Northern Ireland. Section 74 of the Protection of Freedoms Act 2012 amended the 2006 Act to place restrictions on duplication with the Scotland and Northern Ireland barred lists. The purpose of this order, as I understand it, is to implement that statutory restriction with regard to Scotland, so that the barring lists of England, Wales and Scotland do not duplicate each other. The restrictions on duplication under the 2012 Act apparently arise from concerns that double barring might create a further burden on individuals who wish to challenge their inclusion on the barred list, as they would need to pursue separate appeal and review processes in each jurisdiction. Duplication also gives rise to the potential that, if an individual's challenge was successful in one jurisdiction but not another, he or she would remain barred across the whole of the United Kingdom.

The Secondary Legislation Scrutiny Committee asked why, given that the restriction on duplication was introduced in 2012, it was only now being implemented. The answer from the Home Office was that responsibility for the Disclosure and Barring Service was changed to the Home Office following the passage of the 2012 Act, and the delay in bringing the measure forward was an oversight. What changes in processes or procedures have now been put in place to prevent what appears to be a seven-year oversight happening again in the Home Office? It does not inspire confidence in governance arrangements, which one would have thought might have been of some concern to the Home Office board—assuming that body still exists.

In its report on this draft order, the Secondary Legislation Scrutiny Committee said that the Disclosure and Barring Service did not have the technical capability for the automatic exchange of information with Scotland. The committee went on to say that, while it had no information about the efficiency or effectiveness of the current cross-checking system, it did have concerns that it appeared to depend on the vigilance of officials who operate the lists. Could the Minister comment on that point from the committee about the current arrangements and the efficiency and effectiveness of the current cross-checking arrangements? Also, what assurances, backed up by hard evidence, can the Government now provide?

The Committee also reported that a new IT system is planned, to make such cross-checks automatically. It seems that the current IT contract has been terminated, but that there is an extension notice until January 2020 to ensure continuity of services while the procurement process transitions to new suppliers. The committee went on to say that the Home Office could not offer a clearer indication of when the capability to undertake automatic checking of Scotland's barred list would be in place.

Continuing, the committee suggested that the House might wish to seek assurances, which are what I am now asking from the Government, about what mitigation is in place to offset any risk that information about individuals on a barred list in one jurisdiction may inadvertently fail to be shared with another jurisdiction. Also, will the Government provide further information about when and how the new IT system will achieve compliance with the requirements of Section 74 of the Protection of Freedoms Act 2012, to which I referred earlier?

During the debate on this order in the Commons, the shadow Minister expressed her concern that, if the safeguarding of vulnerable adults and children is to be taken seriously—as I do not doubt for one moment that the Government do—we need to bear in mind that some cases of child abuse, trafficking and rape appear to be being dealt with by out-of-court disposal orders, which apparently means that they are omitted from DBS checks. The Minister in the Commons did not appear to respond to that point. Could the Minister now respond on behalf of the Government? Are there examples of such serious offences being dealt with by out-of-court disposal orders—and, if so, do the Government take the view that there is no potential danger in excluding them from DBS checks?

A further point was raised by a Conservative MP when this order was debated in the Commons. He drew attention to the fact that people posing a risk to children was an international problem and not simply a UK problem, and asked what progress had been made in the exchange of information with other countries. The same MP also asked about the length of time taken to get DBS clearance, and referred in particular to teachers who were new to a school, or newly qualified, because in the past it had led to such teachers not being able to take up their position.

He asked for an assurance that the time taken to give clearance to essential public workers in particular was not an ongoing problem. The Minister in the Commons promptly gave that assurance, but gave no information on how long such clearance was now taking, and said that the list was,

"reducing at an acceptable rate".—[*Official Report,* Commons, 18/6/19; col. 160.]

That is not the same as saying that clearance times are now deemed to be acceptable. Can the Minister provide information on how long DBS clearance is now taking? If it is above an acceptable time span, what is the target figure?

Finally, the Minister in the Commons said that she would be writing to Tim Loughton, the MP concerned, on the issue he had raised about exchange of information with other countries. I too am interested in that point, and I would be grateful if I could be sent a copy of the Commons Minister's reply.

Lord Hope of Craighead (CB): My Lords, I welcome this order as achieving the necessary consistency between the two jurisdictions. Nobody doubts the value of the barring system in protecting vulnerable children from abuse in its various forms. The position in Scotland is accurately set out in paragraph 7.6 of the Explanatory Memorandum, which states:

"Existing Scottish legislation does not require Disclosure Scotland to consider individuals for barring where the individual has already been considered by the DBS",

in England or Wales,

"and the DBS has considered all relevant information. Nor does it require Disclosure Scotland to apply a bar in cases that are barred under England and Wales legislation".

That sets out what in Scotland is the system to avoid duplication, and also to maintain consistency.

As I understand it, the aim of this order is to achieve the equal position in England, Wales and Northern Ireland, with a view to enabling the authorities on both sides of the border to work together better to protect children and vulnerable adults. I think that every noble Lord in this House would support the broad aims. I am not in a position to join with the noble Lord in the criticisms he made—I do not have that information. As far as I am concerned, the order deserves to be supported because it is achieving what everybody wished it to achieve: consistency to enable the authorities to work together.

Lord Paddick (LD): My Lords, I thank the Minister for explaining this order. I now understand why the noble Lord, Lord Rosser, wanted to speak first—I too am relying on the Secondary Legislation Scrutiny Committee's 53rd report, so I will try to say things in a slightly different way.

I understand that the purpose of the order is to ensure that those placed on a barred list by the Disclosure and Barring Service in England, Wales and Northern Ireland are not also placed on the barred list in Scotland by Disclosure Scotland for exactly the same reason—so-called double barring—so that, if there is a successful appeal in one jurisdiction, the person does not have to go through a second appeal process in the other jurisdiction. I also understand that this protection against double barring was supposed to have been brought in in 2012 and is being done now simply because of an oversight, as the noble Lord, Lord Rosser, pointed out.

I further understand that the current computer systems do not allow automatic checking of the Disclosure and Barring Service against the Disclosure Scotland barred list but relies on the DBS, for example, asking Disclosure Scotland to do a manual search of their list if it believes the subject has a Scottish connection. There is no date, other than beyond January 2020, for changes being made to the IT systems to allow automatic checking, as the contract with the current IT company has been terminated but the system is being maintained by the current company until the new one takes over in 2020.

While I can understand the reasoning behind the protection against double barring, is it not in the overriding interests of public safety for the name to appear on both lists, rather than relying on the Disclosure and Barring Service making a specific request of Disclosure Scotland if, and only if, they suspect a Scottish connection, at least until the IT issues have been sorted out?

To avoid the scenario where a successful appeal to the Disclosure and Barring Service does not result in the barred person being removed from the Disclosure Scotland list, if the person is barred for exactly the same reason in Scotland, what is to stop the Disclosure and Barring Service, as a matter of course, alerting Disclosure Scotland whenever there is a successful appeal against inclusion in the England, Wales and Northern Ireland list, and vice versa? The Government have failed for seven years to implement the protection against double barring. What difference will another six months or so make, until a reliable IT system is in place that can automatically check one list against another, particularly as there seems to be a perfectly reasonable workaround—or have I misunderstood?

Baroness Williams of Trafford: My Lords, I thank noble Lords who have raised questions on this SI. Like the noble Lords, Lord Paddick and Lord Rosser, I requested that the whole thing be translated into English so that I could fully understand it—noble Lords will agree that the language is quite technical. I thank the noble and learned Lord, Lord Hope, for his general support for consistency being employed through the use of this statutory instrument.

The noble Lord, Lord Rosser, asked when the issue was identified and what the reason was for delaying the introduction of the SI. It was identified in May 2018 and was the result of a move of departments—to the Home Office. Departmental responsibility changed following its enactment and we think, as the noble Lord, Lord Paddick, said, that it was an oversight. Once the failure was identified, the Government brought forward the order at the earliest opportunity to give effect to paragraphs 6 and 12 of Schedule 3 to the SVGA.

The noble Lord, Lord Rosser, rightly asked about safeguarding gaps. No safeguarding gap is created by this order not having been in place. Individuals in Scotland, or England and Wales, who pose a risk of harm have continued to be subject to rigorous consideration and, where appropriate, included on the barred lists.

It was an interim measure—although a rather long one—done by MoU. It is now, quite properly, done by statutory instrument in your Lordships' House and in the other place.

The noble Lord also asked about out-of-court disposals. I totally agree with him that it is vital that employers have the right information when they are recruiting people to work closely with children, or indeed other vulnerable groups. That is why, in addition to details of convictions and cautions, the enhanced DBS check is referred to local police forces to include any information the chief officer believes to be relevant to the application, and ought to be disclosed. That might include details of a serious offence dealt with by a community resolution or other out-of-court disposal.

The noble Lord, Lord Rosser, also raised the question that was asked of my honourable friend in the other place, Victoria Atkins MP, about the international exchange of criminal records. She will write to the House on the subject and the response will be shared. I do not, I am afraid, have that answer in front of me at this point.

7.15 pm

The noble Lords, Lord Rosser and Lord Paddick, asked when the IT system would achieve compliance with Section 74 of POFA. Section 74 is not yet commenced and could not be until the IT capability to undertake automatic checking of Scotland's barred list is in place—as the noble Lord, Lord Paddick, pointed out. We cannot give a clearer indication of when the necessarily capability will be in place to allow for Section 74 to be commenced. DBS has recently terminated its contract with its IT supplier but has enforced an extension period to ensure operational continuity of services while the procurement process transitions to two new suppliers. Incremental transition of current services to the new suppliers will commence once contract award approvals are complete. It is expected that this will commence in August of this year. Further changes to the IT system cannot be planned until the new suppliers have fully transitioned. Implementing the requirements of Section 74 could be considered as part of that change programme.

To the question about the average time now taken to get DBS clearance through, the answer is I do not know. I recall a figure of six months, but I could not in all certainty say that it is an accurate figure now. If the noble Lord, Lord Rosser, is content, I will write to him on that.

The noble Lord also asked what mitigation was in place to offset any risk that information about individuals on a barred list in one jurisdiction may inadvertently fail to be shared with another jurisdiction. I can assure the House that appropriate arrangements are in place to ensure that an individual's barred status will be included on a criminal record check irrespective of which jurisdiction took the barring decision. The DBS has access to the barred list of all three jurisdictions when issuing relevant criminal record certificates. It maintains the children's and adults' barred list in respect of England and Wales and Northern Ireland, and operates a reciprocal agreement with Disclosure Scotland routinely to share barred list information for the purpose of producing a certificate in either jurisdiction.

The noble Lord, Lord Paddick, asked about appeals. I think the answer is that a successful appeal in respect of being put on a DBS list will have the appropriate effect in the devolved Administrations—that would be logical—but I am not certain about that and will confirm it in writing to the noble Lord.

I think that I have answered all the questions, but if I have not—

Lord Rosser: The Minister has certainly answered my questions, for which I am grateful, but I want to pursue one issue—I do so seriously and not frivolously. The secondary legislation committee had asked why, given that the restriction on duplication was introduced in 2012, it was only now being implemented. The answer came back that it was an oversight. My question is simply this: was that because of a breakdown in processes and procedures, or was it just bad luck? Has this been looked into? Is the Home Office taking steps to make sure that such a thing cannot happen again?

Baroness Williams of Trafford: What I do know is that it was originally brought in in 2009. I accept that the noble Lord would like more detail. I think that it is simply an omission, which we often correct in secondary legislation, but if there is anything further to add, I will get the information to him.

Motion agreed.

Victims and Witnesses (Scotland) Act 2014 (Consequential Modification) Order 2019

Motion to Approve

7.19 pm

Moved by ***Lord Duncan of Springbank***

That the draft Order laid before the House on 16 May be approved.

The Parliamentary Under-Secretary of State, Northern Ireland Office and Scotland Office (Lord Duncan of Springbank) (Con): My Lords, this order is necessitated by the Victims and Witnesses (Scotland) Act 2014. Through this Act, the Scottish Government sought to improve the information and support available to victims and witnesses, and to put them at the heart of the justice system in Scotland. The Act also created a new victim surcharge fund, which will use the money raised from this surcharge to provide support to victims of crime.

The order will amend the Criminal Justice Act 1991, which gives the Secretary of State the power to introduce a process whereby courts can apply for a deduction from an offender's benefits to pay for a fine or compensation order.

This process has been in place for the victim surcharge in England and Wales since 2007. However, social security is for the most part reserved and, therefore, the Scottish Government are unable to apply the power to the new Scottish victim surcharge. This order, if approved, will allow Scottish courts to apply to the Secretary of State for a deduction to be made from an offender's benefits.

This order demonstrates that the UK Government remain committed to strengthening the devolution settlement and shows Scotland's two Governments working together. I commend the order to the House and beg to move.

Lord Hope of Craighead (CB): My Lords, looking at the matter from the point of view of a sheriff sitting in a court in Scotland, I think that the order is much to be welcomed. The fact is that people move about, and some offenders coming to Scotland from England or Wales disappear back to England or Wales after they have been sentenced. It is necessary that this measure be passed so that the order that the sheriff would like to make can be properly put into effect.

Lord Wallace of Tankerness (LD): My Lords, we also support the order, but I have one or two questions for the Minister. We heard in the previous debate about legislation that came into effect in 2012 and we were only now getting around to considering the order. My understanding is that the Victims and Witnesses (Scotland) Act was passed by the Scottish Parliament in late 2013 and received Royal Assent in January 2014. Here we are, more than five years after Royal Assent, considering this order.

Paragraph 7.1 of the Explanatory Memorandum states: "Included in these measures"—that is, the measures in the 2014 Act—

"is the victim surcharge, a new financial penalty to be imposed on offenders in certain cases as will be set out in the Victim Surcharge (Scotland) Regulations 2019".

Is it right that we do not yet have these regulations, so we do not know what will be in them, what the circumstances would be nor the measure of the penalties? I think that there is reference somewhere to a sliding scale, but has the Minister seen any draft regulations? In inviting the House to approve this measure, it might have been reasonable to give us some idea as to what precisely the Scottish Government had in mind. I know the Scottish Parliament will be able to look at this order, but it would have been helpful to have had a bit of colour: if he has that information, it will be very welcome.

I emphasise that it has been a very long journey to get here. On a visit to Victim Support Scotland in August 2014, the then Justice Secretary in the Scottish Government, Mr Kenny MacAskill, met victims who had been helped by the existing fund, run by that very important organisation. Mr MacAskill indicated that they were the kind of victims who would be helped by the victim surcharge fund. Indeed, the Scottish Government's press release accompanying Mr MacAskill's visit said:

"A new fund providing more than a million pounds a year of practical help for victims of crime is set to be introduced in the coming months as part of the Scottish Government's package of measures to improve the support for victims and witnesses in Scotland … The Victim Surcharge Fund will be established in the next few months and is likely to be administered by Victim Support Scotland".

That press release was dated 13 August 2014.

A series of questions have been asked in the Scottish Parliament about when we are actually going to get these regulations. My Liberal Democrat colleague Alison McInnes, then Member for North East Scotland, asked in July 2015,

"what (a) criminal offences, (b) circumstances and (c) descriptions of offender can cause a victim surcharge to be imposed".

She was told by Mr Michael Matheson, who by that time had taken over from Mr MacAskill as Scottish Justice Secretary:

"The victim surcharge is not yet operational, nor have the relevant provisions in the Victims and Witnesses (Scotland) Act 2014 been brought into force. Therefore, no surcharges have been imposed or payments made. The victim surcharge is due to be introduced later in 2015, ensuring that offenders contribute towards a fund specifically to support victims of crime. Preparatory work for the establishment and administration of the fund is ongoing … details of how it will operate, including the circumstances in which a surcharge is to be imposed, will be set out in subordinate legislation and will be subject to parliamentary approval in due course".

Fast forward—or not-so-fast forward—to February 2016, when Ms McInnes was given a further answer from Michael Matheson:

"Preparatory work for the establishment and administration of the victim surcharge fund is on-going. The timetable for the introduction of the fund has been influenced by a number of factors, including further detailed consideration of viable options for delivery and the potential role of third sector or other organisations in this process".

Then we get to an answer given to my colleague, Member of the Scottish Parliament for Orkney, Mr Liam McArthur, who asked in December 2016 what progress had been made in establishing the victim surcharge fund and when it was expected to be operational and issue its first payments. To this, he got the reply:

"It is the Scottish Government's intention to establish the fund in 2017 and to initially impose the surcharge on offenders given a court fine. Further details of how the fund will operate will be set out in subordinate legislation, which will be subject to parliamentary approval in due course".

So here we are at the beginning of 2017, three years after Royal Assent, and we are still talking about it being done "in due course".

There were further questions of a similar kind. Mr Humza Yousaf, who had by this time taken over from Mr Michael Matheson, said on 17 July last year:

"Our intention is to announce further details on the VSF, following the summer Parliamentary recess".

The then Conservative Member for North East Scotland, Liam Kerr, asked in October 2018 on what date the fund would become operational. Mr Yousaf, replying on 7 November 2018 said:

"In order to ensure effective operation of the victim surcharge in Scotland, an Order under section 104 of the Scotland Act 1998 … is required to amend section 24 of the Criminal Justice Act 1991 … which is reserved".

That is the very point we are debating in relation to this order, but one notes that not until November 2018 did the Scottish Government ever say that there was any issue about trying to get a Section 104 order. Will the Minister tell us when the Scotland Office was first approached by the Scottish Government with regard to identifying the necessity for such an order? Mr Yousaf went on to describe the order and said:

"The UK Government have agreed in principle to this Order and have estimated that, once all the necessary steps are completed, it will come into force in summer 2019, subject to UK Parliamentary timescales. The Victim Surcharge (Scotland) Regulations, which will implement the surcharge, will be laid before the Scottish Parliament, as soon as practicable after the section 104 Order comes into force".

In all fairness to the United Kingdom Government, they have held to summer 2019 reasonably well. In a reply to a parliamentary question from Liam McArthur last month, that timescale was repeated by Mr Yousaf in very similar terms.

It is widely agreed that this is an important provision. It is one that will actually give support to victims from the fund created, and it is a matter of considerable regret that it has taken the Scottish Government five years after legislating to even come up with a proposal on how their flagship policy might work. That is not a responsibility of the United Kingdom Government, but it would be very helpful for us to have some colour as to the detail of the proposal. For example, while it is important that we look at the position of victims, we also need to consider those who might have this sanction applied to them. What are the guidelines to ensure that they do not have so much taken out of their benefits that they then struggle to make ends meet, which might actually drive them, in some circumstances, to further crime? That is a detail we do not know and if the Minister has any information on that, it would be very welcome.

As I say, my Liberal Democrat colleagues in the Scottish Parliament have been pushing the Scottish Government hard to make progress on this and it is important that we have this order tonight. We very much welcome it and will certainly give it our support.

7.30 pm

Lord Davidson of Glen Clova (Lab): My Lords, I thank the Minister for introducing this brief order, which this side does not oppose. It is commendable that the Scottish Parliament has replicated the victim surcharge scheme that has operated in England and Wales since 2007. It should be a reasonable example of the cross-fertilisation of legal innovation that can occur from time to time within the UK.

What is perhaps surprising, as the noble and learned Lord, Lord Wallace, narrated in some detail, is that, having gone to the trouble of introducing this instrument into Scottish criminal law in 2014, some five years on victim surcharges have not been brought into force in Scotland. I note from the Explanatory Memorandum that it appears that some statutory amendment is required to be undertaken by Her Majesty's Government before the relative support for victims and witnesses may be made effective.

I have a few questions for the Minister. On the assumption that the victim surcharge would be as useful in Scotland as in England and Wales, should not the scheme have been operational in Scotland some time ago? Does responsibility for the delay lie with Her Majesty's Government, with the Scottish Government or, indeed, with both? Is there any particular reason why the scheme should not have been operational in Scotland? Is it perhaps because problems have arisen with the scheme in England and Wales that no one wishes to visit on the people of Scotland? Is there any assessment of how much money has been denied to the victims of crime in Scotland consequent on the non-implementation of the scheme? The noble and learned Lord, Lord Wallace, identified a figure of £1 million per annum. By my arithmetic, that would mean £5 million has been denied to victims in Scotland. Is that correct?

On the assumption that the scheme will be implemented, how is it envisaged that cross-border issues will be determined? Where the convicted person is resident in another part of the UK, will a special recovery procedure be required for the victim surcharge? I appreciate that the Minister may not be able to answer all these questions immediately; any written answer would be welcome.

Lord Duncan of Springbank: My Lords, this is one of these rather interesting areas in which I seem to be called on to explain the inscrutable workings of the Scottish Government, which I am unfortunately rather ill equipped to do. The noble and learned Lord, Lord Wallace, raised a number of issues regarding the lengthy delay. To be frank, I do not have an adequate answer to give him on behalf of the Scottish Government.

I have before me a statement which says that the Scottish Government have undertaken detailed consideration and consultation. Clearly it has taken a very long time. Exactly why that has been the case remains to be seen. Indeed, through a series of questions asked by a number of Members of the Scottish Parliament, it is quite evident that the Scottish Government were very optimistic that this would be delivered—that the answer would be arriving now—and that has simply not happened.

The noble and learned Lord, Lord Davidson, asked who is to blame for this. I would not use the term "blame", but I suggest that the Scottish Government have responsibility in that regard. When we learned that there needed to be an amendment of the legislation which was reserved, we of course acted expeditiously to move that forward and will do so. Today is a measure of how quickly we have been able to move. I have not had sight of the details of the Scottish Government's proposals. While I could speculate that they may look rather like the English and Welsh version—I would only be speculating in saying that—I anticipate that this will come through the Scottish Parliament in due course. I am afraid that I cannot speak on its behalf, however, so I am unable to answer that question.

The noble and learned Lord, Lord Hope, raised the issue, echoed by the noble and learned Lord, Lord Davidson, of those individuals who find themselves outwith the territorial jurisdiction of Scotland—in Wales or in England. That is a correction which we can take forward. As to the mechanism whereby that will be undertaken, I have to admit to the noble and learned Lord, Lord Davidson, that I do not have the detail on that. If it is equivalent to the English or Welsh version, I can certainly have that information placed in the Library. If it is some variation on that, we will have to wait until the Scottish Government determine what it should look like.

As to the amount of money not gathered as a consequence of the length of delay, the noble and learned Lord, Lord Wallace, is correct in his figures. The estimate is that around £1 million is available to be gathered in this way, but that of course depends on the details of the Scottish Government's regulation, which I do not have. I am not sure whether that is an accurate reflection of the money or whether it is just speculation on our part. It may be that, once we have more detail on this, I can secure that information and

place it in the Library. Of course, the avid Members of the Scottish Parliament may be better equipped to interrogate the Scottish Government further on these issues, about which I am afraid I have remarkably little information to satisfy noble Lords.

Lord Wallace of Tankerness: Perhaps I might ask the Minister something that hopefully will be within his responsibilities. The Explanatory Memorandum says that it has been,

"prepared by the Office of the Secretary of State for Scotland".

Paragraph 6.1 states:

"On a practical level, there need to be enforcement measures to ensure that the victim surcharge is paid. One such measure is deduction of sums of money from the relevant offender's benefit payments".

Given that that was written by the Office of the Secretary of State for Scotland, can one reasonably infer that there are other ways in which the other enforcement measures could have been done—and, indeed, that they could have been used against people who do not have benefits and might be very wealthy? Therefore, given that that is in an Explanatory Memorandum from the UK Government, can the Minister explain why an interim order was not brought forward before there was a need for this particular one?

Lord Duncan of Springbank: Again, the noble and learned Lord asks a question to which I am afraid I do not have an adequate answer in terms of an interim approach to this. Scotland has two Governments, and of course we are active in the area where we can control the elements within our remit. The Scottish Government are responsible for those matters which they must determine and drive forward. As a consequence of that, I am less able to answer the question.

However, I do have an answer to the question of whether the rates of subtraction from benefits are a potential risk to the individual's ability to pay, or indeed to struggle to pay. The DWP has set out very clear guidelines to avoid any suggestion that the deductions themselves are in any way harmful to the individual. If these guidelines are followed in the Scottish example, I anticipate that this would therefore not be an issue that would occur in the Scottish Government's proposals. Again, I am speculating on what they will be putting in there; I do not have that detail.

As I move this forward and welcome the support of the House this evening, I suspect that that the Members of the Scottish Parliament may well be better equipped to continue to prod the Scottish Government in order to elicit the responses which I have been unable to deliver on their behalf. On that basis, I hope that I can move forward and commend this order to the House.

Motion agreed.

House adjourned at 7.38 pm.

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