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PARLIAMENTARY DEBATES
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HOUSE OF LORDS
OFFICIAL REPORT

ORDER OF BUSINESS

Introduction: Baroness Hallett	1145
Questions	
Trade Policy: Environmental Aspects	1145
Sanctions	1148
Homelessness	1150
Hymen Surgery	1153
Questions to the Secretary of State for Digital, Culture, Media and Sport	
Digital Inclusion	1155
Sport and Recreational Facilities	1158
TV Licence Fee Enforcement	1160
Electric Vehicle Trading Scheme and Road Usage Duty (Consultation) Bill [HL]	
<i>First Reading</i>	1162
Education (Assemblies) Bill [HL]	
Constitutional Privileges Bill [HL]	
European Union (Information, etc.) Bill [HL]	
Hares Preservation Bill [HL]	
<i>First Readings</i>	1163
Business of the House	
<i>Motion on Standing Orders</i>	1163
Fisheries: EU Landing Obligation (European Union Committee Report)	
<i>Motion to Take Note</i>	1164
Fisheries: EU Landing Obligation (European Union Committee Report)	
<i>Motion to Take Note</i>	1187
High Speed 2 (Economic Affairs Committee Report)	
<i>Motion to Take Note</i>	1187
Royal Assent	1252

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

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House of Lords

Thursday 23 January 2020

11 am

Prayers—read by the Lord Bishop of Birmingham.

Introduction: Baroness Hallett

11.05 am

The right honourable Dame Heather Carol Hallett, DBE, having been created Baroness Hallett, of Rye in the County of East Sussex, was introduced and took the oath, supported by Lord Brown of Eaton-under-Heywood and Lord Faulks, and signed an undertaking to abide by the Code of Conduct.

Trade Policy: Environmental Aspects Question

11.12 am

Asked by **Baroness Quin**

To ask Her Majesty's Government what discussions they have held with representatives of environmental organisations about the environmental aspects of government trade policy.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, the Government have met regularly with a range of environmental organisations throughout the development of trade policy via advisory groups, ministerial round tables and individual meetings with industry bodies, regulators and think tanks. More trade should not come at the expense of the environment. Instead, trade policy can support clean growth and environmental innovation. We remain firmly committed to upholding our high environmental standards and will continue to talk to environmental groups throughout trade negotiations.

Baroness Quin (Lab): My Lords, I thank the Minister for that reply, but the Government's recent pronouncements, particularly by the Chancellor of the Exchequer, seem to move away from trade with Europe towards trade with countries much further away geographically. As far as trade in goods is concerned, that is bound to mean more air miles and more fuel-consuming, polluting ocean voyages. Does the Minister not agree that it makes environmental sense to trade more with our nearest neighbours in the future and not less? What environmental assessment of this have the Government made and will he share it with Parliament?

Lord Gardiner of Kimble: My Lords, I will have to write to the noble Baroness about any assessment. But I can say—this is really important—that we in this country believe that we have enormous potential for low-carbon exports of goods and services, which we have estimated to be between £60 billion and £170 billion by 2030. As I said in my earlier Answer, we can have more trade, but it needs to be through the prism of a

low-carbon, circular economy. That is what we seek to do. Yes, we want a substantial and positive free-trade negotiation with our friends and partners in the EU, but we also think that, given the dynamic of our economy and that our low-carbon economy is increasing, there is merit in having trade negotiations in parallel with other parts of the world. We should see that as positive for the environment.

Lord Tyler (LD): My Lords, as the Minister will know, this weekend a pioneering citizens' assembly will start work, supported by six Select Committees. What steps will be taken to ensure that its work in examining the measures necessary to achieve net zero-carbon emissions will be properly monitored by the Government, particularly by those Ministers responsible for the very important forthcoming trade negotiations?

Lord Gardiner of Kimble: Clearly Defra, BEIS and the Department for International Trade have very strong collaborative working. It is absolutely essential that we recognise the climate emergency and the need to enhance the environment. The environment Bill, which will eventually come to your Lordships' House, will propose the establishment of the office for environmental protection; this will be an independent means of holding public authorities in this country to account to ensure that binding targets and so forth are adhered to. We should be very positive about what we are seeking to do in this country—we are one of the highest-ranking countries for both environmental and climate change performance.

Lord Krebs (CB): My Lords, it was reported in the papers two or three weeks ago that the European Union is considering a proposal to impose tariffs or restrictions on trade with countries that do not meet their Paris INDCs. Does the Minister think that, particularly ahead of the COP 26 in Glasgow this year, the UK, as part of its contributions to the global reduction of greenhouse gas emissions, might consider a similar measure in thinking of new trade relationships?

Lord Gardiner of Kimble: My Lords, this is an area that we obviously all need to consider globally. It is interesting that our country is ranked seventh out of 61 countries on the climate change performance index, in comparison with the EU 28, which is ranked 22nd. We should be very clear about our direction of travel. We reduced emissions by 40% between 1990 and 2018, yet the economy has grown by 75% in that period.

Lord Howell of Guildford (Con): My Lords, I understand the concern but, when it comes to the influence of energy and climate on trade, has not the European Union energy market and energy policy so far led, regrettably, to more coal-burning and an increase in the use of Russian gas? Are those the kind of levels that we want to stay down at? Surely not.

Lord Gardiner of Kimble: My noble friend has probably given part of the reason why we are at our current position and the EU 28 is 22nd. It is because we are one of the most successful low-carbon economies

[LORD GARDINER OF KIMBLE]

—in fact, we are the most successful in the G7. That is the direction of travel which I think will see our country become ever more prosperous.

Baroness Whitaker (Lab): My Lords, following on from the question of the noble Lord, Lord Krebs, what conditions relating to the low-carbon economy will Her Majesty's Government impose in any trade deal with the United States of America?

Lord Gardiner of Kimble: We will obviously want to retain all our environmental standards—our food safety and other standards—both in our own production and in that coming via imports, because we want to be one of the world-leading countries with a successful green economy. Clearly, we will not compromise on those standards in our trade negotiations.

Lord Teverson (LD): My Lords, the Minister will be very aware of biosecurity—I welcome his work in this area—the absence of which could be one of the greatest threats to our environment and our future biodiversity. One area of concern is ballast water for ships on international trade. In 2017, the International Maritime Organization greatly tightened up the regulations governing ballast water, yet I understand that the Department for Transport has not put any resource into implementing that decision. Will the Minister have a word with his DfT colleagues and make sure that this happens?

Lord Gardiner of Kimble: The noble Lord hits on an important part of what we need to do. We are working on this; I have already had discussions with the Department for Transport, and I will continue to do so. We are very clear about the importance of this issue. One of the chief areas I am concerned about is invasive species, which is one of the key five environmental problems. What the noble Lord has said is extremely helpful.

Baroness Jones of Whitchurch (Lab): My Lords, the Government have said repeatedly that they do not intend to water down the UK's high environmental, welfare and food safety standards. It is a mantra that we all understand but, of course, the President of the United States and others have different views on all this. We need more certainty. Can the Minister clarify which Bill will be used specifically to confirm that commitment, and what is the timetable for putting it on the statute book? We need that certainty.

Lord Gardiner of Kimble: My Lords, as has been said, the Trade Bill is coming back before Parliament in this Session; that will be the opportunity for Parliament to give due consideration to this issue. It is important, as I have said and will continue to say, and your Lordships will perhaps not have to wait long to see the bona fides of what we have been saying: we have a good reputation and we want to enhance it. That is what is really important and in the national interest. We can be ever more prosperous by being a leading beacon for a low-carbon economy.

Lord West of Spithead (Lab): My Lords, can the Minister tell us when we will provide shore power for merchant ships and ferries which are involved in trade with our nation? This would have huge environmental benefits for us, rather than leaving them running their diesel generators when alongside.

Lord Gardiner of Kimble: On transport statistics, again, this is an area where we all need to change the way we do things. We need to concentrate on ensuring that there is greater infrastructure, research and innovation. I will take this point back, because the maritime industry, and perhaps even the Royal Navy, will need to consider how to work together to ensure we get our net zero.

Sanctions Question

11.21 am

Asked by **Lord Hain**

To ask Her Majesty's Government what proposals they have for legislation providing similar powers to United States government sanctions.

The Minister of State, Foreign and Commonwealth Office (Lord Ahmad of Wimbledon) (Con): My Lords, the Sanctions and Anti-Money Laundering Act 2018 provides the legal basis for the United Kingdom to impose autonomous sanctions. We have already laid some secondary legislation to transfer existing EU regimes into UK law at the end of the implementation period. One area where we will use the sanctions Act is to establish a UK autonomous global human rights Magnitsky-style sanctions regime once we leave the European Union. The sanctions regime will address serious human rights violations or abuses wherever they occur.

Lord Hain (Lab): My Lords, I welcome the Minister's statement; it is considerable progress on the exchange we had late last year. But it is important that the Government deter international crime by establishing sanctions similar to those imposed by the USA on the Gupta brothers of South Africa for their part in former President Zuma's corrupt regime, which looted hundreds of millions of pounds from South African taxpayers. The fact is that some of the world's worst criminals and human rights abusers have significant assets in the UK, and it is important that this process is accelerated and given real teeth, as in the USA, enabling them to be targeted and denied the right to travel and to have their UK-based assets frozen. Otherwise, London will continue to be a centre for money laundering for serious criminals such as the Gupta brothers.

Lord Ahmad of Wimbledon: My Lords, we continue to have helpful discussions with the noble Lord in this respect. My colleague the Minister for Africa has also written to him. On his final point on money laundering, I draw the noble Lord's attention to the fact that in 2018 FATF undertook a review of over 60 regimes across the world, in which the UK ranked the highest,

showing that we have a robust money laundering regime in place. That said, there are always improvements to be made. As far as the sanctions regime itself is concerned, as I have said before from the Dispatch Box, we are currently considering its overall scope. The noble Lord makes some helpful suggestions. On his point about other regimes around the world, as I have always said, the imposition of sanctions works best when there is connectivity across like-minded partners.

Baroness Northover (LD): My Lords, the House of Commons Foreign Affairs Select Committee recently described the Government's approach to sanctions as "fragmented and incoherent." We now hear reports that the Cabinet is divided over whether post Brexit the United Kingdom should be more or less active in this area. Can the Minister confirm that the Government and he himself promised during the sanctions Bill that the United Kingdom post Brexit would be more rather than less ambitious in sanctioning those who commit or hide human rights abuses and corruption?

Lord Ahmad of Wimbledon: My Lords, if there is any incoherence or lack of understanding, wherever it may be, I suggest across the piece that Members attend your Lordships' House, where I am sure they will be suitably enlightened. On the specific issue of the policy around human rights, as we have said, global human rights underpin our sanctions policy. That is an assurance that I have given. We continue to develop, and we will be laying secondary legislation in that respect shortly.

Baroness Kennedy of The Shaws (Lab): My Lords, I must immediately say how grateful I am to the Minister for the force that he has given to the Magnitsky legislation that has taken place in this country. I want to raise a question with him about the scandal that has recently been displayed relating to Angola—the enrichment of the daughter of the President of Angola, and the fact that Isabel dos Santos is someone who spends a great deal of time in London. I wonder whether the sanctions regime would apply to someone like her.

There is a second matter that I want to raise and ask a question about. We are going to introduce legislation in this House and the other place that will look at the great crimes committed by nations against people, such as enslavement, extrajudicial killing and torture. Are the Government going to include imprisonment without limit? I know that this is a difficult one and at the moment, as I understand it, it is not on the list. Will it be included in the list of crimes for which we are giving international law teeth through the legislation that the Government are going to pass?

Lord Ahmad of Wimbledon: There was a lot in what the noble Baroness has just asked. What might be suitable for the House is if I say that we are having ongoing discussions with the noble Baroness and others, and those will continue. As I have said, we are looking at the current scope of the Magnitsky-style sanctions. That is under consideration, but it would perhaps be premature for me to speculate about the overall remit of the sanctions regime.

Lord Alton of Liverpool (CB): My Lords, on Monday last the Minister, in answer to his noble friend Lady Warsi, gave a welcome response in the context of the Uighur Muslims, 1 million of whom are incarcerated in Xinjiang in western China. He said that sanctions would be examined in that context. Can he give us some idea of when Magnitsky-style powers might be used in those circumstances? Would he consider holding a round-table discussion for Members of your Lordships' House to talk through with us precisely how and when these very welcome powers will be used?

Lord Ahmad of Wimbledon: My Lords, on the noble Lord's latter point, I suggest that a suitable time might be once we have finalised the secondary instruments. On the general issue of the Uighurs, I have made my and the Government's position very clear. As I said, once the designation and scope of the sanctions have been determined, that would be the appropriate time to have any further discussions.

Lord Collins of Highbury (Lab): My Lords, perhaps I might return to my noble friend's point about the recent reports from Angola. Because of the Minister's longevity in post, he is of course able to recall a number of the initiatives that this Government have made, in particular the anticorruption initiative. It is okay saying that our regime is strong and robust, but what are we doing to support the Government of Angola to properly investigate these crimes where the proceeds are definitely ending up in London?

Lord Ahmad of Wimbledon: My Lords, that is the second day running that the noble Lord has talked about my longevity in post. Perhaps he knows something that I am unaware of; a cup of coffee is called for. On the issue of global regimes, I assure him that we continue to provide support. A very good example is the investment that we have made through DfID in ARINSA, working with African nations on the specific issue of illicit finance and money laundering. That has resulted in the recovery of more than \$500 million, so that is a practical example of how we are working in partnership with other countries in Africa to deliver.

Homelessness

Question

11.29 am

Asked by **Lord Kennedy of Southwark**

To ask Her Majesty's Government what action they are taking to reduce homelessness.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I beg leave to ask the Question standing in my name on the Order Paper. In doing so, I declare my interests as a vice-president of the Local Government Association.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government (Viscount Younger of Leckie) (Con): My Lords, the Government are committed to reducing homelessness and rough

[VISCOUNT YOUNGER OF LECKIE]
 sleeping. No one should ever have to sleep rough. That is why this Government aim to end the blight of rough sleeping by the end of this Parliament and will continue to fully implement the Homelessness Reduction Act. The Government recently announced a further £422 million in funding to tackle homelessness and rough sleeping in 2020-21, an increase of £54 million on 2019-20.

Lord Kennedy of Southwark: My Lords, I thank the noble Viscount for that Answer. Could he set out for the House why homelessness has increased so dramatically in the last 10 years, particularly—shockingly—with 726 people losing their lives in 2018?

Viscount Younger of Leckie: I am very aware of the deaths related to rough sleeping in particular, rather than homelessness. It is a highly complex area, but the Government's ambitions are set out in our manifesto. Ministers and officials from across the Government are working closely together to scale up our successful programmes, such as the rough sleepers initiative, and devise new interventions to meet the manifesto commitments. The 83 areas supported by our rough sleepers initiative showed an overall decrease of 19%. There is light at the end of the tunnel.

Baroness Grender (LD): My Lords, does the Minister agree that evictions from the private rented sector and the freeze in the local housing allowance in 2016 caused real damage? The end of that freeze is welcome, but the harsh reality is that a 1.7% increase falls woefully short of the 15% increase in rents in the past seven years. An extra £10 a month will not make up the current shortfall of £113. Does he agree that failure to address this specific point will lead to more homelessness?

Viscount Younger of Leckie: The noble Baroness focuses on one point, but she will know that there are many sad reasons why people end up homeless. We have delivered our commitment to end the benefit freeze, and the majority of people in receipt of housing support will see their support increase as a result. We are also bringing forward the renters' reform Bill, which will look at abolishing no-fault evictions. There is action on the way.

Lord Lamont of Lerwick (Con): My Lords, the Government have a large number of initiatives with money behind them to deal with the problem of rough sleepers, including the rough sleepers initiative, the rough sleepers strategy and the reconnection scheme. As I understand it, all these schemes are designed to help outreach workers communicate with rough sleepers so that they can access the help they require. However, is there any real evidence on the streets in London that these initiatives, although there is a lot of money in them, are having an effect on the ground?

Viscount Younger of Leckie: My noble friend makes a good point that these are highly complex issues which can take time to work through. That is why we have all these initiatives. The rough sleepers strategy is

set around three core pillars: preventing rough sleeping before it happens, intervening at crisis points, and helping people to recover with flexible support that meets their needs. We are working ever more closely with the Department of Health and Social Care on these important issues, because a lot of them are health-related, including drug misuse.

Lord Harris of Haringey (Lab): My Lords, the noble Viscount has come nowhere near to answering the question posed by my noble friend Lord Kennedy. Could he tell us why the position on people sleeping rough in this country has got so palpably worse in the last decade? What measures did the Government take or fail to take during that period which now need to be reversed if any progress is to be made?

Viscount Younger of Leckie: I hope I have set out to the House the actions that we are taking. There are a variety of reasons why people sleep rough. We know what they are and we need to address them one by one; there is no one simple solution to this. For example, some people become homeless as a result of friends or family no longer being willing or able to accommodate them. There are domestic rows and the termination of assured short-term tenancies. There are lots of reasons, but the main point is that action is being taken to address all these complex problems.

Lord Trefgarne (Con): My Lords, can my noble friend comment on the number of ex-service personnel who now find themselves homeless, whose numbers are thought to be particularly troubling?

Viscount Younger of Leckie: I do not have the figures for ex-service personnel but I know that there are some. I will write to my noble friend with the figures, if we have them.

Lord Young of Cookham (Con): My Lords, further to my noble friend Lord Lamont's question, will the Government review the Vagrancy Act 1824? It has the unfortunate consequence of criminalising rough sleepers, by bringing them before the courts. This isolates them from the support that the Government are funding through housing and employment. As it approaches its bicentenary, should this Act not be repealed?

Viscount Younger of Leckie: My noble friend is right that the Act is antiquated—perhaps a bit of an understatement. I understand that it was originally brought in to make it easier to clear the streets of destitute soldiers after the Napoleonic wars. On the point that he raises, however, the Government believe that a review of the Act rather than immediate wholesale repeal is the right course of action, to ensure that the consequences of a repeal are fully understood.

Baroness Hussein-Ece (LD): My Lords, a number of homeless people are very young, under the age of 21. I could find no figures that exist for their exact numbers, but what is being done to monitor this, because local authorities have powers to help young people who sleep rough on the street? I have seen significant

evidence of this, but who is monitoring it and ensuring that local authorities take their responsibilities to help these young people off the streets seriously?

Viscount Younger of Leckie: The noble Baroness makes a good point because one of our initiatives is to have so-called rough sleeping navigators. They are on the street and get to know who is there—including their age, as some of them can be very young—to do something about it. As I said earlier, often the link needs to be made to other departments such as the Department for Education or, particularly, the Department of Health and Social Care.

Hymen Surgery

Question

11.37 am

Asked by **Baroness Thornton**

To ask Her Majesty's Government whether they plan to ban repair of hymen surgery.

Lord Bethell (Con): My Lords, no one should undergo any surgical procedure that they do not want or need. Pressuring a female partner or family member into having an unnecessary surgical procedure is never acceptable. The Government are investigating hymen repair surgery, and we will take all necessary action to ensure that all vulnerable women and girls are protected.

Baroness Thornton (Lab): I thank the Minister for his reply. As noble Lords will have gathered, hymenoplasty is the so-called restoration of virginity, and it is not illegal in the UK. It is carried out in private clinics, by and large, and apparently costs about £3,000 a go. The *Sunday Times* revealed that NHS facilities were used to carry out this procedure 82 times in the past eight years. The noble Lord is quite right: clinicians agree that there is no medical reason for the restoration of the hymen, so why is that procedure available on the NHS? No explanation was given to the *Sunday Times* when it asked why the procedure was delivered. I think the noble Lord and I would agree that the NHS should not be offering a procedure designed to perpetuate harmful myths about virginity and threats to vulnerable women and girls.

Lord Bethell: The noble Baroness is absolutely right about harmful myths. The Government are deeply concerned about the climate in which this industry is operating. We will be looking into how the frameworks are being applied by the GMC, the CQC and the ASA. On her specific question about the NHS, there were around 82 cases according to the records available. Very sadly, there are cases of abuse and rape—and, I am afraid, of fear of death—that may, even with the best counselling available, give a young woman or girl a good reason to ask for this procedure. It is under such circumstances that the NHS provision has been made.

Baroness Nicholson of Winterbourne (Con): My Lords, will the Minister consider the response given to me five years ago by Yazidi Nobel Prize winner Nadia

Murad when I first met her in Baghdad? She said that the most humiliating thing that happened to her after her trauma was when an international NGO approached her and said, "May we repair your hymen?" Perhaps the Minister could organise a meeting for me with the 10 violated young Yazidi ladies who will be in your Lordships' House in 10 days' time so that they can explain to the Royal College of Surgeons the proper treatment of young women in this situation.

Lord Bethell: My noble friend describes an extremely distressing situation. I am very grateful to her for meeting me yesterday to discuss specifically the situation with the Yazidis. The NGOs involved might have been well-intentioned but their offers of either devirginification or hymenoplasty were clearly wrong-headed. Clearly, there is a gap here that needs to be filled and I would be glad to do whatever I can to arrange a suitable meeting.

Baroness Brinton (LD): My Lords, in November the US rapper TI revealed in a blog that he had paid for hymen checks on his 18 year-old daughter and got the doctor to give him the result. In 2018, three United Nations agencies condemned such tests, the WHO saying that

"this medically unnecessary, and often times painful, humiliating and traumatic practice must end."

Can the Minister confirm that this process will be examined and banned in the UK, along with hymenoplasty?

Lord Bethell: The noble Baroness is quite right. It is extremely distressing to hear of these stories. The Government are absolutely determined to catch up and review exactly these kinds of procedures. The full scope of the review is under analysis at the moment, but the suggestion of including such examinations is a good one, and we will look at it carefully.

Lord Winston (Lab): My Lords, while totally supporting the Question asked by my noble friend, does the Minister not agree that one of the problems here is that a number of women have had genital mutilation, for whom repair of the whole vulva is quite often important, as it is, for example, after obstructed labour? Inevitably, there is likely to be a confusion about hymenial repair. Therefore, a total ban might lead to more legal problems than are immediately obvious.

Lord Bethell: The noble Lord touches on the key dilemma of this issue. Cosmetic surgery is appropriate in many circumstances. There are many women who wish to repair damage, for instance from childbirth. A blanket ban would not help them. The key issue here is consent. Are those undergoing this procedure truly consenting to it and what is the ethical climate in which that decision has been made? Important questions have been asked about that climate, and the Government are determined to look at it closely.

Baroness Finlay of Llandaff (CB): My Lords, I declare an interest as an elected member of the BMA ethics committee. What levers do the Government have to look at the ethical framework within which

[**BARONESS FINLAY OF LLANDAFF**]
 consent is sought for such procedures? Any woman coerced into consenting to surgery that distorts her genitalia is herself being distorted and abused, and made into an object of sexual gratification for a man. In fact, the outcomes do not support that it improves sexual function in the men, who may need counselling on sexual dysfunction.

Lord Bethell: There are three key frameworks. The GMC oversees how medical practitioners coach and deal with those applying for this procedure. The CQC looks at the premises and procedures of organisations that offer this and the ASA looks at how they are advertised. Looking at the advertising on the internet is a very gruelling experience: I would not recommend it to anyone after a meal. Clearly, a massive question needs to be asked about whether the advertising climate in which these procedures are presented really respects the advertising code and is the right kind of climate in which to bring up our children.

Arrangement of Business

Announcement

11.44 am

The Lord Speaker (Lord Fowler): My Lords, we now come to Oral Questions for the first ever time to the Secretary of State for Digital, Culture, Media and Sport. To remind colleagues, 20 minutes is set aside for the three Questions on the Order Paper, and the procedure is exactly the same as at Oral Questions. That means that the time allotted is around six and a half minutes per Question.

Digital Inclusion

Question

11.45 am

Tabled by Lord Lucas

To ask the Secretary of State for Digital, Culture, Media and Sport whether digital inclusion is a priority for Her Majesty's Government; and what plans the Secretary of State has to incorporate it in future Government policy.

Lord Hayward (Con): My Lords, on behalf of my noble friend Lord Lucas and with his permission, I beg leave to ask the Question standing in his name on the Order Paper, and I welcome my noble friend to the Dispatch Box for the first time.

The Secretary of State, Department for Digital, Culture, Media and Sport (Baroness Morgan of Cotes) (Con) (Maiden Speech): My Lords, before I answer the Question, as this is the first time that I have addressed your Lordships' House, I extend my sincere thanks to all noble Lords and particularly to the staff of this House, who have given me such a warm welcome since my introduction.

Moving to the Answer, digital inclusion is a priority for this Government, since almost 12 million people do not have the full complement of essential digital skills needed for day-to-day life. From August, the

Government will introduce a legal entitlement for adults with no or low digital skills to undertake new digital qualifications free of charge.

Lord Hayward: I thank my noble friend for that Answer. During the original digital revolution, government and agencies made a lot of effort to ensure that people were not excluded by a lack of facilities, or age, and so on. The great thing about the technological revolution is that it is moving at an ever-faster pace, but there is, therefore, a risk that people who were included are now at risk of being excluded from the digital revolution. Can my noble friend ensure that all government departments and agencies make efforts to keep included those who are at risk of being excluded?

Baroness Morgan of Cotes: I thank my noble friend; he is absolutely right. My department has launched a digital inclusion innovation fund, designed to tackle digital exclusion among older and disabled people, and I have just talked about the qualifications. What he also hinted at is that, for many people, it is a case of simply finding it difficult to go online or to complete government forms. We want to make sure that there is support available; for example, in our network of around 3,000 libraries, in accessible locations, there are trained staff and volunteers and assisted access to a wide range of digital public services.

Baroness Kidron (CB): My Lords, I add my welcome to those of others to the Secretary of State and refer the House to my interests in the register. Does she agree that inclusion is about more than getting the greatest number of people online as quickly as possible, and depends on the digital environment being designed in a way that respects the needs and rights of users, be they women in public life, vulnerable users, or children and young people? In particular, can she take the opportunity of welcoming the age-appropriate design code, published by the ICO yesterday, and tell the House when she expects to lay it before Parliament?

Baroness Morgan of Cotes: I thank the noble Baroness. She and I had a brief conversation recently about some of these issues, and I look forward to discussing this further with her. She is absolutely right to say that the digital and tech environment is very exciting, but that it of course brings new challenges, not just about the new technology itself but about behaviours online. That is why the Government will legislate following the online harms White Paper and will develop further legislation. I welcome the publication yesterday by the Information Commissioner's Office of the age-appropriate design code, and I hope that all parliamentarians will have the opportunity to take note of it.

Lord Griffiths of Burry Port (Lab): My Lords, I offer my words of welcome to the noble Baroness. The last time that we were in the same place, she was on the receiving end of a 25-minute sermon from me; I promise that my question will be shorter. We have heard some reassurances, but there are really two questions regarding inclusivity: spreading the availability of the service and deepening the skills required to take advantage of

what is available. The noble Baroness has indeed answered the first question I would challenge her with by saying much of what was in my mind. But what about the users of universal credit—a service that I understand is entirely online? How do we measure the impact and the way that service is proceeding to be sure that people are not disadvantaged and marginalised because of the technology that they have to master?

Baroness Morgan of Cotes: One of the briefs I received in preparing for these questions said that answers should be short, so the noble Lord can be assured that my answer will not be 25 minutes long—it may be 25 words long. He is absolutely right to say that digital inclusion matters particularly for those accessing government benefits and services, as I know from my service in the Commons and from supporting constituents in accessing universal credit. I mentioned access through libraries, but there is also access through job centres, and citizens advice bureaux provide a service to support people who have never been online. Colleagues in the Department for Work and Pensions take this very seriously, because there is obviously no point in providing support for people if they find they cannot access it or update their records.

Lord McNally (LD): My Lords, I too welcome the Secretary of State, who has now made more comebacks than Frank Sinatra. I hope she will be there long enough to follow the parallel to the ICO code, which was the work of this House and of the noble Baroness, Lady Kidron, in particular. Will she support my paving Bill for a duty of care on online harms, which will allow Ofcom to get ahead with preparation for such legislation?

Baroness Morgan of Cotes: I thank the noble Lord. He will be pleased to know that since my singing voice is nothing like Frank Sinatra's, I will not inflict it on your Lordships' House. I was very interested to read about his Bill. As he will know, the Government have done a significant amount of work on the online harms space, and I hope we will be able to work together. The Government intend to develop legislation, so while I might not support his Bill, I think we can absolutely make common cause on this very important issue.

Lord Holmes of Richmond (Con): My Lords, I also welcome my noble friend to the Dispatch Box and declare my interests as set out in the register. She has rightly highlighted the digital divide. In the light of that, can I ask her to have a gentle word with the BBC, while obviously respecting its independence, to ask about its plans to switch off the red button teletext service, which is a vital source of news and information for many older and disabled people, and others who find themselves on the wrong side of that digital divide?

Baroness Morgan of Cotes: I thank my noble friend, who has raised a very important issue. I am having a number of words with the BBC at the moment—we may come on to that in another Question in a moment. I take what he has said. This is obviously a matter for the BBC but he is absolutely right that, whether it is

the BBC, the Government or other institutions, be they private or public, accessibility for everyone is very important regardless of disability, experience or anything else. The Government have of course legislated to make that clear.

Sport and Recreational Facilities

Question

11.52 am

Asked by **Lord Moynihan**

To ask the Secretary of State for Digital, Culture, Media and Sport what steps she is taking to improve access to sport and recreational facilities and opportunities (1) during, and (2) outside of, school hours.

The Secretary of State, Department for Digital, Culture, Media and Sport (Baroness Morgan of Cotes) (Con): The cross-government *School Sport and Activity Action Plan* sets out how we will help young people live healthy, active lives. We will publish more details of our ambitious plans later this year. The Chancellor recently announced a £500 million Youth Investment Fund, which will be spent on youth centres and youth workers, but I am very keen that there are also activities, including sports activities, that help to build the character and resilience, as well as the fitness and well-being, of our young people.

Lord Moynihan (Con): My Lords, I congratulate my noble friend the Secretary of State, and no one could be more delighted than I am that responsibility for sport is now in this House—sport has come home. My noble friend will be aware that more than 33% of our medallists at the Olympic Games came from the independent sector, which represents 7% of our children. Given that there is so much sporting talent to be identified and developed in the state sector, will she launch a new strategy, with her colleagues in education, to ensure that all independent schools—not just those which already demonstrate that best practice but all independent schools that are in receipt of charitable status—continue to build school sports partnerships with the state sector, local clubs and the community as part of their public benefits requirement?

Baroness Morgan of Cotes: The noble Lord is absolutely right that my department works with the Department for Education. From my previous experience, I think that learning goes both ways. Of course, the independent sector may have the facilities to support others, but I also know that, equally, there are some fantastic maintained schools, funded by the state, that offer a wonderful sporting experience. However, I am sure there is more to be done. I am just about to see the Secretary of State for Education, so I shall certainly mention it. Briefly, the noble Lord mentioned the Olympic Games and I am sure that as we turn into 2020, when the Tokyo Games are happening, all noble Lords will want to wish our Olympic and Paralympic athletes the very best in their preparations.

Lord Griffiths of Burry Port (Lab): My Lords, I need not issue the welcome a second time. The Olympic Games are the starting point for my question, but I refer to those that took place here in 2012. I declare my interest as chair of the board of directors of the Central Foundation Schools of London, where there is not a blade of grass for anybody to play anything on. The boys' school is within three miles of Stratford and the Olympic Village. I cannot see how the ambitions raised in the suggestion of the noble Lord, Lord Moynihan, can be fulfilled without rather a lot of resource being put in to get people out of these inner-city schools to somewhere they can play their games and have their exercise. Does the Minister have some ambitious and recently imagined plan that will help me go to my board and say, "There's hope round the corner"?

Baroness Morgan of Cotes: The noble Lord is right that it is impossible to have sports facilities without the necessary funding. There are a number of funds, and I am always happy to share their details with noble Lords. The Sport England strategic facilities fund is making up to £40 million of National Lottery funding available to invest in facilities projects. There is also the Sport England community asset fund, which is £15 million. The Government are investing £10 million and £15 million respectively into facilities for the 2021 Rugby League World Cup and, in cycling, the 2019 Road World Championships. We have also announced funding for more 3G sports pitches, which are extremely important, particularly in inner-city and urban areas. We want to make sure that they are as widely available as possible.

Baroness Bull (CB): My Lords, I join others in welcoming the Minister to her place. Does she share my concern that the disparity in facilities referred to by the noble Lord, Lord Moynihan, extends to arts facilities? It was no less an actor than Benedict Cumberbatch who pointed out to me that this reduces opportunities not only for less affluent children but for creative innovation, where different voices come together. Does she agree with me that it should not take Sherlock to point out that there are significant benefits from opening up these facilities for wider use?

Baroness Morgan of Cotes: The noble Baroness is absolutely right. I mentioned earlier the Youth Investment Fund, which is not just about places and people, although those are important, but about entitlement. There are many schools in the independent and state sectors which do arts provision extremely well, and we want to build on their example. Also—and my noble friend the Minister is working very intensively on this—I feel that we should make sure the fund offers arts opportunities for after-school activities as well. The noble Baroness also mentioned the important word "creativity"; we want to see much more focus on that.

Lord Addington (LD): My Lords, I welcome the Minister to her new role. The Government have a situation where schools that used to provide many of the facilities for junior clubs in their start-up role are increasingly finding doors locked. What duty is being

placed on those schools to get in touch with the governing bodies of these sports to let them know what facilities are potentially available, possibly upping the revenue of these schools?

Baroness Morgan of Cotes: The noble Lord asks a very good question. As I said, I am about to talk to the Secretary of State for Education; I will put that on the agenda of the meeting. The noble Lord is right that facilities do not have to be offered just in school premises. Working with local community facilities or other sports facilities, for example, and making sure that those links are built is important. If he has any specific examples he wants to share with me and the department so that we can pursue this, I would be interested to receive them.

Lord Lexden (Con): Is it not the case that partnership schemes in sport between independent and state schools, of which there are over a thousand, are already making a useful contribution to the sharing of facilities and staff? At the same time, I support my noble friend Lord Moynihan's call for the further extension of this valuable work.

Baroness Morgan of Cotes: My noble friend is right that there are already many great partnerships that are transforming our young people's opportunities in sport. There are always more lessons that can be learned. As I say, those experiences often go both ways; it is not just about the independent schools offering facilities to the state sector.

TV Licence Fee Enforcement

Question

11.59 am

Asked by **Lord Young of Norwood Green**

To ask the Secretary of State for Digital, Culture, Media and Sport what assessment she has made of the report by David Perry QC, *TV Licence Fee Enforcement Review*, published in July 2015; and what steps she has taken since that report was published.

The Secretary of State, Department for Digital, Culture, Media and Sport (Baroness Morgan of Cotes) (Con): My Lords, David Perry QC's *TV Licence Fee Enforcement Review* concluded in July 2015 that, under the current licence fee model, the current enforcement regime should be maintained. The Government considered those findings and subsequently confirmed the model in the charter review of 2015-16. In December of last year, the Prime Minister said:

"We are looking at the possibility of decriminalising" and we will set out next steps in due course. We do believe that it is right to look again at whether criminal sanctions remain appropriate for TV licence fee evasion, given ongoing concerns about whether the criminal sanction is unfair and disproportionate.

Lord Young of Norwood Green (Lab): My Lords, I declare an interest as a former governor of the BBC and welcome the noble Baroness to her new appointment.

I also take the opportunity to congratulate the soon to be departing director-general on his service to the BBC. The noble Baroness is right that the Perry report was an independent review, which concluded that the licence fee was fair, proportionate and value for money. Does the noble Baroness recognise that taking people to court is in fact the very last resort in these cases and that, even when they are in court, people are given an opportunity to pay? Although it is true that it is a criminal conviction, perhaps a lot of noble Lords do not know that it is not recordable in a DBS check—so there is a difference there. I am aware of the comments that have been made, but I hope that, in any further review of the role of the BBC and the way that the licence fee is applied, we will recognise the importance of the organisation and the services that it provides. They are still very good value for money.

Baroness Morgan of Cotes: I thank the noble Lord. I know that these issues were also considered briefly by this House yesterday during a Question responded to by my noble friend. Like the noble Lord, I will take the opportunity to pay tribute to the leadership of the BBC that the outgoing director-general has shown over the last seven years. It will undoubtedly be a challenging act for the board to find somebody to replace him.

I take what the noble Lord said about the way that TV licence evasion prosecutions are handled. However, it is correct that, in 2018, 121,203 people were prosecuted and sentenced for non-payment of a licence and, as I think came up yesterday, the broadcasting landscape is changing, people across the country are concerned about the payment of the licence fee, and it is right that the Government should look at the system overall, with lots of consultation.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, but what are the Government doing to ensure the continuation of free TV licences for all people over 75?

Baroness Morgan of Cotes: Well, I discuss this issue regularly with senior management of the BBC. The Government of course remain disappointed that, despite the settlement agreed with the BBC over the licence fee in 2015, which was welcomed by the BBC at the time, this step has been taken. Discussions continue, but we think that the BBC should be funding free TV licences for the over-75s.

Lord Foster of Bath (LD): My Lords, I too welcome the Secretary of State. Will she confirm that the terms of the currently BBC charter specifically rule out any change to the BBC's mission or public purposes during the whole of its lifetime? What assurances can the Secretary of State give that no steps will be taken, including the decriminalisation of licence fee offences, which would cost £200 million a year to the BBC, that would threaten or undermine the BBC's ability to fulfil all its charter requirements?

Baroness Morgan of Cotes: It is a pleasure to rejoin the noble Lord in another House of Parliament, although of course we remain on opposite sides. He is absolutely right to say that the mission of the BBC is set under the current charter. I want to say that the BBC is a very important institution to this country that produces

some outstanding programming. But, as I say, the changing broadcasting landscape means that the funding model will need to be looked at again. Decriminalisation requires primary legislation; that could be done under the existing royal charter, and, as I say, any changes will require significant consultation, which I am sure will involve many thousands of people having their say, including BBC employees and management.

Lord Stevenson of Balmacara (Lab): My Lords, I think it is fair to say that the issues that have just been raised are not the direct responsibility of the new Secretary of State, whom I welcome to her place, but she certainly has to inherit responsibility for them. The Government putting in their manifesto that they would find the funds for over-75s and then withdrawing that is certainly something that the party opposite will not escape with for very long.

Having said that, I will ask a rather narrow question, although it relates to the same issue. More by luck than good judgment, we have got out of the situation where the licence fee and the royal charter are renewed at the same time as general elections. That is to be welcomed. That having been said, we have a mid-term review, which I think is now scheduled for 2022. We have not yet seen the terms of reference for the review, so I would be grateful to know whether they will be published. I would also be grateful if the noble Baroness could repeat what was said yesterday in an answer during Oral Questions: that the mid-term review will remain, as was agreed during legislative discussions on the royal charter last time round, a light-touch review that will not deal with substantial issues to do with licensing, the licence fee or, indeed, the charter itself.

Baroness Morgan of Cotes: I thank the noble Lord very much. One recommendation from the Digital, Culture, Media and Sport Select Committee in the House of Commons was that there should be more transparency in the process around the licence fee. We think that that is absolutely right. The Lords Communications Committee recently published a report on these issues, which the Government will respond to shortly. In asking about transparency, the noble Lord is absolutely right to say that there is an iterative process leading up to charter renewal. Also, we will need to start thinking about these issues as a Government, as a Parliament and as a country; we should not leave it all until the end of the process.

Electric Vehicle Trading Scheme and Road Usage Duty (Consultation) Bill [HL]

First Reading

12.06 pm

A Bill to provide for a public consultation on the introduction of a trading obligation on vehicle manufacturers to increase the proportion of electrically propelled light passenger vehicles sold and on the introduction of a road usage duty to reduce transport carbon emissions; and to provide for graduated rates of duty to apply to modified vehicles.

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

Education (Assemblies) Bill [HL]

First Reading

12.06 pm

A Bill to introduce an entitlement to assemblies that further the spiritual, moral, social and cultural education of all pupils, regardless of religion or belief, at state schools without a designated religious character in England; to repeal the requirement for these schools to hold collective worship; and for connected purposes.

The Bill was introduced by Baroness Barker (on behalf of Baroness Burt of Solihull), read a first time and ordered to be printed.

Constitutional Privileges Bill [HL]

First Reading

12.07 pm

A Bill to make provision about certain privileges related to constitutional matters.

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

European Union (Information, etc.) Bill [HL]

First Reading

12.08 pm

A Bill to make provision for information and statistics to be available in various public places about the European Union and to provide information to further the establishment of twinning arrangements between towns in the United Kingdom and elsewhere in the European Union in accordance with the European Union's town twinning support scheme.

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

Hares Preservation Bill [HL]

First Reading

12.08 pm

A Bill to repeal the Hares Preservation Act 1892 and to make provision to prohibit the killing or taking of hares during the breeding season.

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

Business of the House

Motion on Standing Orders

12.09 pm

Moved by Baroness Evans of Bowes Park

That, in the event of the Direct Payments to Farmers (Legislative Continuity) Bill being brought from the House of Commons, Standing Order 46 (*No two stages of a Bill to be taken on one day*) be dispensed with on 29 January to allow that Bill to be taken through its remaining stages that day.

Motion agreed.

Fisheries: EU Landing Obligation (European Union Committee Report)

Motion to Take Note

12.09 pm

Moved by Lord Teverson

That this House takes note of the Report from the European Union Committee *Fisheries: implementation and enforcement of the EU landing obligation* (26th Report, Session 2017–19, HL Paper 276).

Lord Teverson (LD): My Lords, perhaps I may say to those Members who are about to leave the Chamber that fisheries is going to be a big issue over the next 11 months, so do not miss this chance to educate yourselves.

I will speak to both of our reports, but before I start I want to make clear that, although parts of the committee's report may be critical not just of the industry but of the sector, we should recognise that fisheries is one of the toughest and most dangerous professions, so we should have this debate in that context. I also welcome the Minister, in his continued role, in this House, and I welcome the fact that he will be replying to the debate on behalf of the Government. I look forward to his speech.

I shall go through one or two facts about the landing obligation or, as we know it in common parlance, the discarding ban, although the fishing industry itself would argue that the two things are rather different. However, most people can think of it as being pretty much the same thing.

In 2013, when legislation in the European Union on the landing obligation came into force, the estimated amount of discarding by European fleets was running at 1.7 million tonnes of fish in that year. That is not just a biodiversity challenge; it is obviously an obscenity in terms of food waste. Of course, for some people who do not know much about this subject—and why should they?—returning fish to the ocean because the vessels do not have a quota for them might sound quite benevolent, but in fact the vast majority of those fish are unable to survive.

Why are these reports, the first of which was published in the middle of last year, still important? It is because this is a challenge for the European Union fleet as a whole and will continue to be relevant once we become an independent coastal state. No doubt one of the questions that will be asked is whether it is still the Government's policy to have a landing obligation once we have "control of our own waters". Confirmation of that would be useful, although I know that the Government have been quite strongly supportive of the landing obligation since it was introduced.

I shall give a timeline on how the legislation has been working. It was passed in 2013, much of it as a result of pressure generated in the United Kingdom by celebrity chefs and British NGOs. It was implemented over a four-year period, meaning that it was gradually introduced. It was a major culture change for the fishing industry, so it was sensible to introduce it gradually to cover different classes of fish and stocks

over the period. It was finally implemented in total on 1 January 2019, after that long period of preparation—six years overall—since the legislation was agreed.

For our second report, the committee wanted to understand how the discarding ban or landing obligation had fared. The answer was not something good or anything that could be welcomed. What became quite clear from the stories we heard in the evidence, some of which I will go through, is that in reality, if I can be harsh enough to put it this way, the fishing industry itself has carried on as it was, the regulators have been gentle in terms of trying to enforce the discard ban but have not had the tools to be able to do so, and member states have effectively turned a blind eye to what has been happening. We still have that great challenge there.

What is the evidence for that? First, we should have had a lot more undersized fish landed. Half way through 2019, the total tonnage of undersized fish landed in the UK was 85 tonnes. Noble Lords might think that sounds small, but, interestingly, even more was landed—almost four times as much—the year before, so that had actually gone down.

Secondly, there were very few facilities in the ports in reality. One of the big issues is around choke, which is when a vessel in a mixed fishery—very relevant to United Kingdom fisheries—runs out of quota for a species and therefore has to stop fishing altogether. That is one of the problems of the landing obligation, which no doubt many speakers will talk about. But, to the end of 2019, I do not think there was any sign at all of any choke arising and fleets having to stop fishing because of that.

Thirdly, another area that should be an indicator of problems, with the landing obligation coming into operation and fear of the choke, is that quota swaps would stop happening, because fish quota owners would not wish to lose the opportunity to carry on fishing. Yet the information from Defra is very much that the level of swaps continued.

It is not only the fact that this is not happening out there on the high seas; there are also particular dangers. First, a disregard of legislation and the law is clearly not a good thing generally and is a bad culture in any industry. Secondly, quotas were increased to take account of the fact that fish would be landed rather than thrown away. Those quotas have gone up, but the way in which people have acted has not changed, so we have the real issue of greater overfishing.

What are the challenges here? First, there is enforcement; this is always difficult on the high seas and in territorial waters. Fishing is a secretive industry in many ways; people do not want to say where those resources are. There is culture; this is a major change in the way the fishing industry works, and all industries find it difficult to change quickly. Also, there are not the tools to do the job. The stark fact is that it has been proven in other areas—New Zealand, British Columbia, parts of the United States and other parts of the world—that you need remote electronic monitoring, effectively closed circuit TV, to be able to do this. The technology has been tested, works and is getting much less expensive. The other area of challenges is exemptions. If you have too many exemptions, the whole system

starts to fail—and those have been increased recently. I suppose there is also the experience of two other nations, Iceland and Norway. It is said that it took some 20 years for Iceland in particular to adjust to its landing obligations. No one is saying that this is easy.

This is relevant because these whole issues will remain post Brexit, when we have control over our independent waters. My questions to the Government that arise from this report are: will it remain government policy to keep the landing obligation? I looked through the Conservative manifesto, which says a number of good things about fisheries, but I did not see a specific commitment to this. If you really want to stop discarding, you need remote electronic monitoring technology. Will the Government bite the bullet, however difficult that is, and eventually—hopefully in the medium term—introduce this technology? If so, will they also then insist that non-UK vessels coming into UK waters also have that technology? Also, when will the fisheries Bill—which I understand might be introduced to this House—actually arrive, so that we can see and start to really look at legislation on these issues?

What is quite clear is that the discard ban is the right policy. Discarding however many million tonnes of food is clearly wrong commercially, ecologically and morally, so I support the Government entirely in what I hope is their intention to keep this policy. But we have to make sure that we have a way to implement it. I beg to move.

12.19 pm

The Duke of Montrose (Con): My Lords, it is a great privilege to sit on the committee and to follow the noble Lord, Lord Teverson. As a member of the committee which produced the two reports, I express my admiration for the patience and stoicism of our chairman, who has waited patiently for the opportunity to bring them before your Lordships.

We can also thank the staff of the committee, who amassed evidence from far and near for our consideration. It has been quite a revelation to hear from scientists and fishermen's representatives of all sorts about how they view the regulations they currently have to deal with. As the noble Lord, Lord Teverson, pointed out, we are considering such a swiftly moving topic, and even more time has now elapsed since our last report, so it is equally as dated as our first one was. Perhaps the current developments that my noble friend the Minister, who we welcome to the Dispatch Box, can give us will serve as an update as to where the industry sees the progress.

Perhaps it is going back a little far, but I want to look at how the situation developed. By including our fishing waters as a way to secure our entry into the Common Market, we opened up a rich vein of opportunity for fishermen from all around Europe, but there was no desire to oversee or conserve the fish stocks. Gradually, elements of the stock were eroded to a point where recovery was in question. In those early days, it was almost inconceivable that rational controls could be imposed. The noble Lord, Lord Teverson, pointed out what we in Scotland call the thravn nature of fishermen; they were most unlikely to accept any kind of imposed direction.

[THE DUKE OF MONTROSE]

Who knew where the fish, the boats or the stocks were, or what chance the fishermen actually had of catching them?

In the intervening years, great effort and quantities of new technology have begun to offer the answers to some of these questions, but this has progressed to the present crisis. I think we are all familiar with the fact that, when Brussels sees a problem with a production system, the time-honoured policy is to impose standards and rules and to introduce quotas. It then comes down to enforcement of the rules if they are not adhered to, and the enforcement is ultimately pretty draconian. A number of your Lordships are, like me, familiar with the scene in my own industry of agriculture, where all support and finance can be withdrawn for relatively small infringements.

Fishing has, for some time, seen quotas and they have been complied with, but the practical way compliance was achieved was by discards of overquota landings or unwanted species. The noble Lord, Lord Teverson, has just quantified what that amounted to. This is a totally destructive way to look after a finite resource. The immediate remedy appears to be to ban discards. In our reports, we worked out how this would work in practice and suggested ways that the Government could most efficiently implement this ban. It appeared that the Government were quite ready to ignore our recommendations. I think I can say that most of us on the committee were dismayed to find that, within the UK and more widely in other European countries, the letter of the regulation was not being enforced.

The difficulty for the fishing industry that is now apparent is that, with a large proportion of fishermen being involved in mixed fisheries, if one species has a restricted or no quota and you are likely to catch them, the result of compliance will mean the closing down of the enterprise. What could be more draconian than that? As we now pass the first anniversary of the policy, it is a good moment to assess what has worked out.

It appears that the fishing industry in general is profoundly dissatisfied with the discard regulation. Scotland administers the largest part of the UK's marine economic zone, and I have taken an interest in it for a great many years. I took the opportunity to find out what the experience of the Scottish Fishermen's Federation has been. The good news is that the fishery managed to complete the year within quota, and with no fishermen suffering through having to abandon their activity because of choke—which was explained by the noble Lord, Lord Teverson. At the same time, the fishermen can see that, next year, with their cod quota being halved, there will be serious problems for the industry within a few months.

The federation asked me to look at a paper put out by the Shetland Fishermen's Association last April. It sees the approach of the present regulation as being based on the idea that fishermen can easily choose which fish to catch and which not to. In a mixed fishery, this is an impossibility. The association shows considerable approval for the way discarding is managed in Norwegian fisheries, where they suddenly voiced a policy of no discards but with a regime of exceptions which reduces this to the absolute minimum. One outstanding aspect, in its idea, is that there should be

rules on discards but a requirement to record all discards, so that these can be taken into account when assessing the overall health of the stock. The association goes as far as to suggest that there is a role for having observers on boats, who can report on the circumstances surrounding discards. But it certainly thinks that all discards should be recorded. In general terms this appears to be favoured by the Scottish federation, but certainly the fishing industry is looking for a new approach. Can the Minister and his officials look into this?

12.27 pm

Baroness Young of Old Scone (Lab): My Lords, I too welcome the Minister to his new role, and very much look forward to working with him. I also congratulate the noble Lord, Lord Teverson, and the committee on two thorough reports.

I find myself terribly torn by the most recent government response, which, to summarise, said, "We're making piecemeal progress, but it's all rather difficult because of Europe." The result was a bit of gloom, but of course, in these troubled times of leaving the EU, one must constantly search for rays of hope and small signs of some benefit from Brexit, and fisheries by-catch must be an area where we can now do something ourselves to revolutionise our poor performance on the landing obligations. Time is pressing for a radical improvement in performance. We can do something once we are out of Europe, and we must, because UK waters are among the most heavily exploited in the world, and shortly we will have full accountability for managing our fisheries sustainably. If we continue to overfish our waters, it is bad not only for the marine environment but for the future of the fishing industry and for coastal communities.

I will give two examples. In the UK, 59% of stocks were fished at or below sustainable levels in 2019, down from 69% in 2018. We are heading in the wrong direction. Secondly, and worryingly, UK cod stocks have declined to critical levels due to overfishing. Cod has lost its MSC certification and with that potentially valuable market access. This is not good.

As the noble Lord, Lord Teverson, outlined, the landing obligation was agreed in 2013 and implemented in stages from 2015, but the committee's report demonstrates that despite that long lead-in time we have not made much progress. It is estimated that less than 1% of what fishermen catch is currently monitored or verified, and it is likely that there is a widespread lack of compliance for the landing obligation. The UK Government and the devolved Administrations still do not have mechanisms in place to monitor compliance, and the lack of historic data on catches means that there is no real way of knowing the extent of illegal discarding. The result of oversetting quotas and failing to monitor discard is simple: overfishing.

The pressures both from our own fishing industry and from others in the future from the new fisheries management arrangements post Brexit could make this very much worse. The fisheries Bill has an opportunity to define our post-common fisheries policy approach to fisheries management. Will the Minister now indicate how our approach to the landing obligation, or at least a UK equivalent, will meet the Government's

promise of a gold standard for sustainable fisheries in the future? In its previous form, the fisheries Bill fell far short of that gold standard. Will the Government include in the Bill binding legal commitments not to fish above scientifically recommended sustainable levels, as is currently the case with the common fisheries policy? Will the Bill require CCTV cameras on all vessels fishing in UK waters to record what is being caught in our waters, improve data and ensure full and verifiable documentation of catches, as well as robust monitoring and enforcement?

Effective monitoring of discards is essential for a number of reasons to determine whether discards are still occurring and ensure that future catch limits are effective. Catch limits may assume negligible discards and by-catch, but that that cannot in reality be guaranteed because discards are not adequately monitored or enforced, so those catch limits could be wildly adrift.

It is widely acknowledged that remote electronic monitoring—REM—with cameras is the only effective tool to ensure control and enforcement of the landing obligations at sea and to deter illegal discarding. I support the Select Committee's view that the Government should commit to introducing REM. No doubt the Minister will say that they are considering it or that it will be expensive. The Government's response listed lots of things that they are doing, including a doubling of some inspections—although not inspections at sea, only on land. Will the Minister tell the House the additional costs of these piecemeal measures that are not working and how they could compare with the costs of implementing effective REM that would work? If the analysis of the costs and benefits of the REM system is still under way, as the most recent government response implied, will the Minister tell the House the timetable for this analysis coming to fruition?

There is no time for delay. We are on the brink of having sole responsibility—if that is not a pun in a fisheries debate—for our own sustainable fisheries management. That cannot be achieved without effective monitoring and management of discards, and REM is the answer.

12.32 pm

Baroness Byford (Con): My Lords, I thank and congratulate the noble Lord, Lord Teverson, his committee and members and staff who researched and produced these two reports. I was not a member of that committee but have, over many years, raised the challenges of discarding fish. I recognise that the industry has made progress, slow though that is, in reducing the unwanted catch and that this is a complex issue that no single approach can successfully resolve, as has been indicated. But the situation is still dire, as the noble Lord, Lord Teverson, said. Earlier this year, only 85 tonnes was landed whereas the figure for the year before was four times that. We clearly cannot go on with that situation.

Before going into further detail on the report, I take this opportunity to welcome my noble friend Lord Goldsmith of Richmond Park to the House; I look forward to his maiden speech when he winds up at the end of this debate. He has been a long-standing champion of the environment, seeking ways to improve it and addressing wildlife, biodiversity and climate change.

The marine environment is increasingly being affected by climate change, pollution, ocean acidification and warming seas. However, today we focus our thoughts on the long-term sustainability of fishing stocks. In reflecting on the Government's response to the second report, I have some questions for the Minister, particularly on the landing obligation.

The report highlights the significant challenge facing the fishing industry, but comments that the new rules seem to have had little impact since they came into force six months earlier. In their response, the Government commit to working more closely with key stakeholders, which is to be encouraged. What tonnage of undersized fish has been landed in each of the past five years respectively? As has already been indicated, if that tonnage has not increased, one must pose the question; is that due to discards being dumped in the sea? Catch data is obviously needed and if it is not available or not working, what are the Government's plans to resolve this matter?

The report stresses the importance of having mechanisms in place to monitor and enforce compliance. One of the ways suggested in the report is the use of remote electronic monitoring. I understand that EU member states did not agree to such a proposal. In their response to the several suggestions on compliance and enforcement in the report, the Government state:

“When the UK leaves the EU it will be in the position of being able to place requirements on foreign vessels who wish to fish in our waters as a condition of access”.

I welcome that statement and hope that remote electronic monitoring will be at the heart of the other proposals already indicated in the government response. The White Paper made it clear that we will seek to deliver on our sustainability objectives by attaching conditions, which could include the use of REM for some sectors.

The National Federation of Fishermen's Organisations suggests in its briefing that REM is not a panacea and that, particularly in mixed fisheries, wider thinking is needed. One suggestion is to authorise the landing amounts of unavoidable catch. For example, when a quota is exhausted and a choke situation arises, the fish could be sold for human consumption, but vessels would not receive the full value of the catch. I understand that that is not possible under current CFP proposals. Will the Minister comment on that?

I am well aware of the importance of the fishing industry to this country and especially to local communities whose living is dependent on the long-term sustainability of fish stocks. I welcome the improvement to fishing gear selectivity, which should reduce species being caught unintentionally. I also welcome the more detailed inspections of catches at sea. In response to the report, the Government made several suggestions, including recording the last-hauled catch to assess the catch profile, as opposed to simply looking at what has been retained on board; ensuring that legitimate discards are recorded; ensuring that juvenile fish are recorded and counted against quota; ensuring that all catches are correctly recorded after landing and that juvenile fish do not go direct to human consumption; using data resources such as scientific data to evaluate levels of compliance; and, most importantly, working with producer organisations to ensure that quota is assessed

[BARONESS BYFORD]

by fleets facing chokes. My earlier point about juvenile fish being sold for human consumption might give the Government an alternative suggestion. The government response list had more proposals, but I will not go into them.

Improving the health of our species is vital to long-term sustainability in these waters, which we will be responsible for very shortly. There is much work to be done and in this new decade, we must use all the tools we have to achieve a successful outcome. It is a hugely important issue: this is about not just fish being caught but the long-term environmental sustainability of our seas and oceans.

12.39 pm

Lord Cameron of Dillington (CB): My Lords, I too welcome the Minister to the Dispatch Box and look forward to working with him.

As others have said, when we in our committee did our original report on the landing obligation at the end of 2018, it was obvious to us that no one was prepared for the dramatic change that was to be introduced to the common fisheries policy. The Government had not really addressed all the practical actions necessary to make it work; there was no data on the current level of discards; there was no data on the take-up of more selective fishing gear; there had been very little education of fishermen, particularly those of the inshore fleet with smaller boats; and there was no real preparedness for how such a new total ban would operate and be policed. Furthermore, the MMO was underresourced and underprepared for its inevitable policing and enforcement duties. The port authorities also had made minimal plans to deal with any increase in the landing of illegal fish.

Meanwhile, the fishermen, both large and small, were in a state of panic. They knew that, if properly enforced, the landing obligation and the associated problems of choke species would close them down and possibly bankrupt them—some said by March and others said, at best, by June 2019.

However, of course, as we all now know, the total ban on discards came into force on 1 January 2019 with more of a whimper than a bang. I have to admit that that was probably the best thing that could have happened in the short term for the survival of our crucially important fishing industry. It was not ready. No one was ready. But now we really have to move on as soon as practically possible to full and proper implementation if we are to ensure the long-term survival of this same crucially important fishing industry.

In their reply to our report, the Government state that the early part of 2019 was taken up with training and informing the various parts of the industry regarding their obligations under the landing obligation and how to best implement them. The Government state:

“Following this initial period of education, the MMO is now moving towards a more enforcement-centred approach ... We are stepping up enforcement ... to include more detailed inspection of catches at sea in high-risk fisheries.”

There is thus in those remarks a tacit admission that the Government were slow to grasp the nettle in 2018—

Lord West of Spithead (Lab): Does the noble Viscount agree that we have insufficient ships within our fishery protection squadron to carry out enforcement at the level he is talking about?

Lord Cameron of Dillington: First, I am not a Viscount—I should perhaps correct that. However, the answer is at the moment, yes, but I am assured that we are building up to it.

The Government have been slow to grasp the nettle but are moving in the right direction. That is a good thing. In the meantime, bearing in mind that fish are an international commodity, it is important that we try to persuade our neighbours also to pursue and enforce a ban on discards. There is no doubt that the reluctance to enforce the landing obligation is not only a British phenomenon; it seems to be the norm across all EU fishing states. We heard from a Dutch fishing representative, who was adamant that the whole idea was ridiculous, and there was no doubt from our conversation with the fisheries Commissioner that even DG FISH was taking a very softly, softly approach.

However, Brexit gives us an opportunity to lead by example. In spite of the dog's dinner that will be the fisheries negotiations, I believe that we should end up with at least some extra quota. Thus, it should be possible for us to devise a system of a government-owned reserve of quota, especially in the choke species, while also granting some additional quota to the under-10 and under-15 fleet in order to relieve some of the existing social and economic tensions.

We must then be rigorous in our enforcement of the landing obligation, not only within our own fleet but in relation to EU and other visiting vessels in our waters. To my mind, and clearly to others in the debate so far, that means having compulsory remote electronic monitoring—REM—on every boat. In the argy-bargy of the fisheries negotiations, we should insist on cameras on every boat fishing in our waters. I realise that we will encounter strong opposition, particularly among the French and Spanish, to our desire to enforce the landing obligation. However, the landing obligation is the law, and both the French and the Spanish signed up to it, so there can be no legitimate excuse for them to object to it, or to its enforcement.

It was interesting that during our earlier inquiry, we heard the view that applying universal REM among a whole fleet—for example, in Iceland and Canada—could be a boon to fishermen where choke species were a problem. Because all boats would have instantaneous knowledge of who was catching what and where, they could more easily avoid catching unwanted species. However, I suspect that not telling your fellow fishermen where you go to find your catch is so ingrained in the competitive nature of boat captains that they would probably still prefer to do without this particular aid to avoiding choke species. However, I regret to have to tell them that, if they want international equity in the catching of fish, they will have to accept REM as part of that agenda.

The second aspect of our post-Brexit fisheries that I would like to see is a commitment by the buyers, both processors and supermarkets, to ensuring that all their suppliers always—and I mean always—fish according

the highest principles of sustainability. They ought to insist on REM on all their boats. As I see it, only when their marketplace is threatened will the fishing industry as a whole conform.

I am glad that we have produced this follow-up report after our earlier intervention, because there is always a tendency for everyone to focus on an issue for a moment, but then real life reasserts itself and we carry on as usual. Even some of the NGOs, having been very fired up about discards a few years ago, seem to have let this issue slip off their radar, possibly because they thought it was fixed. I believe that for the long-term future of our fishing industry and, more importantly to my mind, the communities it supports, we must not let go of this issue.

12.46 pm

Viscount Hanworth (Lab): The global depletion of the fish stocks is a prime example of the environmental depredations that have been occurring throughout the 20th century and of which we are becoming increasingly conscious. Fish stock depletion is an example of the phenomenon that has come to be known as the tragedy of the commons. This refers to a circumstance where the self-interested pursuit of individual advantages leads to an outcome that is to the detriment of everyone.

The tragedy of the depletion of fish stocks has been rendered all the more intractable by the invisibility of the marine environment. Nevertheless, awareness of the hazard is not new. The threat to the northern fish stocks became apparent in the 1880s with the advent of steam-powered trawlers. In comparison with their sail-driven predecessors, they were able to travel further, to be at sea for longer and to use larger gear that could reach deeper.

Already by 1885, trawling had become controversial. A government inquiry of that year was charged with examining claims that fish stocks were being reduced and marine environments damaged. However, given the abundant and increasing quantities of fish being landed, the claim must have seemed to many implausible. Here, we have an early instance of an illusion regarding the abundance of fish that has beset the fishing industry for many years. The size of the fish harvest has been maintained in the face of declining fish stocks by deploying ever-improving fishing technologies. Eventually, and inevitably, one will be faced with the reality that most of the fish are gone and the harvests have been severely reduced, if not extinguished. This is the current reality throughout the world.

It has been estimated that the biomass of the fish stocks of the North Atlantic is today only 10% of its pre-industrial levels. This inference is based on the size of the harvest relative to the efforts devoted to catching it. This might be startling until it is recalled that, by 1990, the once-abundant stock of Newfoundland cod had been eliminated through fishing.

The landing of fish by the British home fleet provides only a dim indication of the state of the fish stocks, but they are of some interest in their own right. In 1910, they weighed over 1 million tonnes and followed a downward trend to reach 400,000 tonnes by 2010. During both world wars, fishing was severely curtailed. That allowed the stocks partially to recover but thereafter the downward trend resumed.

The depletion of the fish stocks occasioned the so-called cod wars between Britain and Iceland, during which Iceland sought to preserve its local resources while Britain continued to demand access to them. The cod wars concluded in 1976 with a victory for Iceland. The United Kingdom agreed to a 200-mile exclusion zone around Iceland. Not long after, in 1982, the United Nations Convention on the Law of the Sea established exclusive economic zones in which nations have sole rights to the economic exploitation of marine territories that lie within 200 miles of their shores. If the seas do not extend far enough, the zones are bounded by median lines between adjacent territories.

Britain's fishermen were highly aggrieved by their exclusion from Icelandic waters. That sense of grievance has continued to this day, albeit aggravated by other causes. It has made them willing, if not eager, to flout the rules and regulations that seek to constrain their activities and ensure the sustainability of fishing. When Britain joined the European Union in 1973, there was little thought of her asserting exclusive fishing rights. Britain could not reasonably exclude other European nations from the waters in which they had traditionally fished.

All maritime members of the unions were given access to the common seas, via the common fisheries policy. Each member was given quotas that defined the amount of fish of each species that they were allowed to catch. The allowances are supposed to be set according to the advice of marine scientists regarding sustainable levels of harvesting. In practice, they have been subject to intense bargaining among the member states and they have invariably exceeded the advised levels.

The quotas defined only the quantity of fish that could be landed legally. The intention of ensuring the sustainability of fishing has been vitiated by the resort of fishermen to the practice of discarding, whereby they throw back to sea any fish in excess of their specific quotas while they attempt to fulfil the remaining quotas. There is also the common practice of upgrading, whereby any fish that are undersized and might otherwise count towards the quotas are discarded.

In 2013, the European Union Commission enacted a ban on discarding fish. The intention was that the ban should be introduced gradually, to become fully applicable to all fish subject to quotas by 2019. The two recent reports of the House of Lords EU Energy and Environment Sub-Committee have testified that the discard ban has been widely ignored by British fishermen. Moreover, our Government have not been effective in enforcing the ban. Their defence has been that they cannot be expected actively to implement the ban until other European fishing nations do likewise. This will no longer be a valid defence after Britain has left the European Union when it will seek to assert control over its fishing territories and over the access of other nations to those waters.

It appears that the Government are intent on asserting rights to the entirety of the UK exclusive economic zone. The exclusive economic zones of some European fishing nations, including Belgium, the Netherlands, Germany and Denmark, are highly constrained by their proximity to Britain, while that of the UK extends

[VISCOUNT HANWORTH]

far into the North Sea. Given the exorbitant extent of the UK zone compared to those of other European nations, this intention is liable to be strongly resisted. It is possible that a dispute over fishing rights will vitiate the other negotiations that must accompany Brexit.

Recent statements by the Government suggest that they wish the resources of our local seas to be exploited more fully. Therefore, one can imagine that the objective of conserving the fish stocks is liable to be neglected. The pursuit of a policy of conservation is liable to be frustrated by the fact that the supervision of fisheries is to be devolved to the authorities of the constituent parts of the UK. These will have to contend with the pressures of some highly organised and assertive parties, not least the Scottish Fishermen's Federation.

Nevertheless, models exist for how Britain might successfully manage its fish stocks. The Norwegians, who are not members of the European Union, have successfully managed their fisheries for many years. They have effectively nationalised their fishing industry giving ownership to their Government, albeit that the ownership is licensed to fishing co-operatives. They have also maintained an effective discard ban for at least 30 years.

12.54 pm

Baroness Bennett of Manor Castle (GP): My Lords, I join others in welcoming the Minister to this House and look forward to working with him.

When I started contemplating this debate, one phrase kept popping into my mind: "There are plenty more fish in the sea." It is usually used, of course, by people who have perhaps heard a bit too much from their friends about their broken hearts and wish to reassure them. I tried to look up the first use of this phrase, but it seems to have been lost in the mists of time. As the noble Viscount has just outlined, that is because things have changed very much over centuries. The tenor of this metaphor in the age of online dating may be more true than it has ever been, but the vehicle for the metaphor no longer bears the weight that it carries.

There is a lot of focus on the state of nature on land. We have recently seen reports from NGOs, and people can see for themselves what is known as "insectageddon": the fact that, when we drive along the highway at night, we no longer see insects spattered over our windscreens. The loss of, say, our cod is much less visible and much less talked about. We owe a real debt to the commentator George Monbiot, who has drawn attention to this and written about the fact that it goes back a very long way—further even than the noble Viscount went. Paleolithic fishers were catching giant beasts that medieval fishers could not imagine, and what medieval fishers saw modern fishers cannot imagine even in their dreams. We have shifting baseline syndrome and we should never forget that.

Before I get to the main points of this debate, I will say one more thing directly to the Minister: although not specifically our topic today, it is clear from this background that we need to see many more marine reserves and many more genuine no-take zones protecting our fish stocks.

On the specific point of today's debate, I record my debt to the Greens/EFA parliamentary group fisheries adviser Björn Stockhausen, who very much informed what I am about to say. The Green parties of the United Kingdom will continue to be part of the European Green Party, with which we will continue to work very closely. Similarly, our fish stocks will continue to be European after Brexit. Fish do not carry passports. If they tucked them under their fin on one side, they would be able to swim only in circles. They do not stop at borders. We will have to continue to work very closely with our European neighbours.

Several noble Lords have referred, as I did yesterday, to the fact that the discard ban is not simply an EU rule. This is the people's rule, fought for and won by people. It is up to the Government to enforce this rule to continue to reflect the will of the people after Brexit—and up to your Lordships' House to scrutinise what the Government are doing about that, as these two reports do.

I think it was the noble Lord, Lord Cameron of Dillington, who said that not much attention is being paid to this by NGOs. We should pay tribute to the excellent ClientEarth, which put out a report last October highlighting how France, Denmark and Spain are, like us, failing to enforce this ban. I ask the Minister to ensure that, in ongoing talks and negotiations, we focus on doing the right thing ourselves so that we can push for others to do the right thing as well; this needs to be part of the negotiations.

A number of noble Lords have referred to the challenges of being a fisher. They need to be properly paid; we need to look at issues that also apply to our farmers and growers about the payment pressures put on them by supermarkets and multinational companies. We know that much of our stock, our catch, is sold into European markets. What kind of access will our fishers have to those markets?

In light of the food strategy for England that will come forward quite soon, we also need to think about more sustainable, closer-to-home consumption of some of our catch. I ask the Minister to ensure that his work is closely integrated with the work of the food strategy, in this area and others.

I come to a couple of specific points on these reports. Paragraph 49 of the EU Committee's report refers to how

"Using different types of equipment could enable some fishers to fish more selectively."

What do the Government plan to do to help and support fishers to do that?

The report also extensively covers the issue of remote electronic monitoring. The noble Baroness, Lady Young of Old Scone, has already covered that point extensively so I will merely say that I want to ask the questions that she has already asked.

Paragraph 57 refers to a system of "real time notifications that is useful to, and trusted by, fishers."

We need to change systems and indeed, as other noble Lords have said, cultures so that we can reduce the choke risks for fishers. What plans do the Government have to support that happening?

Finally, there is a small area that I want to address—small in both senses of the term. Paragraph 71 refers to vessels under 10 metres not having the same ability to mitigate choke risks. What are the Government planning to do to support and help those vessels under 10 metres in particular? Those vessels, which often work locally in inshore waters and are a part of strong local economies, make a different kind of contribution and, I would say, a very positive one, unlike the giant vessels taking huge volumes from our seas and oceans. What are the Government planning to do to ensure that we have strong support for those crucial small vessels?

1.01 pm

Lord Thurlow (CB): My Lords, I add my welcome to our new Minister. His environmental credentials are of course a welcome addition to this House. I had the privilege of listening to Sir David Attenborough last night in the Royal Gallery, and anyone else who was there will know that we hardly need reminding of the importance of a debate like this at present.

It is seven years since the landing obligation was agreed by the EU. Although there is a timetable, which really only sharpened its teeth last year, voluntary compliance does not seem to be working. As the noble Lord, Lord Teverson, said, the regulators do not have the resources and it is not working. There is no effective means of policing agreed and the fisheries protection fleet needs beefing up; as the noble Lord, Lord West of Spithead, said earlier, the Royal Navy is unlikely to come to its assistance as it too is short of ships. The only real motivation for the fishing fleets, ours and the continental ones, are from the personal conservation interest of the skippers and the desire to obey the law. However, I am sure there is no motivation for foreign boats in UK waters, particularly in the present circumstances.

After leaving the EU, we have a great opportunity for our fisheries. We must use it; it is hugely valuable, and it is ours. It is not a cheap bargaining chip to be used in wider trade negotiations without a great deal of care. Our rivals in those negotiations will play down the importance to their fleets, but let us not be fooled: it is a negotiation, it is critical to them and they want as much of the share of our waters as they can have. The price for sharing our seas must be very high. Their boats and their gear, such as the remote monitoring that we have heard about, must all meet UK standards. I ask the Minister to ensure that these are introduced, particularly with regard to remote monitoring, as soon as possible.

Of course we surrendered our waters as a condition of joining the EU, and it was a very expensive surrender. The continental fleet has gorged on it. I have even heard that the EU centrally funded some of the fishing fleet of our continental neighbours. I have not heard that the UK fleet enjoyed such privilege. I would love to be told that I was wrong.

What of the impact of EU membership on our fleet? A gradual but steady reduction in size. Happily, strong pockets remain, but many have been squeezed out. Once a fishery has shrunk below critical mass, that fishing community slowly collapses. Landing facilities, storage, processing, ice, markets and distribution all

wither. It becomes uneconomic and the fishery dies. What of the social cost? The noble Lord, Lord Cameron of Dillington, referred to the social cost to communities: the existence of fewer boats, fewer skippers and crews, chandlery and gear suppliers and so on leads to a high human cost. Seafaring families who have supplied generations of skippers look elsewhere for jobs. When that chain is broken, where will future crews come from?

When the Government put out their White Paper, *Sustainable Fisheries for Future Generations*, a year or two ago, they used what I thought was the most extraordinary phrase: “hollowed-out communities”. That is the Government’s own phrase. The solution must be to help those hollowed-out communities to rebuild and retrain, assist in re-establishing and updating facilities and support boat building. What plans do the Government have to do that?

Give them back their fishing grounds. Do not roll over in negotiating the trade deal. All that is in the gift of this Government.

1.06 pm

Lord Addington (LD): My Lords, I feel something of a fraud being the person to bring this up, as I am probably one of the most junior members of this committee. Where my noble friend Lord Teverson leads on environmental matters, I am afraid I have a habit of following. The previous committee that I served on was the one that looked at the future of the Arctic region, and a huge amount of the work that we did was on fisheries. One of the issues that follow through from that report to this one is that, as has been stated, fish ignore our ways of travelling. Fish could not care less whether we have decided that this is our water or someone else’s.

There is environmental change at the moment, which all but a tiny minority accept as a fact of life, and it means that practices regarding breeding grounds make this matter even more complicated than it was already. We have a long tradition of taking fish more rapidly than the fish can breed. Fishing is probably the only activity where we take something wild, so we are effectively hunting, and expect to go back to it again and again. Taking fish out of your local river since the pre-dawn of history—in many places fishing in rivers is a very important facet, though not so much here—shows that you can overdo it. We have to start regulating now while we have the capacity to catch fish. We must remember that we have the capacity now to make our oceans deserts. We are putting technology designed to destroy submarines on boats to catch fish, and the fish cannot compete. It is about us showing restraint here. If we do not, we are going to run out of fish and all the social consequences that we have just heard about will be there. However, those social consequences are built on a fallacy; we cannot take all the fish that we want. We have to intervene.

The basic point behind this debate is that, if you have a system to stop overfishing, you have to monitor it and enforce it. Unenforced laws become jokes and farces. We all know that; we have all seen it happen. We must put effort into making sure that, when the choke problem arises, those fish are landed and we are

[LORD ADDINGTON]

monitoring. Effort is required by the Government, and it all depends how they do it. Putting cameras on boats seems an obvious thing to do.

We can now get more aggressive. Even the enthusiastic Europeans on these Benches would agree that not everything about the common fisheries and indeed agricultural policies was a total blessing. However, we must actually get out there and start saying that we have to conserve these fish stocks and the environment that they come from. There can be very few other natural environments where we are prepared to do the same amount of damage that we do in order to take away these species. Unless we start doing something positive about enforcing the laws we have agreed we should pass, and which our neighbours and allies—hopefully still allies—have agreed to, we will get into trouble.

My questions for the Government are as follows. What is the enforcement strategy? What are they doing to make sure they go out there? If fishermen are simply getting cleverer about landing only the right fish, knowing this and passing it on would be a good idea. I rather doubt that that is the case, but hey, let us be optimistic. If we have found a way of going forward that does not damage the environment, great. If not, somebody should be held to account.

There is no point in Members of this House and the other place standing around discussing this and wringing hands if we are not prepared to take some action. I am afraid we are going to have to offend a few people. As my noble friend said, fishing is one of the hardest and most dangerous professions going. If we are going to take fishing communities' livelihoods away, they should at least know why this is being done. Indeed, if the Government are not prepared to enforce and help them, I suggest they would face a slight complaint when another way forward is being offered to agriculture.

What are we going to do here? That is the question that comes back again and again. We can all agree that there is a problem—virtually everybody has—but unless we are prepared to take some action now, we have left ourselves in a situation in which we can all take a big slice of the blame, because we have all been part of the problem.

1.11 pm

Baroness Jones of Whitchurch (Lab): My Lords, I welcome the Minister to the Dispatch Box this afternoon. I very much look forward to working with him on the many environmental challenges we will be dealing with and which face our nation at the current time. I am also grateful to the noble Lord, Lord Teverson, for the insight and clarity he showed in introducing these reports. He is right that this will be a big issue this year, and I think this is one of many debates we will have on the future of the fishing industry in the UK. I am also grateful to all noble Lords who contributed to the work of this committee and those who contributed to such an excellent and well-informed debate. It is hugely frustrating that the initial report took so long to be debated. I am therefore very grateful to the committee for the tenacity it showed in going back and repeating it all over again, just to remind the

Government that this is an issue which needs to be addressed. Therefore, I am very grateful for the committee's later report as well.

It is clear that the issues surrounding the impact of the discard ban are as relevant now as ever, particularly as we move towards becoming an independent fishing state. As a number of noble Lords have said, we are awaiting the reveal of the latest version of the fisheries Bill. I hope the Minister will be able to update us on the anticipated timetable in his response. As noble Lords will know, the original Fisheries Bill made considerable progress in the Commons before consideration was halted, perhaps in a move that underlines just how controversial this issue is likely to be. Nevertheless, it enabled my colleagues in the Commons to thrash out some of the key issues before us today, which I am sure will be running themes during consideration of the Bill.

At the outset, let me say that we support the introduction of the discard ban, but it needs to be one feature of a comprehensive sustainable fishing policy. This is an issue to which, so far, the Government have paid lip service but on which we are yet to see concrete action to deliver these promises. This is not an easy task, and I am grateful to my noble friend Lord Hanworth, who set out the long historic roots to this challenge. It is not an easy task and it is in many ways a cultural one. Noble Lords talked about the invisibility of some of these issues; I think that has made the challenge more difficult. However, it remains the case that overfishing is having a huge impact on marine biodiversity, and this is an issue we need to address.

As my noble friend Lady Young said, in the UK, just 59% of stocks were fished at or below sustainable levels last year. UK cod stocks have declined to critical levels due to overfishing and the EU Council of Ministers has continued to increase quotas in spite of the scientific evidence which suggests that it should reduce it. We welcome the fact that the Conservative manifesto specified that there will be a legal commitment to fishing sustainability and to the achievement of maximum sustainable yields. We believe that the fisheries Bill could provide a once-in-a-lifetime opportunity to start fresh and create a truly world-class sustainable fisheries policy. However, we believe that the previous version of the Bill failed to meet that ambition.

We believe that our fishing needs to be sustainable both environmentally and economically. These objectives are not in conflict with each other. If we do not have a truly sustainable fisheries policy, we will not have the fish, which means we will not have the fishing fleet, processors and industry which sustain our coastal communities. Noble Lords have quite rightly identified the social and human cost of a failed fishing policy in those coastal communities. We can reverse that declining sustainability, but it would take a much more imaginative reallocation of quotas, in essence rewarding those who demonstrably meet our ecological criteria. For example, a greater share should be offered specifically in return for compliance with relevant regulations, participating in data gathering, transparent monitoring, the recording of catches and, of course, compliance with the discard ban. This is an opportunity that will come when we leave the EU.

We also need a serious plan to address the data deficiency, with investment in world-class science that can outclass the advice from the EU that we have previously relied on. This will help our fishing sector market more species at a sustainable level and boost demand for a greater variety of fish. This will work only if our science is indisputable and backed by a commitment to adhere to maximum sustainable yield calculations, which would need to be spelled out in the Bill. I would be grateful if the Minister could clarify whether this is the intention for the fisheries Bill.

In addition, I agree with the noble Lord, Lord Cameron, that there is a strong case for smaller boats to be given a greater share of the quota after Brexit. The small-scale fishing fleet generally uses more low-impact gear and creates significantly more jobs per tonne of fish landed than the large-scale sector. Noble Lords will know that, in the UK, the under-10-metre small-scale fishing fleet represents more than 70% of English fishing boats and 65% of direct employment in fishing. This is a sector we should support, providing it can demonstrate a commitment to a sustainable fishing strategy. I would be grateful if the Minister could address in his response the need to rebalance in favour of the under-10-metre fishing fleet.

These are some of the issues which we will want to explore when the Fisheries Bill comes to be debated here. They all relate to the challenges in implementing the discard ban, which the report addresses so clearly. Like other noble Lords, I was concerned at the degree of complacency in the Government's response to the report, so I hope the Minister can update us on the latest position in implementing the ban since their responses were written—I hope he will provide slightly more optimism that the Government are taking this seriously.

The reality seems to be that no one knows what the level of compliance with the discard ban really is. It is not being properly monitored and we do not have sufficient surveillance technology in place, or sufficient inspection vessels at sea, to change the discard practices which have been going on for generations. I was shocked to read the evidence of Phil Haslam of the MMO, who said that he has access to only three patrol boats. I agree with my noble friend Admiral Lord West that we need a huge investment in new boats, equipment and staff if we are to enforce compliance effectively in our sovereign waters post Brexit. This is an issue for our own domestic fleet but, perhaps more importantly, for foreign vessels seeking to fish in our waters as well. When the Minister responds, perhaps he can update us on the plans for increasing that capacity.

I agree with many noble Lords that the quickest and most effective route to achieving compliance is the introduction of remote electronic monitoring, with cameras to produce full and verifiable documentation of UK catches and discards. I hope that the Minister will be able to set out in his response a clear commitment to the introduction of REM and a timetable for compliance with this technology.

Noble Lords have rightly drawn attention to the problems with mixed fisheries and the choke effect. Clearly, there needs to be some kind of flexibility, to help mitigate its impact while maintaining compliance with the quotas. However, like other noble Lords,

I was slightly disturbed to read that the impact of choke species has been less than anticipated, again raising questions about the level of compliance with the discard ban. The truth is that implementing the discard ban effectively will always be an uphill struggle if the fishers themselves do not understand the intent behind it, or if they believe that the policy is unworkable in its current form.

The Government still have a massive job to do, not just to inform the crews of their obligations not to discard but to persuade them that it is a policy that will work in their interests. This requires a huge cultural shift, as noble Lords have identified, so it is the real challenge ahead. I look forward to hearing from the Minister how the Government intend to respond to that challenge.

1.21 pm

The Minister of State, Department for Environment, Food and Rural Affairs and Department for International Development (Lord Goldsmith of Richmond Park) (Con) (Maiden Speech): My Lords, I thank the noble Lord, Lord Teverson, for initiating this important debate and I thank all Members for their contributions today. I am also grateful to members of the EU Energy and Environment Sub-Committee for its hugely valuable reports on the landing obligation.

I should note that this is my first, and therefore technically my maiden, speech in this House. Given that time is short, that we are here to debate a very specific issue and that I have already had an opportunity, some 10 years ago, to deliver a maiden speech in Parliament, I will keep my opening remarks to a minimum. Before I do, I thank noble Lords from right across the House for a surprisingly warm welcome. I can tell them that there is quite a contrast between this side of the building and the other. I thank in particular my two distinguished supporters, my noble friend Lord True, who I had the pleasure of working with when he led Richmond Council, when he really showed me how politics should be done at the local level, and my noble friend Lord Randall, who I first met in the other part of this complicated compound when he was the Deputy Chief Whip. It is a miracle that we remained friends but we did; I think it had something to do with our shared passion for nature. I also thank my noble friends and Defra colleagues Lord Gardiner and Lady Chisholm for their extraordinary patience in showing me the ropes here from the moment I arrived. Finally, for the same reason, I give my sincere thanks to the doorkeepers, the police officers, the Clerk of the Parliaments, parliamentary staff and Black Rod, who have all at varying times explained the procedures and prevented me getting horribly lost.

I had the honour of representing my home community of Richmond Park and north Kingston for nearly 10 years, with the exception of a short six-month window in 2016 when my constituents kindly sent me off on a short sabbatical. While I will miss working directly for my former constituents, I think we can agree they are not short of representation here in this House. It is a pleasure to see the noble Baroness, Lady Kramer, on the other Benches. I think she will understand when I say that I have lost count of the number of times I have knocked on the door of a residence, to be

[LORD GOLDSMITH OF RICHMOND PARK] told by a pleased-looking occupant that they are unable to vote in a general election. I sometimes resist asking why, just to cause a flicker of disappointment.

I know that my appointment to this House was not everyone's cup of tea. One political rival described me—I apologise if this is inappropriate—as a turd that will not flush; a phrase my children are unlikely to let me forget. Equally, I know that many of those heroic people who are engaged in the battle to protect this extraordinary planet we inhabit and the species it holds are cheered by having another voice in Parliament. It is an enormous privilege. The environment has preoccupied me for as long as I remember; it dominated my work in the Commons. I am enormously grateful that I am able to continue working on it full time, as part of a Government who have made tackling these issues a top priority.

The environment may not be everyone's most immediate concern in the way that education, health, security and so on often are; but given our total dependence on the health of this planet, the damage we are doing to it is self-evidently the most important issue. There can be no doubt that we are damaging the planet. It is estimated that each minute last year, the world lost the equivalent of 30 football pitches of forest. Since the 1960s—just a few years before I was born—we have lost half the world's land animals; today, we are told that a million species face extinction. The noble Baroness, Lady Bennett, made this point graphically in her speech. Our marine environment has fared no better. As the noble Viscount, Lord Hanworth, explained, nearly a third of the world's fisheries have either collapsed or are close to collapse. Half of the world's coastal waters have been degraded and we are told that if trends are allowed to continue, by 2050 the seas will contain more plastic than fish if measured by weight.

All these things matter in and of themselves, but they matter to humanity as well. Forests, for instance, underpin the livelihoods of well over a billion people. Some 200 million people depend on fishing for their immediately livelihoods. Ultimately, of course, we all depend on nature, so we have an enormous amount to do to restore some form of balance in the relationship between our species and the surrounding world. I do not believe that any Government in the world are doing enough, but I am proud of what this Government are doing on land and at sea, at home and abroad.

The subject of this debate concerns the seas, broadly, so they will be my focus. As custodians of the fifth-largest marine estate globally, it is a source of immense pride that we are on track, through our magnificent Blue Belt programme, to protect an ocean area of some 4 million square kilometres around our Overseas Territories—an area roughly the size of India. Our Overseas Territories, incidentally, harbour around 90% of all our biodiversity. This is the reason why our Prime Minister has said repeatedly that two-thirds of the world's penguins are British. I am not going to argue with the figure; I have used it myself from time to time. What better reference can there be?

Last year we committed additional funding for the Blue Belt programme and, as one of the Ministers responsible for this area, I am absolutely determined

to see it grow much further still. I was also delighted that we committed in our manifesto to create “a new £500 million Blue Planet Fund”

from our overseas development budget, to help restore and protect ocean ecosystems around the world, and that the Government are leading calls for at least 30% of the world's oceans to be protected by 2030. By yesterday morning, 12 countries had signed up to this fledgling campaign; by yesterday evening, Sweden had joined them and I am grateful for that.

We are making progress in our domestic waters, too. A quarter of UK waters are already in marine protected areas—an area almost twice the size of England. Masses of evidence from around the world show that marine protected areas work, but the evidence is also clear that much more needs to be done. That is why we have asked the former Fisheries Minister, Richard Benyon, to review whether the Government should introduce a network of highly protected marine areas in our waters. It was Richard, incidentally, who spear-headed calls to end the appalling practice of discarding, which is of course the subject of today's debate.

That brings me to the issue we are discussing. In answer to the noble Lord, Lord Teverson, whose question was repeated by the noble Baroness, Lady Jones, I want to be clear that this Government remain committed to sustainable fishing and the principle of maximum sustainable yield, as well as to ending the appallingly wasteful practice of discarding fish. This will not change once we leave the European Union. However, leaving the EU and the common fisheries policy gives us a unique opportunity to introduce a sustainable, responsive and resilient new fisheries policy, one which both recognises and can overcome the challenges associated with ending discarding.

As both these excellent reports we are debating today have shown, implementing the landing obligation is far from easy. The first Select Committee report reviewed whether the full landing obligation would lead to large segments of the fishing fleet being choked, as well as how the choke risks could be mitigated. It reviewed how effectively the landing obligation was being enforced, and recommended the use of remote electronic monitoring as a compliance and enforcement tool.

The second report was published six months after full implementation of the landing obligation. It questioned why it had had only a limited impact, and in particular why the earlier identified choke risk had not materialised. It questioned whether this was due to lack of enforcement and compliance, and repeated its very strong call for the use of REM. The noble Duke, the Duke of Montrose, pointed out in his very eloquent speech that there was no doubt that one of the reasons for the difficulties was the nature of UK fisheries: the fact that our fisheries are so mixed. Moreover, the inherent risks of choke—exacerbated by the CFP's outdated allocation of fishing opportunities, which is effectively based on fishing patterns of the 1970s—has made implementation of the landing obligation extremely challenging. This is particularly the case in areas where there is a need to protect and recover vulnerable stocks, often where the UK's share of quota does not accurately reflect the balance in our mixed fisheries.

Leaving the CFP is a huge opportunity, which will allow us to address many of these issues. For example, in the Celtic Sea, where Celtic Sea cod numbers are low and haddock numbers are high, we would want to ensure that our share of cod quota was sufficiently high to enable our industry to catch the haddock it is entitled to catch. That does not mean—just to be clear—increasing the overall quota in EU waters: it means increasing our share of quota in UK waters to provide a more sensible balance and to minimise the risk of choke. We have instigated a comprehensive programme of research to inform this process, including a call for evidence last year. Among other things, we used this to ask what England could learn from allocation models used in other parts of the world—a point made by a number of noble Lords—how allocation could help tackle choke risk and how best to use quota to support coastal communities and ensure a sustainable industry.

The noble Baroness, Lady Bennett, asked a question specifically about support for the under-10s. It is the case that, since 2017, all additional quota has been distributed to the under-10s as a direct policy—if not all, then a majority. I am happy to come back with a more accurate answer following this debate, but I believe that all additional quota has been passed to them. We will take what we have learned and will work with industry and other stakeholders to develop a new approach to allocating any additional quota we secure after leaving the EU.

As noble Lords will know, the Government will be introducing a fisheries Bill soon. The noble Baroness, Lady Jones—I thank her for the kind words in her speech—asked for more details of the timeline. I am afraid that I am not able to provide her with specific answers, but it will be here shortly and will be steered through this House by my noble friend Lord Gardiner. The Bill is designed to enable the UK to act as a responsible independent coastal state, taking control of the management of its fishing waters, and achieving world-class sustainable fisheries. In answer to the noble Baroness, Lady Young, the Bill will also ensure that we meet our manifesto commitments to include a legal requirement to end overfishing, to fish sustainably and to produce plans to recover fish stocks to achieve maximum sustainable yields.

I acknowledge that there are strong calls for a legal commitment to achieve MSY within a specified timeframe, and I have heard those arguments today. While clearly this is something we would like to do, it can be achieved only through international negotiations, because fishing stocks by their nature straddle international boundaries. As things stand, the number of stocks of interest to the UK being fished at MSY is rising. After the recent December Fisheries Council, 69% of those stocks will be fished at or below MSY in 2020. While this is good news, clearly much more remains to be done, particularly for those stocks for which we do not yet have sufficient information.

The Select Committee report highlighted the importance of using more selective gear to avoid unwanted catch. This is absolutely part of the Government's approach to implementing a discards ban. Across the UK, £5.3 million from the European Maritime and Fisheries Fund has already been used to support the landing obligation by improving port infrastructure

to prevent the waste of fish that would otherwise have been discarded—a point made by the noble Baroness, Lady Byford. A further £4 million has supported more selective gear types, as well as diverting fishing activity to less restricted species. After the CFP, we are committed to introducing grant schemes of our own across the UK to continue that work.

The committee's two reports raised concerns about the extent to which the landing obligation is being monitored in UK waters and the rules enforced. Through the Marine Management Organisation, the Government have put a lot of effort into ensuring that the industry has the right information available to support compliance. The equivalent organisations have done the same in the devolved nations. Alongside this, the MMO is stepping up enforcement. In England, between 2018 and 2019, the MMO more than doubled the number of inspections of landings. In answer to the noble Baroness, Lady Young, it has also nearly doubled the number of inspections at sea. In Scotland, inspections against landing obligation rules have also increased significantly. In response to the noble Baroness, Lady Byford—I hope that I get these figures right—landings of undersized fish since 2016 have increased, although not by as much as expected. The figures that I have are that in 2016, 175 tonnes were landed, and in 2109, 358 tonnes were landed—so an increase, but not the increase that was anticipated.

I know that many noble Lords have a close interest in REM, and we have heard a number of calls today for the adoption of cameras on fishing vessels as soon as possible, not least so that our quota setting is based on proper science. The UK has consistently called for the adoption of REM across the EU. The noble Lord, Lord Cameron, emphasised the importance of the UK taking the lead—a point repeated by the noble Baroness, Lady Bennett. At this stage in discussions, however, we are in a very tiny minority—perhaps a tiny minority of one.

After we leave the CFP, we will have the power to make this decision unilaterally, but, as the Select Committee reports have made clear, compliance for many fishers remains extremely challenging, and it may be that we need to facilitate the transition to the mandatory use of REM before it is introduced for compliance purposes. We discussed this point with the noble Lord, Lord Teverson, when we met in a meeting just a few days ago. We will work with industry, environmental groups, retailers and others on this as we consider the right approach.

Finally, as a number of noble Lords highlighted in the debate, fisheries is a devolved matter that is important to all parts of the United Kingdom. Obviously, we must work—and are working—as closely as we always have with our colleagues in the devolved nations, as well as those in the Crown dependencies, and we will ensure that their views are taken fully into account.

I want to end by saying that much of this work was begun by Richard Benyon in the other place when he was Fisheries Minister. It is only right that we should continue to lead the way after we leave the European Union. Once again, I thank noble Lords for taking part in this debate and for raising some extremely important points that I will take back to my department and discuss with my colleague here, my noble friend Lord Gardiner.

1.37 pm

Lord Teverson: My Lords, I congratulate the Minister on his response, especially because I do not think that he is even going to have this as part of his portfolio in the future. I hope he will remain very involved in this issue because clearly, in terms of biodiversity and all the other areas, the marine environment—as has been said, particularly by the noble Baroness, Lady Bennett—is extremely important. I am sure that the House recognises his great expertise and his track record in environmentalism from the anthropological side—in his early days of travel abroad—right the way through to his editorship of *The Ecologist*. He hugely boosted its readership at the time, although latterly it became difficult for it to survive due to the change in the way the media works.

Furthermore, an MP standing down from Parliament on principle to cause a by-election is something that is not often done. It was courageous; it may not have paid off absolutely immediately, but it did two years later. I think that the House recognises both his courage and his commitment to this area.

On the report, he may well have had, as he suggested, instructions on how Ministers respond in the House of Lords and been educated on how to perform today. There is also a rule for committee chairs introducing reports such as these: when you sum up, you should be as brief as possible, especially when there is a debate coming up with 30 more speakers and it is the last business of the House on a Thursday. So I am just going to thank all those who have contributed, particularly those who are not members of the committee. I also want to thank our excellent committee clerk, Jennifer Mills, and our administrator, Jodie Evans, for their work. This is a really important subject and I think it is recognised that it will certainly be a key issue during the negotiations with the European Union. We will no doubt come back to this subject.

Motion agreed.

Fisheries: EU Landing Obligation (European Union Committee Report)

Motion to Take Note

1.40 pm

Moved by Lord Teverson

To move that this House takes note of the Report from the European Union Committee *The EU fisheries landing obligation: six months on* (43rd Report, Session 2017-19, HL Paper 395).

Motion agreed.

High Speed 2 (Economic Affairs Committee Report)

Motion to Take Note

1.40 pm

Moved by Lord Forsyth of Drumlean

To move that this House takes note of the Report from the Economic Affairs Committee *Rethinking High Speed 2* (6th Report, Session 2017-19, HL Paper 359).

Lord Forsyth of Drumlean (Con): My Lords, I congratulate my noble friend Lord Goldsmith on a superb maiden speech. We very much look forward to his contributions to the House in the future.

I apologise, as I am suffering from a cold; my noble friend Lord Ridley told us yesterday that Darwinian principles meant that his cold would find another host, and I fear that he has been proved correct in that respect.

Five years ago, the Economic Affairs Committee, under the excellent chairmanship of the noble Lord, Lord Hollick, raised serious questions about the cost of HS2, the methods used to appraise the project and other priorities for rail investment in its 2015 report *The Economics of High Speed 2*. In January 2019, the committee followed up this inquiry and published a new report in May last year. Sadly, we found that the Government were still no nearer to providing satisfactory answers. We therefore concluded that HS2 required a major rethink. Before I explain our conclusions, I thank the committee staff who produced the report: Sam Newhouse, Ben McNamee and Lucy Molloy.

I begin with the question of how urgently we need HS2 in relation to other rail investment priorities. In 2015, the committee suggested that rail infrastructure in the north of England should be the priority. We asked the Government to consider whether investment in northern rail infrastructure should be prioritised over HS2. Beyond a business case for Northern Powerhouse Rail, no such assessment of the relative merits of doing so was ever carried out. Five years on, commuter services in the north of England remain badly overcrowded, unreliable and reliant on ageing Pacer trains built on the cheap using frames from Leyland National buses.

Lord Hunt of Kings Heath (Lab): My Lords, I am sorry to intervene on the noble Lord—I will not do it again—but I cannot understand why his committee does not seem to have looked at the West Midlands and the issues there.

Lord Forsyth of Drumlean: If the noble Lord allows me to make my speech, he will perhaps get an answer to that.

The Government's response to our report stresses that the Northern and TransPennine Express franchises will deliver over 500 brand new vehicles and retire all the existing Pacer trains. Yet, in spite of the Government's confidence, Pacer trains remain in widespread use today. Allow me to stress that Pacers were initially given a lifespan of 20 years when they were introduced as a stop-gap in the 1980s. Forty years later, many are still with us.

Overcrowding continues to be far more severe on commuter services than long-distance services. We heard evidence that fast long-distance services are among the least crowded trains that serve the cities on the HS2 line. For example, just 4% of passengers stand on the Virgin Trains West Coast to Manchester, whereas there has been a doubling of demand for local services into central Manchester in the last 15 years but only a 50% increase in passenger capacity. HS2 will do very little to help these long-neglected commuters travelling into cities in the north. In fact, the main beneficiaries

of overcrowding relief from HS2, when it is finished, will be London commuters who use the west coast main line. Chris Stokes, an independent rail consultant, described HS2 as

“a very expensive way of dealing with the Milton Keynes-Euston commuter peak.”

Simply put, the HS2 project is a poor reflection of the UK’s rail investment needs—I hope that addresses the noble Lord’s question.

Lord Hunt of Kings Heath: Do not tempt me.

Lord Forsyth of Drumlean: There is, fortunately, a programme in place to help these commuters: Northern Powerhouse Rail would create faster and more frequent lines between Liverpool and Manchester, Manchester and Leeds, Sheffield and Manchester, Leeds and Sheffield, and Leeds and Newcastle. It would reduce journey times between northern cities substantially. To give just two examples, the journey time from Liverpool to Manchester would reduce from a maximum of 57 minutes to just 26 minutes; likewise, Newcastle to Leeds would be reduced from 95 to 58 minutes. Such improvements to journey times would increase access to a wider jobs market between northern cities that are currently very poorly connected.

Representatives from northern regions who gave evidence to our inquiry generally agreed that both HS2 and the Northern Powerhouse Rail programme were absolutely crucial to the north. Since the publication of our report, there has been fierce debate—to put it mildly—on whether both programmes are needed. First, the Government, under the previous Prime Minister, stated in their response to our report that HS2 needs to be in place first. In August, the new Government commissioned a review into the viability of HS2, chaired by Doug Oakervee. New details from a leaked version of his report—apparently delivered before Christmas but still unpublished by the Department for Transport—were revealed this week and appeared to indicate only qualified support for the project.

The recently published dissenting report from the noble Lord, Lord Berkeley, argued that HS2 is the “wrong and expensive solution” and that priority should be afforded to Northern Powerhouse Rail and Midlands Connect instead. Stakeholders from the Midlands and the north of England, however, have made clear in their response, once again, that both programmes are needed. We urge the Government to provide clarity on this matter. The noble Lord, Lord Berkeley, made it clear: if the Government have £150 billion, they can do both; if they have only £50 billion, they need to choose.

In the view of the Economic Affairs Committee, HS2 phase 2b and Northern Powerhouse Rail should be combined into a single programme to allow investment to be prioritised where it is needed most, and funding for the northern powerhouse needs to be ring-fenced and brought forward where possible, otherwise the north of England will continue to be short-changed by the Government’s plans. The Government stated in their response that they would “carefully consider this recommendation”. We hope they do so.

Our report also considered the planned costs of HS2 and examined the method by which the Department for Transport determines whether the project provides

value for money. The leaked version of the Oakervee report found that more work is needed to assess the scheme’s impacts on regional growth and that it is “hard” to say what economic benefits will result from building it. Suffice it to say that providing clarity on the costs of HS2 has never been one of the Government’s strengths. The first estimates for the costs of HS2 were published in February 2011 by the department under the then Secretary of State for Transport, Philip Hammond. The estimated cost for the full network was given as £37.5 billion. Then the department, under the following Secretaries of State, Justine Greening and Patrick McLoughlin, put forward two updated economic cases in January 2012 and October 2013. The estimated cost rose first to £40.8 billion and then to £50.1 billion.

Moving forward, the department’s 2015 spending review set the funding envelope for HS2 at £55.7 billion, in 2015 prices. Adjusting for construction price inflation since 2015, this funding envelope increases to £59 billion today. The estimated costs, however, were shown to have increased to £65.2 billion. Yet fear not; in 2017 the department, now under Secretary of State Chris Grayling, published a financial case with all assumed efficiency savings calculated into the model, estimating that the full cost of HS2 would be £52.6 billion. The committee was told that spending to date on the project was £4.3 billion.

Since the publication of our report, there have been even more conflicting estimates of the costing range for the project. In August 2019 HS2 chairman Allan Cook published an official stock-take of the current status of the programme, in which the total funding range for all costs and risk was estimated at between £72.1 billion and £78.4 billion. Yet following this the Secretary of State for Transport, Grant Shapps, clarified these costs to Parliament in a Written Statement on 3 September 2019:

“Adjusting by construction cost inflation, the range set out in Allan Cook’s report is equivalent to £81 to £88 billion in 2019 prices”.—[*Official Report*, Commons, 3/9/19; col. 7WS.]

Now, according to the leaked Oakervee report, the cost of the project could rise to as much as £106 billion. Adding to the confusion, the noble Lord, Lord Berkeley, suggests in his dissenting report that the total cost will in fact be £115.8 billion.

This confusion absolutely tallies with what the committee heard from Sir Terry Morgan, the former chairman of HS2 Ltd, who told us that “nobody knows yet” what the actual cost of HS2 will be. Most pointedly, the noble Lord, Lord Berkeley, concluded that

“Parliament has been seriously misled”

about the costs of HS2. The committee also had serious reservations about the cost-benefit analysis used in determining whether HS2 provides value for money. The results of the latest cost-benefit analysis for HS2, published in July 2017, show net benefits of £92.2 billion and net costs to the Government of £39.8 billion. Following the familiar theme of confusion that has arisen throughout the project so far, the leaked Oakervee review suggests that the cost-benefit ratio has fallen from £2.30 to £1.50 for every pound spent. The committee did not find the methodology

[LORD FORSYTH OF DRUMLEAN] used credible for either the project's costs or its benefits. The model does not account for the transformative effects on employment and population that new infrastructure can provide, because it assumes that land use in the surrounding area is fixed. The Government's response to our critique was disappointing. They accepted the limitations relating to the treatment of land-use changes but offered no indication that they would carry out new analysis.

Our second reservation concerns the methodology and evidence used to calculate the value of travel time. These measurements have improved since their first iteration—when they forgot that people can, and quite regularly do, work on trains—but they are still questionable. They used surveys asking business rail travellers hypothetical questions about how much they would be willing to pay for quicker journeys. The committee did not believe that a few hundred interviews carried out on station platforms were a robust evidence base on which to base a calculation of the benefits that a potentially £80 billion new railway will bring.

Finally, our report shows that the estimated benefits of HS2 are highly dependent on forecast numbers of business travellers using long-distance rail. Our central concern on this point is that the evidence used to forecast the number of business travellers using HS2 is based on data that is 15 to 20 years old. Not only do the numbers not correspond to the most recent data from the national travel survey and the national passenger survey, but relying on out-of-date data is neither a robust nor rigorous basis for evidence-based policy-making. We therefore recommended that new analysis of the project is needed. This must take into account the transformative effects of new infrastructure on the benefits of the project. It should revise the assumptions behind the values of travel time, and the demand forecasts should be revised ahead of this new analysis. We recommended that this analysis be published in full alongside the business case by the end of last year. The Government have accepted that the data is out of date and stated that updating it is part of the department's latest research priorities. We strongly urge its publication as soon as possible.

In 2015 we recommended that the Government should review the cost saving from lowering the maximum speed of the railway and terminating the line at Old Oak Common rather than Euston. Yet again, the Government failed to consider our very reasonable recommendations. Our follow-up examined the two ideas again in detail. HS2 is being built to accommodate trains that run at a maximum of 400 kilometres per hour, with trains initially expected to run at a maximum of 360 kilometres per hour. Trains that can travel at that speed do not exist. When we asked why the railway was being designed to that specification we were told it was in order to make it future-proof. We heard evidence that strongly questioned the design speed, including one piece of evidence that described the maximum speed as “an engineer's pipe dream” and “close to ludicrous”.

Allow me to stress, on this point, that in phase 1 trains can operate at 360 kilometres per hour on a mere 68-mile stretch between Amersham and Birmingham. Reducing the maximum operating speed

to 300 kilometres per hour would add an extra 10 minutes to a journey between London and Manchester, but the cost savings for the whole project could represent up to £1.25 billion once longer-term operational and energy costs are accounted for. Based on this evidence, we see no reason for HS2 to be built to operate at 400 kilometres per hour.

Once again, we are disappointed that the Government have ignored our recommendation to assess the cost saving that could be made by terminating the HS2 line at Old Oak Common rather than Euston. The Government and HS2 Ltd cite a 2011 report from Atkins as the evidence base for rejecting our proposal. Notwithstanding the fact that it was written at the start of the last decade, that report assessed only the reduction in benefits and made no estimate of the possible cost saving. The Government must consider both. We argue that what matters for the termination point is not the single point in central London, but the connections that enable passengers to quickly arrive at their destination. The evidence we saw shows that onward journey times to final destinations using the Elizabeth line from Old Oak Common appear to be comparable to, or better than, continuing from Old Oak Common on HS2 to Euston. Euston is not “central London”.

We have therefore recommended that the redevelopment of Euston station be removed from the scope of phase 1 of HS2 and that Old Oak Common should operate as the London terminus for phases 1 and 2a. Doing so will allow time to determine whether Old Oak Common could operate as the London terminus for the entire HS2 network, and the potential costs or savings that that would involve relative to a terminus at Euston. Our report is an appeal to the Government to conduct a major rethink of the full HS2 project. A new appraisal of the project is urgently required. The Government must act to ensure that the benefits of HS2 are not geographically uneven and do not entrench the uneven economic divide between north and south that already exists.

I was very struck, in our discussions in the committee, by the words of the former Chancellor and Transport Secretary the noble Lord, Lord Darling. He said, “These projects are all the same: they run over budget and in the end the bit at the end gets cancelled.” The bit at the end is the east-west rail structure which is so desperately needed now in the north of England. I beg to move.

1.59 pm

Lord Hollick (Lab): My Lords, I congratulate the noble Lord, Lord Forsyth, and his colleagues on their excellent report, which sadly shows that many of the questions raised in our 2015 report remain unanswered.

The two reports from the Economic Affairs Committee and an admirable solo contribution from my noble friend Lord Berkeley earlier this month make up an evidently popular box set with common plot lines. First, there is the shared enthusiasm for significant investment in our transport infrastructure but dismay that many alternative, less expensive and less environmentally disruptive solutions to the capacity and network constraints have been inadequately considered or, in some cases, ignored. Secondly, there

is clear evidence that the cost of HS2 is spiralling out of control. Thirdly, the benefit-cost analysis, a widely used method of assessing the economic value of the project, is flawed. Fourthly, the oversight of a large-scale infrastructure project is inadequate.

Our enthusiasm for infrastructure spend was based on the assumption that all options would be considered before a final plan was adopted. It is evident that a number of lower-cost options which would have increased network capacity and offered greater connectivity—and in some cases still could—have been sidelined without full public debate.

The failure of the Government and HS2 Ltd to be transparent and communicate details of the cost overruns and project uncertainties in a timely manner has deprived Parliament of the opportunity adequately to scrutinise progress and undermined public trust in HS2. This communications strategy has allowed the project to proceed to the point where the sums invested are now so great that sensible alternatives to reduce costs or reprioritise work have become costly and complex. Some say that was the plan.

A benefit-cost analysis is how the Government assess the economic value of projects. Its usefulness as a decision-making tool depends on the accuracy of cost estimates and the assessment of benefits. It is attractive to policymakers because it can provide an illusory certainty. In the case of HS2 this certainty has unravelled as costs in real terms have doubled and the calculation of benefits is highly questionable.

As the noble Lord, Lord Forsyth, said, the economic case published by HS2 Ltd in 2015 assumed a capital cost of £55 billion and claimed a benefit-cost ratio for every £1 invested of 1.8, increasing to 2.3 when wider economic benefits such as those associated with bringing people and businesses closer together are included. Last year, the chairman of HS2 revealed that total costs had increased to £78 billion and that the benefit-cost ratio had dropped from 2.3 to 1.3. In a paper published today, the Institute for Government estimates that, based on the Oakervee review cost estimate of £106 billion, the costs of the project risk exceeding the benefits.

The benefits flowing from the proposed project are founded on a long-term estimate of income based on the number of travellers, the fares charged and the wider economic benefits expected to flow from HS2. Approximately 60% of these benefits are based on an assumption of the willingness of business travellers to pay higher fares. As the noble Lord, Lord Forsyth, noted, this is derived from a survey of travellers' answers to hypothetical questions on station platforms. This data has rightly been described by the committee as unconvincing. One key assumption underpinning the forecast is that there will be 18 trains per hour; experts advise that there can be only 14 trains per hour, which is the number that travel per hour on European high-speed networks. Another key assumption underpinning the forecast of benefits is the number of travellers. This is based on a 20 year-old model which does not even correspond to the number of journeys undertaken for business in the latest national travel survey. More work is needed to make sense of these assumptions.

If the Government are to proceed with HS2 phase 1, they must reduce costs. Making the London terminus Old Oak Common—possibly to be renamed Boris Terminus—and running the trains at the same speed as the rest of Europe will save an estimated £10 billion to £15 billion. These savings can be invested in upgrades to improve capacity, speed and connectivity in the Midlands and the north. This is the surest way to achieve a positive return on this massive investment in this decade. The Government can in the meantime take a fresh look at the lower-cost, higher return options to improve the transport system set out in my noble friend Lord Berkeley's report.

With their laudable ambition to invest a further £100 billion in transport infrastructure, the Government need now to put in place measures to avoid the shambolic HS2 process, where project oversight has been absent. The Department for Transport is the sponsoring department, with the optimism bias and defensive mentality that comes with that role. The Treasury appears to have neither the inclination nor the resources to oversee multiyear projects.

The NAO and the Infrastructure and Projects Authority provide valuable rear-facing analysis of projects. When George Osborne first floated the idea of setting up the National Infrastructure Commission, he planned to invest it with statutory powers to oversee infrastructure and other projects from the planning stage to completion. Whitehall departments made it clear that they did not want such a body poking its nose into their affairs, and the statutory status was quietly dropped. Apparently, the National Infrastructure Commission does not even plan to review HS2—or Hinkley Point C, another rather expensive project—because they were greenlit before it was established. So much for effective adult supervision. Putting the National Infrastructure Commission on a statutory basis should be a priority if the Government want to deliver their projects on time and at a realistic budget and help to secure parliamentary and public support.

2.06 pm

Lord Bradshaw (LD): My Lords, I am very pleased to address the House again after being ill for a long time, but I am sad that we have come to this point. I can say only that I agree with the conclusions of the report before us.

The initial reason for building HS2 has not changed. There is no way that forecast demand for passenger or freight can be met using existing main lines. There has to be more capacity, and talk about incremental enhancements to the west coast main line, the east coast main line and the Midlands main line is nonsense, because the amount of disruption caused would be enormous and last for years.

However, HS2 has been developed as an engineer's dream project, meeting neither market demands nor cost constraints. It is too fast, as the committee said. I believe that 140 miles per hour would meet market demand, as that is pretty fast. Fast speeds are driven by extravagant emphasis by the department and the Treasury on values of time, which are a very weak way of assessing value. Indeed, the factual economic basis for the whole business is flawed in the extreme. The noble Lord, Lord Adonis, may remember a meeting in

[LORD BRADSHAW]
his office where I begged him to take up the whole question of Wabtec, which is the method used, and the Treasury Green Book. That was shouted down by officials who I believe had a vested interest in what was for them a good little earner in working out values of time, because it employs a lot of people. We have spoken about the station surveys; they are just one example of slovenly methodology. We need to evaluate the benefits to the community at large, such as the regeneration benefits—solid things which will last for a very long time.

The trains using this route should be what is called in railway terms “classic compatible”. That means that, when a train runs to Birmingham and it eventually goes off HS2 towards Scotland, if it has tilting capacity, it can use it on all the twisting curves around the Lake District. There is little point in saving a lot of money from London to Birmingham and then squandering it because you cannot use tilting capacity as you go further north.

The north and the Midlands desperately need improved services, but those are very much dependent on HS2. I have seen some good work done by Midlands Connect, which shows the impact of HS2 on the journey times between places like Derby, Nottingham, Leicester and Lincoln going into Birmingham, not London, because people mostly do not want to go that far. However, there is huge potential in building up commuting in this very congested area by making use of the services provided by HS2.

I will not go on very long, but this is the most important part of what I have to say, and I would like to meet with the Minister to talk about it. The traffic forecasts prepared by the National Infrastructure Commission for the period 2033 to 2043, on which current projections are based, were prepared before the major paradigm shift to net zero in 2050. Because of this, there is a likelihood that the whole basis of official forecasting has changed. It is most unlikely that by 2050 we will have a satisfactory replacement available for the 44-tonne lorry—one that does not use diesel. It would be sensible to connect the country to an electric freight railway. That does not require very much more electrification, but filling in a few gaps would give us the opportunity of connecting every port, inland terminal and quarry to either a city centre or an inland freight terminal. On the demand generated by this—I will not go on about this for long—it would require six extra trains an hour between Felixstowe and Nuneaton, and four trains an hour on the west coast main line. That is the pressure on capacity for freight, let alone the pressure that may arise and is still arising from passenger flows. The sums urgently need doing again.

Like the noble Lord, Lord Forsyth, I strongly support the termination at Old Oak Common. I would like to have the job of running Old Oak Common as the terminus, because in fact the speed at which you turn trains back is a function of the number of staff you have and the ease of access to and from the station. You can turn the trains round very fast, as they do in Japan, by having staff at the ready to pounce on the train instead of leisurely taking half an hour or an hour to do so.

So much can be done with this, and I entirely endorse what the noble Lord, Lord Forsyth, said. However, we need HS2—one which is scaled back, uses less energy, and has lower engineering costs and lower speeds.

2.13 pm

Lord Kerr of Kinlochard (CB): Having heard the noble Lord, Lord Bradshaw, speak, looking forward to hear the noble Lords, Lord Adonis and Lord Berkeley, rereading the 2015 and 2019 reports from the Economic Affairs Committee, and hearing the noble Lords, Lord Hollick and Lord Forsyth, I am reminded of what a huge amount of expertise and interest in rail transport there is in this House. It used to be said that we were all about hunting and shooting, but it is clear that we are now seriously into shunting and hooting.

I sat on the Economic Affairs Committee under the noble Lord, Lord Hollick, and then the noble Lord, Lord Forsyth, and I have little to add to what they said. The two reports, and in particular the 2019 report, make an extremely powerful case for reappraisal, reprioritising and linking Northern Powerhouse Rail and HS2.

One point that has not yet been made in this debate, which perhaps I can make—I have no particular railway expertise—is about sunk costs fallacies. I am sure that in this debate we will not fall into the two fallacies which are all too evident in the public debate in the press. What worries me is that critics of the project forget that the important cost-benefit analysis now starts with all future costs; sunk costs are sunk. The enthusiasts for the scheme need to remember that the worst reason for proceeding with any investment project is, “With so much spent, we can’t stop now”. That is the road that takes one to two white-elephant carriers in a grossly underfunded, vestigial, tragically small Navy.

It is absurd that it takes 90 minutes to travel the 67 miles from Birmingham to Manchester, and that it takes another hour to go from Manchester to Leeds—about 45 miles. It makes sense only if you are a Scotsman and you are accustomed to dealing with the unreliable snail that spasmodically crawls between Glasgow and Edinburgh. It does not sound too bad in comparison with them. I am not allowed to talk about Glasgow and Edinburgh, which are sadly irrelevant to this HS2 debate, although they were not irrelevant at the start of the project. I am strongly in favour of improving connectivity between the Midlands and the north, and east-west within the north. However, if that is the aim of this exercise, and the Government really mean what they say about levelling up, it is a bit perverse to start by digging a tunnel under Primrose Hill.

I hate the 1968 Euston station and mourn the wonderful Grecian arches of the old station. However, improving London’s architecture does not do much for connectivity in the north. In fact, this project does not do much either for connectivity in London. As the noble Lord, Lord Forsyth, pointed out, we on the committee established that if you wanted to go from, say, Birmingham or Manchester to the West End of London, Westminster, the City of London or Canary Wharf, you would certainly get off at Old Oak Common,

and you would reach your destination much faster than if you stayed on the train and went to Euston. I cannot see why this end—the Primrose Hill end—has to be part of phase 1. If we had unlimited sums to spend, yes, we could replace Euston and tunnel under Boris Johnson’s father’s house. That is fine—perfectly okay. However, if it is about connectivity in the north, let us start in the north.

NPR is clearly needed much more urgently than HS2. However, on present plans, NPR does not start spending any serious money for another five years, and it will not be complete for another 20 years. That is a very long time to wait.

It is very important, while the Government have the wind in their sails and while they can take bold and brave decisions, that they should show what they mean by levelling up. We want a proper reappraisal, rephrasing and reprioritising. I therefore strongly support what was said by the noble Lords, Lord Hollick and Lord Forsyth.

2.19 pm

Baroness Neville-Rolfe (Con): My Lords, it is a pleasure to be sandwiched between two eloquent old friends—the noble Lords, Lord Kerr of Kinlochard and Lord Adonis—and not to be discussing Brexit. Instead, today we are discussing the most important decision on public infrastructure currently faced by this country.

It is widely accepted that if the full HS2 scheme is undertaken, the total cost will probably exceed £100 billion. Even today, that is an awful lot of money. It compares with £32.7 billion when HS2 was first given the green light, according to Martin Williams of “Channel 4 News”; I am grateful to the Library for digging that out.

On the benefits side, supporters of the scheme say that HS2 will revitalise the national rail network, providing extra capacity, with beneficial effects going well beyond the places served. This will be especially favourable for some northern English towns and cities that have fallen behind in recent decades.

Initially, the project received cross-party support but a significant body of opinion has always had doubts. The Economic Affairs Committee report before us is in this vein, raising a number of doubts and putting forward several pertinent questions, as we heard persuasively from my noble friend Lord Forsyth.

More recently, the dissenting view of the noble Lord, Lord Berkeley, as a member of the Oakervee committee, has raised further doubts. We will hear from him but he seems to believe that the scheme’s benefits may be less than its costs. As is clear from public surveys, there is also a general perception that the scheme is much too expensive. Worse, leaks of Oakervee’s draft report suggest that the committee also has reservations. There has already been significant expenditure on the project and the rate of expenditure is due to increase sharply from this point on, so we need to decide now whether to proceed, to modify or to cancel it.

What should the Government’s approach be? I am with others; I suggest that they should concentrate on the economics and be realistic about the prospects and likely costs. Political considerations will always be present in such decisions involving public finance, but

it would be wrong to proceed in the face of evidence that the economics do not stack up. I fear that it is beginning to look like that, at least for the full scheme.

As a major project, HS2 is in particular danger of giving rise to that feeling of pride and hubris that seems to bedevil such undertakings. Consider train speeds: as the committee pointed out, it is peculiar to envisage speeds for HS2 faster than those yet achieved anywhere in the world when the UK is considerably smaller than other countries with comparable systems. If the scheme is to proceed in full, we need to see much more rigorous cost-benefit calculations than have hitherto been supplied. As the Benches opposite have often asked, with my support, where is a proper impact assessment?

Can we also look at the dynamics—the development and transformation that will follow the line, a point well made by the ICE? I saw for myself their “whole-life benefit” coming to life, with new housing and business parks, when I made a Conservative Party visit to Birmingham. If we could speed up the northern parts, that would obviously bring even more benefits.

As a businesswoman, however, I am also concerned about the management of this and other public infrastructure projects. I was a huge supporter of Crossrail, which has a substantial net benefit. The tunnels and stations have been a great success, but the signalling system was separated out. It has proved a disaster and delayed the whole project. With ticket income postponed, this has taken a scythe to the net benefit and, indeed, had knock-on effects for other parts of our now amazingly crowded Tube lines.

We must learn from this and from experience abroad. With the Library’s help, I found a 2016 PwC report that confirms my impression from my time as Energy Minister. First—thanks, I suspect, to the dead hand of Treasury rules—risk falls almost entirely to the contractors, who have to charge more than they would if risk were shared. The state should take the first slug of risk, as I argued we should do for the new nuclear power stations. The cost there falls by about a third.

Secondly, a project of such national importance needs to be run as a single entity with few large contractors and a preference for the best in the UK—the approach taken in France. Our construction industry is much more fragmented, with a layering of costs in the supply chain adding administration and margin to the cost and introducing scope for aggressive practices. When I became a director of a building company in the 1990s, I was horrified to discover that we made profit in this most competitive of industries by getting money in before we spent it and agreeing enthusiastically to variations because the margin was much better on them. I am sure things have improved, but I would like the Minister to comment on whether this will be an integrated project or split into pieces in a dubious quest for competition. If we want to help small companies, promote green features—many of us were there last night to listen to the brilliant Sir David Attenborough—and foster apprenticeships and regional supply chains, all of which I strongly support, it may be better to make them part of one central contract run by a project manager within a single entity and with clear responsibility.

[BARONESS NEVILLE-ROLFE]

Given all this, it is perhaps no surprise that, again according Channel 4, HS2 will be six times more expensive than France's very expensive LGV Méditerranée, which opened in 2001 and cost £16.9 million per kilometre—albeit that there were fewer expensive stations to build.

My final point is to invite a debate on what we might do with the money if HS2 is abandoned or reduced. First, we could make compensatory improvements. A researcher at the Adam Smith Institute has suggested: multi-level junctions at Ledburn, near Leighton Buzzard, and at Hanslope, reducing the need for trains to slow down; in-cab signalling for the Pendolino tilting trains, which could then go faster; and improvements to the Chiltern and Northampton lines. There is also scope for investing in longer trains, longer stations, sensors to avoid collisions and, of course, wi-fi so that people can work on the train.

Secondly, we could make improvements on more northern lines—a huge area of potential, as we have heard, with lots to do and to be achieved.

Thirdly and finally, transport money would be freed up for other causes. Forgive me for sounding like the noble Lord, Lord West, but we must get on with the Stonehenge tunnel, at an estimated capital cost of a mere £1.7 billion excluding VAT, according to Highways England. However, I hear rumours that it is to be cancelled yet again. I hope that the Minister can reassure me.

2.27 pm

Lord Adonis (Lab): My Lords, for reasons I cannot begin to fathom, when I was Secretary of State for Transport, they called me the “thin controller”. Whether or not that was true, I bear some responsibility for this scheme and should therefore participate in the debate.

My noble friend Lord Hollick referred to the National Infrastructure Commission, which I had the privilege of founding and was its first chairman. I agree entirely with him that it should be put on a statutory basis. We need much stronger and more robust long-term infrastructure planning in this country. Having a permanent commission on a statutory basis would be a good step forward. However, when I chaired the National Infrastructure Commission, one of my principle recommendations—I urge it on the House very strongly—was to avoid the curse of stop-start infrastructure planning, which has bedevilled our development of infrastructure over the past 100 years, and which we are in acute danger of doing again with HS2.

I pay great tribute to the work of the Economic Affairs Committee and the noble Lord, Lord Forsyth, but he presented his report as if these issues were being considered for the first time when the committee debated them. They have been considered exhaustively since the scheme was first announced, and I had the privilege of presenting it to this House on 11 March 2010. Not only have they been considered exhaustively but they have been decided by Parliament. Four years ago, on 23 March 2016, the legislation that is now being implemented to build the line from London to the West Midlands was agreed by the House of Commons by 399 votes to 42 votes. That is one of the most emphatic votes in favour of a large project in the

history of Parliament. That came after months of consideration by a hybrid Bill committee of the other House looking at all the issues which my noble friend Lord Hollick and the noble Lords, Lord Forsyth and Lord Kerr, have raised.

The issue of whether to terminate at Old Oak Common or go through to Euston was considered exhaustively by the Select Committee—I could go through all the arguments for the House. It is true that a lot of passengers will wish to transfer to the Elizabeth Line when it is completed—another project that is over budget and delayed. But it is also the case that there are big resilience factors in having the whole of the rail traffic in this country coming from the north and the Midlands—as my noble friend Lord Hunt said, the Midlands is a crucial part of the scheme—decanting at one station on to just one line. You have only the Elizabeth Line if you terminate at Old Oak Common, whereas coming through to Euston, which the noble Lord, Lord Forsyth, does not seem to think is in central London, there are another three lines—I am all in favour of the arch coming back, like the noble Lord, Lord Kerr, but one could debate that too. Once you join up properly with St Pancras, which is part of the scheme, you will also link in with High Speed 1 and a whole array of other services.

The issues of commuter and freight services have been raised. They were considered exhaustively by the HS2 company that advised me in 2010 and by the hybrid Bill committee before that vote of 399 to 42 in the House of Commons. A key issue raised by the noble Lord, Lord Forsyth, in respect of commuter and freight services is the freeing up of capacity by HS2, by taking all the long-distance trains off the west coast main line; a lot of them off the Midland main line, because the service is to Sheffield; and a lot of them off the east coast main line, which goes up to York and Newcastle. They would all go on to the HS2 line, thus freeing up huge capacity to run additional commuter and freight services into the West Midlands, Leeds, Sheffield, Manchester and Newcastle.

The other vitally important issue is that there is no such thing as a free lunch—I wish there were. If we are not going to invest in HS2, we will have to do massive upgrades of the existing lines. When I was Secretary of State for Transport, the very first public engagement I undertook was to reopen the west coast main line after the upgrade which had taken place. It was a modest upgrade by comparison with HS2 to allow for the faster running of some trains, some additional train lengthening and some additional trains. Many noble Lords will remember that upgrade. For the best part of 10 years, services were disrupted on the west coast main line almost every other weekend. The price, as it was then—now you would have to double or treble the figure—was £10 billion, of which £1 billion was spent on compensating the train companies for not running any trains. I can tell noble Lords that if you are running a train company, the easiest thing you can do is to have big upgrade work done on your lines so that you are given huge payments for not running any trains at all. That is what train operating companies love most: being paid billions of pounds for not running any trains.

If you proceed with the conventional upgrades that would be required—they are huge; you are conducting open heart surgery on a moving patient—you will end up with a colossal cost, estimated by advisers in 2010 to be more, in cash terms, than the cost of HS2. When the Cameron Government made their alternative evaluation, they came up with a credible alternative upgrade scheme that would provide a quarter of the capacity of HS2 for half of the cost. All that is out there: this is not new information; it has all been published. The issue facing us is whether we are now going to do what Parliament itself authorised and build this line. It is under construction at the moment; we are not talking about giving it the green light. Colossal construction is already taking place at Euston: £9 billion has been spent and 2,000 people are working on the scheme. It is being constructed.

The noble Lord, Lord Kerr, is absolutely right to differentiate between sunk costs and future costs, but the crucial point is that if we are going to proceed with this scheme, to pull it up by the roots now with another big evaluation that would add further to the costs would be simply to repeat the curse of British infrastructure planning. The reason we have such a substandard infrastructure compared with so many other advanced industrialised countries is that we start projects, stop them, start them up again, stop them and then start them again. That is an accurate description of what has happened with HS2; this is the fifth review that has taken place since 2010, and the third since Parliament voted in favour of it by 10 to one.

My noble friend Lord Hunt is absolutely right to stress the importance of this project to the West Midlands. This is not a scheme that predominantly benefits the south. Some 200 of the 330 route miles of HS2 will run between the West Midlands and the north-west to Manchester, and the West Midlands to West Yorkshire up to Leeds. This will be transformational for connectivity between the Midlands and the north, and within the north. A large part of the northern powerhouse will depend on HS2, and the noble Lord, Lord Forsyth, mentioned the line from Liverpool to Manchester. Half of the northern powerhouse railway from Liverpool to Manchester will be on HS2 lines, so they need to be, and should be, drawn together.

Lord Kerr of Kinlochard: Why is all that not part of phase 1? Why is phase 1 all about tunnelling under Primrose Hill?

Lord Adonis: My Lords, this is 330 miles-worth of line. If it could all be put in place in one phase, that would be great. However, setting up a project of that size all in one phase would carry huge risks. Again, I hesitate to keep pointing this out to the House, but all of this has been considered: whether there should be one phase of HS2 with 330 miles of line or whether it should be divided.

I want to make a final point—

Lord Berkeley (Lab): My Lords—

Lord Adonis: My noble friend will be speaking in a few minutes, so he can make his point in his own speech.

The Mayor of the West Midlands is a Conservative, and a man who I hold in high regard as a former managing director of John Lewis. He has a very strong sense of the economic imperatives driving his great county. He has written to your Lordships, and these are the concluding words of his letter:

“So far the promise of the new high-speed rail link alone has had a transformational impact on the Midlands. Inward investment is increasing, evidenced by the 43% increase in the number of jobs created in 2017/18. On top of this, HS2 has the potential to add £14 billion to the West Midlands economy and support 100,000 jobs in the region. No other planned infrastructure project can come close to that, and if the government is serious about ‘levelling up’ the UK’s regions then HS2 is the place to start.”

I agree with him. HS2 is the place to start, so let us not pull the whole thing up by the roots again and end up doubling or trebling the cost.

2.36 pm

Lord Rodgers of Quarry Bank (LD): My Lords, on 24 October 2013, my noble friend Lord Greaves introduced a Motion to Take Note of the impact of High Speed Rail 2. He reaffirmed his own support of the project and a majority of Members of the House did so too. I also welcomed the debate because there had been too little serious and sustained discussion of HS2 since the Secretary of State for Transport first mentioned it in January 2009 and then, a year or so later, the noble Lord, Lord Adonis, launched HS2 in Command Paper 7827 with great style and skill. But I was not convinced about the priority given to HS2 in the railway system. I, too, was a Secretary of State for Transport once upon a time and I was sceptical about the benefits, given the high and rising price. As a result, I was an agnostic about the virtues of HS2. Now, six years later, the Economic Affairs Committee has confirmed all my anxieties.

I was alarmed by the Government’s total failure to take account of the Economic Affairs Committee report published in March 2015, which was mentioned by the noble Lord, Lord Hollick. Even at that time, it seemed that a glamorous vision had become an inadequately considered project. Initially speed to Birmingham and beyond mattered most and was used as the justification, but within a few years the argument had shifted to the increased capacity of the railways. There was also recognition of the need to make transfer from east to west in the north of the country very much better. But the Government’s response was dismissive.

I am not a member of the committee, nor had I been a member of the previous Economic Affairs Committee. It is significant that the committee’s membership is wholly different from that of the committee four years ago, showing a striking consistency of policy in the House.

In the debate on the earlier report, on 16 September 2015, I asked whether the Government had “unqualified confidence” that Sir David Higgins could handle current problems and successfully carry through the project on time and price. The Minister replied:

“The short answer ... is, yes”.—[*Official Report*, 16/9/15; col. 1903.]

The committee is not recommending abandoning HS2, but to reduce costs I strongly welcome Old Oak Common as its terminus. At a very early stage, 10 years

[LORD RODGERS OF QUARRY BANK]
ago, it seemed good sense to link HS2 to HS1 at St Pancras International station, right through the channel and to the continent. But once Euston was chosen, there was no particular merit in linking HS2 to what was called central London, given the huge economic, urban and social disruption.

Among many achievements, HS2 has produced a substantial library of literature, full of strategy and vision. In one case there was a 96-page book, *Getting the Best out of Britain*, with lots of pretty pictures that could appear in any advertising brochure. Another, published 18 months ago and called *Realising the Potential*, is full of pointless talk. A third is simply *Changing Britain* and focuses on

“some of the places where HS2 can make a difference”, which includes reaching Northern Ireland—a clever stretch of imagination. The cost of public relations within the cost of HS2 may not matter, but it can be misleading. The Government and many unqualified advocates of the route have claimed that HS2, via the Midlands, will transform the north, a catalyst for regeneration and rebalancing of the economy. That is hyperbole.

I was born and brought up in Liverpool. My spirits rise when I travel on the railway north of Crewe, and I was a Member of Parliament for over 20 years in the north-east. I would be delighted if neglected and deprived towns and villages could be redeemed. A sustained, complex mixture of economic, financial, social, cultural and political policies may achieve that—but not HS2.

2.44 pm

Lord Kerslake (CB): My Lords, I declare at the outset that I am a firm supporter of HS2 and—like the noble Lord, Lord Adonis—believe strongly that the Government should overcome their current wobble and get on with delivering it. Before coming to the Economic Affairs Committee report, however, I will set HS2 in the wider context of economic rebalancing and say a few words about the UK2070 Commission, which I chair. We are an independent commission looking at the deep-rooted spatial inequalities in this country. We are consciously long game, going back 50 years and forward 50 years—hence the title—but we have, of course, made recommendations for the here and now.

The conclusions of our first report make for pretty sobering reading. First, in a comparison of the UK with 30 OECD countries across a broad range of 28 indicators, the UK comes 28th in interregional inequalities. These are Eurovision Song Contest levels of performance. Secondly, despite the efforts of successive Governments to tackle this gap, it has grown wider. Thirdly, unless we take decisive action, the gap will continue to grow, with London and the wider south-east taking over half the future jobs growth. We all know that the consequences of this will be missed economic opportunity, widening divisions and growing pressures in London and the south-east. In short, nobody wins.

Our report finds that the actions of successive Governments have been fragmented, too short-term and significantly outweighed in spending by the investment that has gone into London and the south-east. We have

had a regional policy in this country; it has just worked in the opposite way from how we all thought it did. Rebalancing the UK economy is not mission impossible, but it requires a radical change of direction.

Our second report set out seven priorities—not one. One was to invest in a connectivity revolution. The transport and digital networks in this country reinforce the patterns of inequality and low productive output. To address this, we need a revolution in connectivity that builds a network between cities, within city regions and beyond cities to the disconnected towns. The key point here is not about individual transport schemes but about creating a new connected network. We need HS2, Northern Powerhouse Rail, Midlands Connect and, of course, much better buses. Only then can we realise the full benefits and address the disparities.

Since publication of our report, we have had the general election and the new Government’s commitment to levelling up, which I welcome. However, if the Government genuinely want to deliver on the ends, and avoid the mistakes of the past, they will have to summon up the courage to deliver on the means. Only large-scale, long-term and comprehensive action will make a real difference. The pea-shooter policies that have characterised the past will not hack it.

This is the wider context in which HS2 needs to be considered. The Economic Affairs Committee asks some important questions. Of course, projects must be properly managed, the costs managed and value for money secured. You have to review and consider the project as you go along. I await with interest the NAO’s report, and we should learn from the experience of the project so far—not least on predicting costs—but this should not be a barrier to making progress and getting on with the scheme.

As the Government’s own response to the Select Committee report says, HS2 is integral to

“the Government’s plans to build a stronger, more balanced economy ... will form the backbone of the nation’s future rail network; is required to deliver the ... Northern Powerhouse Rail ... will bring significant benefits to the North of England”,

with 70% of the jobs outside London and the south-east; and—this is the crucial point—is

“a once in a generation opportunity to transform rail connectivity in Great Britain, designed to last for 120 years.”

I could not have put it better myself. Given this clear view from the Government, why do we have the current doubts? Of course there is the repricing, which we always knew would happen. It is one of the inexorable laws of life: costs of projects go up. If noble Lords want me to give examples of ones that have gone up even more, I would be happy to do so, but it might be rather embarrassing. The key point, as the noble Lord, Lord Adonis, said, is that we need information on the cost, disruption and duration of upgrading the existing network to deliver the same capacity release. I would be very keen for Ministers to respond on that.

Just as the costs of projects are often underestimated, however, so too are the benefits. It is worth recalling that the Jubilee line had a cost-benefit ratio not of 1:1, but 0.95:1. It is now one of London’s top three busiest lines. These things change.

I think the real reasons for the delay go deeper than the cost increase. The Government's woeful handling of the independent Oakervee report is instructive. The committee completed its work to timetable by the end of October but, as we all know, it has still not been published. Instead, we have had a series of leaks and a dissenting minority report from the noble Lord, Lord Berkeley. It is unusual to get the dissenting report before we get the report itself.

Andrew Sentance, a senior and respected economist, who was also a panel member, spoke to the *Yorkshire Post* this week. He accused the Government of being "duplicitous" by suggesting that the report was in draft when it has clearly been finalised. He said that the panel

"had two-and-a-half months to do the report and the Government has sat on it for three months".

He also said that the press reports of the review had been "spun by No. 10"—gosh—as being "very unfavourable" when the "general view" of the review panel was that it "wanted HS2 to happen". These are very strong words and very concerning.

The suggestion is that the Government might be thinking again about this and that someone powerful is taking a view about whether the project should proceed. My advice is: do not make that serious error. The noble Lord, Lord Adonis, spoke powerfully about the strength of feeling behind the project. The Government's decision on HS2 will send a clear signal as to whether they are serious about levelling up or whether this is just an empty political slogan. They need to get Oakervee published, end the uncertainty and, to coin a phrase, get HS2 done.

2.52 pm

Lord Howard of Rising (Con): My Lords, I congratulate the Economic Affairs Committee on an excellent report. Another outstanding report that forensically examines the facts is that of the noble Lord, Lord Berkeley.

In the hotly contested competition for the worst possible government project since World War II, including such well-known contestants as the groundnut scheme, HS2 is a strong competitor, in both the class for the worst overall amount of money spent and the class for the greatest budget overrun. There is no certainty about what HS2 will cost, but on existing form it will be well in excess of the present guesstimate figure of £107 billion. In 2010, the estimate was £30 billion and in 2012 it was up to £33 billion. By 2013 it was up to £42.6 billion, and we are now looking at £107 billion and rising. On top of this there will be the cost of rolling stock, estimated at about £8 billion, and a further £43 billion for branch lines.

Originally, the justification for this expenditure was speed—that 20 minutes would be saved travelling between London and Birmingham. That was a pointless argument, as the vast majority of passengers on intercity trains get on with their business during the journey. Half an hour more or less on an intercity train does not matter. What matters is the unproductive time spent getting to and from the station. In four of the seven main provincial cities to be served by HS2 trains, the line will not even go near the city centre. For example, in Nottingham and Derby the HS2 station will be 10 miles from the city centre.

As has already been said, the financial justification assumes speeds of 360 to 400 kilometres per hour—higher than any achieved in either Europe or Japan—and 18 trains an hour in either direction. The maximum that has ever been achieved is between 12 and 14. These virtually impossible assumptions are used to manipulate the cost/benefit ratio, which is in turn used to produce a biased justification for the monumental cost of this project.

A report by Leeds University points out that HS2 is already five times more expensive than a similar line being built between Tours and Bordeaux—£105 million per kilometre compared with £20 million per kilometre. HS2 argues that this is because the French project does not involve new stations. If that is so, why not upgrade one or more of the four existing lines? This would be quicker and cheaper and would solve capacity problems. It is bound to be cheaper if you already have the stations.

Business travellers were asked whether they would like a faster train service. Hard though this is to believe, their answers were used, in all seriousness, as justification for the scheme. It makes one wonder whether the lunatics have taken over the asylum. What on earth did they expect the passengers to say—that they would like a slower train?

The whole tenor of the Government's response to the committee's report is the same as so many other responses—that of an organisation scrambling to justify a decision, rather than taking an objective view of the facts. If there was any doubt about this, one has only to read the masterful report from the noble Lord, Lord Berkeley, for the doubt to be removed. This should not come as a surprise when there are 128 employees of HS2 on salaries of £100,000-plus a year, of whom 47 are on salaries of over £150,000. It is hardly surprising that they are fighting for their survival—and I make no mention of politicians and others seeking to justify what is turning out to be a disastrous project.

HS2 is unnecessary. The speed claimed will not be achieved, because of the false assumptions. Even if it is, time saved will make little or no difference. The financial decision is based on inaccurate and misleading information. With four existing railway lines that can be upgraded at less cost, the capacity argument falls away. If successful, HS2 will succeed only in sucking the lifeblood out of the north as access to the wealth and success of the south is made easier. It would be better by far to spend the money, only some of which would be necessary, to improve local services and east-west communications in the north and Midlands—which, as my noble friend Lord Forsyth pointed out, are absolutely abysmal and need help.

2.58 pm

Lord Grocott (Lab): My Lords, I must say that the thing that alarmed me the moment I picked up a copy of the report was its title: "Rethinking" HS2. As a strong supporter of HS2 since it was first proposed 10 years ago, I am getting weary of the constant appraisals, reappraisals, delays, rethinking and pulling up the plant to see the roots—we heard from the noble Lord, Lord Kerr, about rephrasing and re-examining—that have characterised this railway since it was first proposed.

[LORD GROCOTT]

The rhythm of these reappraisals is familiar. Objections are raised, inquiries are held, changes are made and tunnels are built instead of cuttings. As a result, costs rise and then objectors say that we cannot go on with it because it is too expensive.

Of course, we do not yet know what the Government will conclude—but, as someone living in the West Midlands, I feel a certain amount of foreboding and, indeed, a degree of paranoia about the way in which the region where I live is treated. London has done extremely well in recent decades for infrastructure investment, with Crossrail opening next year. While major infrastructure investments are proposed for London, largely for the benefit of London commuters, those of us in the Midlands face far more opposition and get none of the support that there seems to be for investment decisions in London. Maybe that is because we are so badly represented. A statistic worth checking is that only 19 noble Lords in this House live in the West Midlands, while 228 live in London and the south-east. We could do with a few more representatives here and, if the Prime Minister would like to ask me, I could suggest a few.

One of the strongest voices for the West Midlands, who cannot be with us today, is my noble and very good friend Lord Rooker, who has not been well and is recovering after a spell in hospital. I am sure that we all wish him well. He has not read my speech, but he said in advance that he would agree with every word that I said—so that is two of us.

Here we are, 10 years on from the original proposal, and the objectors do not give up. I remind the House, and in particular those objectors speaking today, that we have been here before, so far as railways to the West Midlands are concerned. Admittedly, it was a long time ago—1838—when the 112-mile railway from London to Birmingham was built. The first Bill to build the railway was thrown out by the Lords in 1832—so those objectors here today are operating in the finest traditions of this institution. Numerous objections were made, including one I particularly like which stated that the proposed railway would seriously impact on the ability to ride hounds over open country in pursuit of fox and deer. The Earl of Essex complained about the effects on his Cassiobury estate. The Earl of Clarendon worried about the Grove estate. Lord Brownlow of Ashridge complained about,

“the forcing of the proposed railway through the land and property of so great a proportion of dissentient landowners.”

Many of the objections today are not dramatically different. They are about the cost and threats to the countryside—it will destroy wildlife and damage agriculture—but we all know what happened in 1838. Despite ferocious opposition, a wonderful railway was built, which amazingly is still substantially unchanged, with the same cuttings, embankments, bridges and tunnels that have served millions over the years. It was built by 20,000 men with picks, shovels and barrows, and it took five years to complete.

What is it about this country and high-speed rail? We have built just one high-speed line so far: 67 miles from London to the Channel Tunnel. Everywhere else in the world these lines are being built; in Belgium,

China, Denmark, Finland, France, Germany, Greece, Italy, Japan, Morocco, the Netherlands, Norway, Poland, Russia, Saudi Arabia, South Korea, Spain, Sweden, Taiwan, Turkey, the United States and Uzbekistan. Is it really the argument of the HS2 objectors that all these countries have got it wrong? Britain was the runaway leader in the first rail revolution. We are way behind with this one.

So it is high time that we stopped talking about HS2 and got on with building it. To delay the proposal now would be shameful, and to cancel it would be disastrous. Let us have no more committees, reappraisals or re-evaluations. Let us do what the Victorians did: get out the modern equivalent of picks and shovels and build the railway. We will find with HS2, just like with HS1 and the first line from London to Birmingham, that when the railway is built, everyone will be proud of it. All the objections will be forgotten, and the only thing people will say is, “What took you so long?”

Baroness Bloomfield of Hinton Waldrist (Con): Noble Lords will have noticed that the clock is not working. I was keeping a record, and all noble Lords were going over the advisory speaking time of seven minutes. I urge noble Lords to keep their speeches as succinct as possible

Lord Howell of Guildford (Con): Can the clock be switched off? It is extremely off-putting. The speech by the noble Lord, Lord Grocott, was quite excellent, but I felt all the time that it was being undermined by the blinking.

Baroness Bloomfield of Hinton Waldrist: We shall do our best, but we cannot do that from here. We are trying to sort it out.

3.04 pm

Baroness Kramer (LD): My Lords, I will try and keep us in sync if I can.

It will be no surprise to anyone in this House that I am a fulsome supporter of the full HS2—not just London to Birmingham but the two parts of the “Y” going on to Leeds and Manchester. I am not going to reiterate the arguments made so well by the noble Lord, Lord Adonis, but we are out of capacity. We have a growing demand and the only way we can meet it with any sense is to create a new line, as advocated by the noble Lord, Lord Bradshaw, that frees up the existing lines for regional and commuter services, allowing them to be reshaped, modernised and advanced to meet the demands of the day.

However, I also agree that we need east-west capacity, and I very much resent the two projects being treated as if you can choose one but not the other. We should have put these projects in the ground 20 years ago, and at that time we could have sequenced them, but we did not have the level of demand that we are trying to deal with today. Today we cannot do that. We are out of time and out of rail. We must go ahead with both projects and find a way to do them. If not, we undermine the future economic growth of this country that we are all committed to and all want to see.

There are so many arguments for the positives of HS2, and they have been well made. I want to address something slightly different: our inability, within the context of government, to manage, communicate about and supervise large-scale infrastructure projects, of which HS2 is one, but not the only, prime example. Much of the opposition to HS2 comes from a lack of trust; every time someone receives a new piece of information, the cost of the project goes up. Turn around and it has gone up again. These are incredibly complicated, difficult projects. There must be transparency from the beginning, articulating where we can be confident of the actual cost and where we do not know and are estimating, and the information needs to flow regularly and freely, so that people do not feel that they have been deceived on day one by a deliberate understating of cost. We know that the Treasury tends to drive departments to do that. It is time that the Treasury changed and appreciated genuine transparency.

The cost-benefit analysis scheme that we use, which was described by the noble Lord, Lord Bradshaw, is so completely unfit for purpose that it tells us almost nothing. Many people assume that, when I say that, I mean that it underestimates cost, but the real problem is that it completely underestimates benefits on large, complex projects, particularly phased projects. When, as a Minister in the department, I tried to break down the algorithms—and I recommend this to the Minister—I realised that the full cost of both phases of HS2 goes into the calculation, but the benefits are limited to a seven-year calculation on phase 1. That is a very limited calculation, because most of the regeneration is excluded, with only two years of phase 2. The algorithm does not look at the project as two projects combined; it counts the seven-year period allowed for benefit from the date that phase 1 opens. That is completely insane. We went through an exercise while I was there of splitting the two projects apart and even limiting the benefit to seven years—seven years for a project of this scale. Suddenly the cost-benefit analysis easily exceeded 5:1. My guess is that, if this is done properly, we are looking at very different numbers.

If noble Lords take any major infrastructure project that has been built in this country and apply that algorithm not to the estimated cost at the time the decision was made but to the genuine cost that was loaded on and became part of that project, every single one of them would show a seriously negative number in the benefit-cost analysis. We are dealing with analysis that is completely unfit for purpose. Civil servants may argue—and it is entirely true—that this is just one of many tools that are used to try to open up and elaborate thinking around a project, but that is not the way that the measure is treated or the way that it is communicated.

I am concerned that, as we deal with these projects, we have to completely upscale the way in which we manage them. We need skills all the way through the system. We certainly need them at the top and, basically, at every level. We really lack the necessary infrastructure skills. I also want management in any of these schemes not to feel afraid of telling the truth to politicians and the public about the actual costs and changes that they experience. The absolute shocker with Crossrail, for example, was that few people had any idea that the

project was completely off in terms of budget and timing until literally weeks before it was due to open. We cannot sustain a system where senior people within these companies feel so pressured that they do not speak out when they need to.

I want to use my last moments here to give thanks and ask for additional support for the very brave whistleblowers on HS2—there have been quite a number—who provided information very early on that made it clear that this project was going to cost significantly more and there were real problems in the way that it was being developed and managed. I will name one, because I have his permission: Douglas Thornton, who recognised that the prices that had to be paid for property would be well in excess of what was budgeted, that HS2 itself lacked the skill base in order to manage much of that process and that some of its contractors—only some—found it easy to take advantage because of the lack of resource and senior management's fear of telling us the truth. We must change that and restore trust.

But it will then be incumbent on the Government and on us in this place not suddenly to start treating people who tell us the truth as if they had betrayed us because the information they give us is new—because costs have increased and the project has complexities that were not understood earlier. We must mature, and our management and the managers of these projects must mature.

3.12 pm

Lord Mair (CB): My Lords, I declare my interests and draw attention to the register. As Professor of Civil Engineering at the University of Cambridge and a practising consultant, I have given specialist engineering advice to HS2. I also chair the Science Advisory Council at the Department for Transport and I am a former president of the Institution of Civil Engineers.

The report by this House's Economic Affairs Committee identified three principal areas of concern for HS2: priorities for rail investment, the process used to evaluate the project and cost reduction considerations. I will focus principally on engineering cost-reduction considerations but will first make some more general points.

There is undoubtedly a growing need for additional rail capacity in the UK. The population will be around 75 million by 2050, nine million more than today's figure. Rail passenger numbers have increased very significantly in the past decade and are expected to increase substantially in the coming years. To meet this expected demand, there is a pressing need for increased investment in new rail capacity as well as investment in existing routes.

We also have a legally binding commitment to deliver net-zero carbon emissions by 2050. That presents a major challenge. In 2013, the transport sector accounted for 20% of carbon emissions. By 2018, this had grown to 33% of all CO₂ emissions, with the majority of these originating from road transport. Electrified rail is significantly cleaner than existing road traffic.

HS2 and the associated improved transport network will provide the much-needed additional rail capacity for the country, encouraging a shift from road to rail.

[LORD MAIR]

The considerably improved rail network will contribute to a significant reduction in CO₂ emissions by discouraging car use and putting more freight on rail.

There have recently been various important reviews of and reports about HS2. There is the Douglas Oakervee review which, although leaked, has not yet been made public, although the dissenting report by the noble Lord, Lord Berkeley, has been. In addition, there is the advice, *HS2 Chairman's Stocktake*, by the chairman of HS2, Allan Cook, made public in September 2019. It makes the very important point that HS2 is an integral part of the plans of Transport for the North, Northern Powerhouse Rail and Midlands Connect. It highlights that HS2 will provide 50% of the lines needed by Northern Powerhouse Rail.

Crucially, Allan Cook's advice makes it clear that the budget and target schedule for the HS2 programme have to date proved unrealistic. Of course, it is most important that this be addressed as a matter of urgency. But he also emphasised that at the same time, the benefits of HS2 have been understated, particularly the future societal impacts, together with wider industrial, regenerative and economic impacts.

Allan Cook's recommended areas of further work include three key points. One is to consider more effective ways to capture the wider strategic and long-term benefits for the country's transport system. A second is to develop improved commercial models that drive the right outcomes. The third concerns cost reductions. I would now like to focus on this third area of cost reduction considerations. Allan Cook's advice is for HS2 to continue to develop further cost efficiencies, including challenging standards and specifications. It is cost efficiencies and the challenging of existing standards and specifications that I wish to address.

The construction sector deal for the industrial strategy has three key strategic themes. All three have the potential to transform the construction industry, improving productivity and reducing costs. The first is digital: delivering better, more certain outcomes using digital technologies, particularly building information modelling. This involves constructing digital twins of infrastructure at the outset, before the real construction actually begins. The digital revolution is affecting all areas of our lives. Digitalisation can also bring dramatic changes for infrastructure construction, leading to efficiencies and cost savings.

The second construction sector deal strategic theme is manufacturing: improving productivity, quality and safety by increasing the use of off-site manufacture. This House's Select Committee on Science and Technology undertook an inquiry into off-site manufacturing and construction in 2018. Our report concluded that there is a compelling case for the widespread use of off-site manufacturing to reduce costs and improve productivity. Components of infrastructure can be manufactured under factory-controlled conditions and then assembled on site. It would be highly desirable for HS2 to adopt off-site manufacturing in as many ways as possible.

The third construction sector deal strategic theme is performance. Here, there is considerable potential for cost reduction. Innovative sensor technologies, combined with data analytics, can lead to significant

cost savings. The current practice has been to rely on overly conservative, overly robust designs to ensure against any uncertainty and provide safeguards against any potential problems throughout the future design life. However, much of this current practice is now out of date. Construction is one of the few engineering sectors in which, over the years, there have been very few advances and improvements in standards and specifications. It is a particularly conservative industry. This can now change. The opportunities for much smarter and more economic construction now exist.

By installing sensors in critical parts of new infrastructure such as HS2, there are opportunities for significantly more economic designs. Data generated by sensors now enables continuous monitoring of the infrastructure throughout its operational life. Sensors mean that we will now be able to measure exactly how a tunnel, bridge, embankment, slope or railway line performs throughout its lifetime. It means that the performance of the infrastructure can be continuously monitored, just as in an aeroplane or a motor car. This provides information for more rational maintenance and repair strategies: a concrete slab may not need to be as thick; piles may not need to be as long; cut slopes may not need to be as shallow.

All that means moving on from overly conservative, overly robust designs. Crucially, it should enable designers to challenge existing standards and specifications, many of which have not changed for decades. The very distinguished scientist Lord Kelvin famously said:

"If you cannot measure it, you cannot improve it."

He was so right. More take-up of innovative sensor technologies, data analytics and artificial intelligence is needed for HS2. These can certainly lead to significant economies.

My final point is that the three themes of digital, off-site manufacturing and performance are the new modern methods of construction. They are key parts of the industrial strategy's construction sector deal and must be adopted right across our infrastructure. Indeed, they are beginning to be adopted by HS2, but there is potential for much more. The Government announced the construction sector deal in their industrial strategy White Paper, published in November 2017. One of its key objectives was a 33% reduction in the cost of construction and whole-life cost of assets. With smart and innovative engineering, there is still considerable scope for cost reduction for HS2.

3.22 pm

Lord Howell of Guildford: My Lords, I declare my interest as adviser to the Japan Central Railway Company, the main operator of the Tokaido Shinkansen high-speed rail system, which is generally recognised as by far the most efficient, reliable and punctual, as well as the safest, high-speed system in the world, both economically and in terms of energy efficiency. I have been its adviser for almost 20 years, except of course with a break when serving in government.

I congratulate my noble friend Lord Forsyth on his excellent report but I believe that, in addition, there are still some valuable and important lessons to be learned from Japan which it may not be too late to apply to this whole ill-managed project. People forget

that high-speed rail has evolved as an entirely different technology from conventional rail operation. It has been built up over the years—and over the world, as the noble Lord, Lord Grocott, reminded us—by layer upon layer of innovation, somewhat like a great master painting, and we are learners at every stage. In my few minutes, I shall offer five brief lessons from the Japanese.

First, the key to Shinkansen's success is that it is a sealed system with dedicated track. Trying to run it—or even think of running it—on conventional rail or a mixed system, as people here have been talking about for the HS2 leg north of Birmingham, is a basic error. You immediately lose most of the advantages of high speed and import all the problems of the classic system. A quick transfer to normal fast trains is much the best—indeed, Central Japan Railway Company leaders would say the only possible—way of operating.

Secondly, almost all high-speed rail stations in Japan which have been built over the last 60 years are sited away from or on the edge of city centres. Euston is a terrible mistake. Away from old centres, as could be the case with Old Oak Common, the report rightly suggests that there is a sharp reduction in costs and disruption, and improved passenger access to local connections as, in our case, will be available via Crossrail, the Elizabeth line and so on. In Japan, not a single day of normal passenger rail service has been lost in the building of the entire HSR system.

Thirdly, speed and precision of service, plus frequency, plus acceleration power, are all far more important than trying to achieve some eye-catching top speed. The Shinkansens run mostly at about 285 kph; that is 180 mph or a little more, although they can go faster. It is perfectly true that the superconductor Maglev Yamanashi, or the Chuo Shinkansen as it is called, is designed to run on its first leg from Tokyo to Nagoya, opening in 2027, at 570 kph, but frankly that is not suitable for our very different conditions and considerably smaller country. So, building HS2 for a top speed of 250 mph—that is, 400 kph—is costly nonsense. There is far more travel time to be gained from speed of turnaround at the termini at either end and the 40-second stops in between. I had to smile with other noble Lords the other day when there was discussion about all doors having to be closed two minutes before departure. That is Luddite nonsense belonging to a previous world of technology.

Fourthly, as Professor Roderick Smith, chair of the Future Rail Centre at Imperial College, reminds us, it is a complete fallacy to assume that HS2 should only serve end points. Professor Smith, incidentally, is one of the most expert figures in this country on real HS technology and the evolving possibilities about which we have just heard from the noble Lord, Lord Mair, and on the Shinkansen system. Shinkansen intermediate stopping services bring enormous prosperity and vitality to local points; I do not think this is properly reflected in any of the assessments so far.

Fifthly, in a sealed, crash-proof system, much lighter rolling stock is both safer and much more efficient. This is very important because the latest designs leave space for large battery storage and propulsion under each car, which does away entirely with costly overhead lines. The Japanese are experimenting now with this development. Are we doing so? I have no idea, but I

doubt it very much. Noble Lords can be sure that this is the technology of the future; the unsightly and expensive overhead lines and gantries will be completely out of date.

Everywhere one looks at this project, there are telling signs of the “not invented here” syndrome—the idea that we are wise old railways hands and have nothing to learn from overseas. The Japanese have been saying for years that HS projects like this should be built downwards, or inwards, from the destinations; in our case, from the north. As the report suggests, it may be too late for us to do that now, given that £8 billion or £9 billion—we talk about billions so easily, but that is £8,000,000,000 or £9,000,000,000—has already been spent. No nation can afford to write off that kind of colossal sum, even if some of it can be recouped. It is time we swallowed our pride, examined the possibilities of what is happening in the outside world and applied some of these long and very obvious lessons, before it is too late.

3.28 pm

Lord Berkeley (Lab): My Lords, I am grateful to the noble Lord, Lord Forsyth, for his excellent report, with most of which I agree, and for today's debate. I was particularly interested in one of its recommendations about the north being a priority. The noble Lord, Lord Howell, has repeated that.

I recall having a discussion with my noble friend Lord Adonis when this was all starting. I said, “We should start this in the north.” He said, “Maybe, but we can't because the cost-benefit analysis shows it should start in the south.” I still think we should have started in the north and that the CBA is a load of—well, not fit for purpose. Anyway, we are where we are.

I spoke about my dissenting report two weeks ago in the Queen's Speech debate on 9 January—the reference is col. 178; I will not repeat what I said there.

I emphasise that I am neither for nor against HS2 but I am against the cost, which I think is unnecessarily high. I also do not believe that it delivers what it says on the tin. I do not think it helps people to commute to work in the centres of Birmingham, Manchester, Leeds and Sheffield any better from the towns and villages outside. Although it would get the managing directors and us politicians to London more quickly, which is more important for the economy? I suggest that it is the commuters. It is my recommendation that something like £25 billion needs to be spent on upgrading local commuter lines, including many lines that noble Lords have spoken about today, and then we can see whether or not we want HS2 as well.

One of my main concerns is the capital cost, which, as noble Lords have said, is over £100 billion. Add on inflation and the costs of trains, and we are getting near to £125 billion. My noble friend Lord Adonis said that Parliament approved this project, but it did so in the 2013-14 Session on the basis of an estimate of expense for phase 1 of £19,390,000,000. It is now £54 billion. I suggest that Parliament should have been given an opportunity to approve the figures or not before it was too late. It is not quite too late yet but it very nearly is.

[LORD BERKELEY]

My other big gripe is, as the noble Lord, Lord Howard of Rising, mentioned, the number of trains that have been used to plan HS2, which is 18 trains an hour in each direction. I checked as part of the review where else in the world any high-speed line ran 18 trains an hour, and the answer was: nowhere. Thirteen or 14 was the absolute maximum. I will leave China aside because I think we could spend quite a lot of time talking about China.

Two issues flow from this. One is that the service has been sold to the destinations on the basis that they will get so many trains an hour, and if they cannot run 18 then they will not get so many trains. Who will lose out? We do not know. Of course, that dramatically helps the cost-benefit analysis. Assuming that all trains are running full—as other noble Lords have said, that seems to be part of the deal—improves the CBA no end. I wonder whether that has been done on purpose to help to get through the Treasury Green Book rules. I hope that I am not right on that, but there has been a lot of secrecy in this project. The noble Baroness, Lady Kramer, mentioned whistleblowers, and I have come across a few myself. All this secrecy is not a good way to run a project. On that issue, I end up wondering whether the company is a fit and proper one to take the project forward; even if it does go forward, it does not have to go with that company. That is something that we will probably need to look at.

As I said, the trouble with HS2 is that in addition it needs the connections, electrification, frequency and capacity of other lines in the northern powerhouse area and beyond and in the Midlands, east-west in particular. It needs four-tracking so that fast trains can overtake slow trains and so on. Obviously it needs electrification. I have a list of projects that we are checking with Network Rail, and which I hope we can make available quite soon, of what needs to be done to improve the commuter services into these major centres. The major centres are actually doing quite well economically; it is the towns outside that need help.

The other issue is that the work on some of these things could start quite soon if the Government authorised the money. This is nothing to do with HS2, which has to go through the hybrid Bill process and so on. I am talking about things like having two more platforms at Manchester Piccadilly for through trains so that there are not jams there. There are 400 electric coaches sitting in sidings at the moment because the Government cancelled the electrification projects. People might be able to get on the train, but they are not doing it because they do not work. There need to be longer platforms at Leeds. I give just a few examples. There are a lot more. There are some oven-ready projects which could really help people in the region get a better service.

In my report, I offered alternatives to bits of HS2. We certainly need the bits of HS2 in the north, but Network Rail has done some work to see whether upgrading the existing lines from London and many of the lines that go across in those areas could be achieved more quickly and more cheaply. What is interesting is that the number of passengers that it calculates could be added to the services to London are not that different from what HS2 plans to provide.

With HS2, it is 170,000 passengers per working day and, with Network Rail, 144,000. I appreciate that there will be possessions and everything, but the costs are probably about half of HS2.

Ministers will have to make a choice, as many other noble Lords have said. To me, the choice is about building HS2 at a cost of £106 billion, plus the other things, making £140 billion, plus the local improvements which have to be done whichever route you go down, making it, say, £160 billion. You could save money by not going to Euston, as other noble Lords have said. Alternatively, you could build the northern parts of HS2 around Manchester, Leeds, Preston and Sheffield, and integrate this with Network Rail's improvement. That would probably cost about half of that. You might save somewhere between £50 billion and £80 billion by doing that. Is HS2 worth it to go that bit faster? That is the question we have to ask Ministers.

It is easy to have a high-speed line. You sign one bit of paper and it goes ahead. All these other things that need doing to improve the local commuter services will have to go through the Department for Transport's grinding mill to get approval, which is a sort of four-stage process. You probably spend more on consultants than you do on building the thing. It takes years. We have to get a commitment from Ministers to do that, whether HS2 goes ahead in its entirety or not. That is something that we should reflect on very carefully, because that is where the need is greatest. I shall very much enjoy hearing other noble Lords speak and hearing what the Minister has to say at the end.

3.37 pm

Lord Greaves (LD): My Lords, it is a privilege to follow the noble Lord, Lord Berkeley, on this. I pay tribute to him because he has at least stirred up a lot of very interesting debate about where investment in the railways—a huge amount of it—is now required.

Various noble Lords, starting with the noble Lord, Lord Forsyth of Drumlean, said that the priority is for the north of England. There are two questions there. Can you build the northern half of HS2 and not bother with the southern half, as I think the noble Lord, Lord Berkeley, suggested? All you would end up with is high-speed services from perhaps Crewe to Birmingham, or Leeds to Mansfield, with passengers then wanting to get on to the existing main lines to London, which are already full. It is nonsense.

However, I can assure the noble Lord, Lord Forsyth, that when I set off on Monday to drive to the station, I saw a train coming over the viaduct in Colne, which is at the end of the worst branch line in the north of England—that must be true because I keep saying it—and it was a Pacer. On the other hand, the Pacers are about to go. There are loads of new trains and carriages in the north of England. The problem is that the infrastructure that these new trains will run on is often inadequate and, in some cases, rubbish. Therefore, the timetables cannot make proper use of them.

Lord Forsyth of Drumlean: I am sure the noble Lord does not mean to misrepresent the report. Our report does not suggest that HS2 should be cancelled. It suggests that the cost overruns could be addressed

by lowering the speed and leaving the link to Euston, and that the priority should be to ensure that the infrastructure improvements are made in the north.

Lord Greaves: I do not disagree with that at all. I am grateful to the noble Lord but there is a general undercurrent implying that if we could get rid of HS2, even at this late stage, people would be happy.

I have a confession to make: I like Euston station, and there are two reasons for that. First, it is where I go when I go back north, and therefore a nice place to go; secondly, it is efficient. The problem when Euston was built was that civic engineers and architects in this country had lost the great Victorian ability to combine efficiency and beauty, which I think we are learning again.

The people challenging the existing programme for HS2, who want it to be slowed down or stopped, or whatever, really have to answer the almost unanimous civic and economic leadership in the north of England, who all say that they want to get on with it. That means the mayors, council leaders, councils generally, businesspeople and everybody else. To say that it is only because they are businessmen and MPs who want to get to London quicker is just derisory. There is a general belief in the north of England that it is a good thing and needs to be got on with now. This is not least because if it were to be cancelled, or deferred for another three or four years for more inquiries et cetera, the idea that a lot of activity would suddenly start up in the north of England as a result, and have lots of money allocated to it, is just cloud-cuckoo-land. It is a complete pipedream. The problem is that people see defects in the system for developing infrastructure in this country, of which HS2 is a good example, then transfer that to the scheme itself. The problem is the system, not the actual scheme.

People have talked about northern powerhouse rail but I am not clear what that is or whether there is consensus on what it means. For Transport for the North, which has produced a strategic transport plan that includes the railways, northern powerhouse rail is the line between Liverpool and Hull, particularly the part between Manchester and Leeds. The Prime Minister seems to think that it is from Manchester to Leeds; that also seems to be what the Conservative manifesto said. I consider it ludicrous that priority now should be given to spending a large sum of money—I am not quite sure what this includes or where it comes from but if the figure of £39 billion is banded about now, it will be £60 billion or £70 billion before long, as we know—when it seems to be simply a high-speed railway line between Manchester and Leeds, which stops at Bradford. Whether all the trains will stop at Bradford, I do not know. I am in favour of them stopping there, as a Bradfordian, but it does not seem a priority to me. All the towns in between—Halifax, Huddersfield, Oldham and Rochdale on the other side, and so on—will get no benefit at all. If you live in Huddersfield and want to go on this railway, you will have to get the train to Bradford, then turn around to go back over the Pennines.

This is a vanity scheme that does not mean much. If it is meant to be part of a wider network of high-speed lines in the north of England and their connecting lines, including to Liverpool, Hull and Sheffield, then

it requires HS2 to be built. This is because it is intended that the northern powerhouse rail network in the north of England, apart from the section between Manchester and Leeds, will include a substantial part of the stuff built for HS2, as the noble Lord across the Chamber said. Therefore, if it is a sensible strategy to significantly increase the amount of pretty high-speed trains between the main cities in the north of England, or at least the main cities in Lancashire and Yorkshire, simply building 40 miles of fast track between Manchester and Leeds does not seem sensible. I do not think that is a priority at all. The single main rail project in the next five years of improvements will be improving the existing trans-Pennine line between Leeds, Huddersfield, Oldham and Manchester, the Standedge route over the Pennines through the Standedge tunnel. That has been downgraded. It needs electrifying throughout and to be made four-track throughout as it goes over the Pennines, opening up the old tunnels. That is the priority, because it is something that can be done in five or six years.

Building a new railway line between Leeds and Manchester to high-speed standards, requiring a parliamentary Bill and all the rest, will mean that our successors in your Lordships' House will be discussing it in 10 years' time and it still will not have started. I agree with the noble Lord, Lord Berkeley, that less ambitious schemes—although many are ambitious—covering the whole of the north of England should be the goal. The north of England is not like London—which has a centre, with everybody commuting in—but a constellation of cities and big, medium-sized and small towns, many of which have railway lines between them, and some of which need railway lines reinstating. We should look at the whole of the north of England, because that is what is needed.

3.46 pm

Viscount Astor (Con): My Lords, my noble friend Lord Forsyth and his committee have produced in their report a damning critique of HS2. However, the report must be read in conjunction with the even more damning report from the noble Lord, Lord Berkeley. I have always felt that HS2, as it is set out at the moment, is flawed for many reasons, but so often in the past my noble friend Lord Framlingham and I have been lone voices on this side of the House questioning the value of HS2. We may, finally, be winning the argument.

HS2 was based on the premise that time spent on a train for business travel was time wasted. Most trains now have internet connectivity, so the business case and the revenue projections are no longer valid. Then there were the shortened journey times, but we know that those are marginal, as HS2 does not go to city centres. Passengers will be required to change to local trains or buses. London to Birmingham trains will go to the less convenient Curzon Street station. As for capacity, if one looks at the London to Birmingham route, one can see that it is not full to capacity and nor is it likely to be so in the near future, according to the projections that we have seen.

Then there are the more important environmental concerns. The proposed speed is faster than HS1 and any of the high-speed trains in Europe or Japan. I am

[VISCOUNT ASTOR]

sorry that the noble Lord, Lord Adonis, who is not in his place, did not address any of the issues relating to speed, cost overrun or Euston station. He ignored those rather important issues raised by the report. The high speed of 360 kilometres per hour uses more energy to speed up, brake and speed up again, which causes more damage to the track and therefore more capital cost and cost of track maintenance. In France, they have lowered the speeds of their high-speed trains to cut costs and track damage. A lower speed would add only a few more minutes to the timetable and not cut capacity.

However, the high speed has even more important ramifications. The higher the speed the greater the need for a straighter track with hardly a corner. Unlike other new railway lines, HS2, as it is designed, cannot follow ground contours like previous rail; it has to go in a straight line. It cuts through the heart of England, causing considerable damage to the environment, protected areas and ancient woodlands. Bizarrely, HS2 has even claimed it could replace and restore ancient woodland—I am not sure how that is possible.

As the noble Lord, Lord Berkeley, pointed out, no thought has been given to the impact on the environment in the communities affected by the route. By the time HS2 is built, lorries will have electric motors and will probably be self-steering. Maybe electric commuter planes for business will be a regular sight.

Then there is cost. We were told originally that HS2 would cost £36 billion, then it grew to £56 billion, then ballooned to £80 billion, and now we see that it is well over £100 billion. I am afraid that HS2 has wasted money on consultants—around half a billion—and huge management salaries. More importantly, as we have seen from the endless complaints from those affected to their local MPs, HS2 has fought tooth and nail against giving proper compensation to blighted households. HS2 management has shown itself unwilling to look at changes or cost savings and contemptuous of those who have come up with better alternatives, such as the Wendover route.

I have to say that the hybrid Bill process is flawed when it comes to considering new railway lines. It is narrow in its remit, fails to properly take account of petitioners and favours the promoter.

But the killer argument against HS2—now accepted by most—is that we want better connectivity in the north of England, between those northern cities. Those in the north do not necessarily want to rush to London; they want to go from east to west, between Manchester and Leeds and Newcastle. I hope that in the Conservative Party, our influx of new MPs from the north will help to win that argument. We need something that brings economic regeneration to the north, which means better infrastructure and better communications on local and regional services in the north.

This has been a sorry tale. The Government have, I am afraid, misled Parliament over costs. The cost benefit, as we can see, is probably now at break even, if that. When the Department for Transport cites commercial confidentiality over costs, we know that the real reason is probably embarrassment. I hope that the Government will take heed of my noble friend's report and review costs, review the maximum speed and, most importantly,

start in the north—by improving infrastructure and connectivity in the north, as the noble Lord, Lord Berkeley, has said.

3.52 pm

Lord Faulkner of Worcester (Lab): My Lords, I remind the House of my railway interests as declared in the register. Over the decade or so that we have been debating, planning and now building HS2, the demand for rail travel in Great Britain has continued to grow at a rate that those of us who worked for the railways back in the 1970s and 1980s find astonishing. Back then, British Rail was planning for contraction and there was still talk of closing lines.

We have heard from some noble Lords that it is possible to divert money from High Speed 2 to upgrading existing lines, but I think that was answered very convincingly in *Construction News* earlier this week by the Network Rail chief executive, Andrew Haines, in his description of the sort of disruption that it would cause to train services for years and years. My noble friend Lord Adonis referred to that. Assuming continuous weekends of closure, for example, the east coast route would be closed at one location every week for between 26 and 29 years. We all remember—and indeed shudder at the memory—the disruption caused week after week, month after month, during the attempt around the start of this century to modernise the west coast main line. If we did not build High Speed 2, we would have to do that all over again, and indeed cause similar or worse disruption on all three main lines to the north.

It is not true to say that there is plenty of capacity on those lines, as the noble Viscount has just indicated. There are no train paths available at all on the west coast main line and no additional train paths available out of either King's Cross or St Pancras. Network Rail's report on new lines published in 2009 forecast that the growth in passenger demand would be 2% a year and concluded that two new running lines south from Birmingham would be needed to cope with the demand. Growth has in fact been double that, at up to 5.4% a year, so we are running out of time and certainly running out of capacity.

There are only three effective ways of dealing with this growth in demand for train travel. The first is to choke off demand by raising fares to unreasonable levels, pricing all but the most wealthy off the trains, and degrading services at the same time. British Rail was told to do that by the Government in the 1970s, as I remember very well; it did not work out well for anybody—not for the Government and certainly not for the railway.

The second option, which I am pleased to say nobody today has so far put forward, is to embark on another programme of motorway construction. We would need two new motorways to provide anything approaching the same capacity as the High Speed 2 railway line.

The third option is to do what most major economies in Europe and the Far East have done, as detailed with great care by my noble friend Lord Grocott: to build a network of high-speed railways. The one aspect that is common to all these countries is that none has regretted

it and all have expanded their high-speed network after opening it and having built and operated their first lines. Not only do they solve the problem of meeting growing passenger demand for rail travel, they also achieve huge environmental benefits as a result of what is called modal shift.

The most immediate benefit of creating extra capacity on our existing main line railways is to provide room for attracting extra freight on to those routes; an argument which I remember my noble friend Lord Berkeley put forward with great skill when he was involved with the Rail Freight Group. It is particularly true of the west coast main line, and would enable us to replace thousands of heavy goods vehicle movements.

High-speed railways also have the desirable effect of attracting passengers from shorter-distance air services and longer-distance car travel. I commend to your Lordships an excellent piece by the journalist Ian Walmsley in August's *Modern Railways*, entitled, I think, "HS2: Stand Up and Be Counted". I shall quote just one paragraph:

"HS2 stands or falls on modal transfer from road and air, but that's no problem because high-speed rail achieves exactly that. The problem starts when you look at the Department's figures for modal transfer, which are unbelievably low. All over the world road and air traffic has moved to high-speed rail when it becomes available, yet predictions for HS2 show just 1 per cent of its business coming from air and 4 per cent from cars."

I have no doubt that the potential for attracting air passengers is far greater than the department has so far allowed for.

High Speed 2 is essential to achieving net zero emissions and tackling climate change. I think that only the noble Lord, Lord Mair, has mentioned the climate emergency in this debate so far. Today, a high-speed rail journey would typically yield a 90% reduction in CO₂ emissions compared with flying the same route. When electrical power generation is fully decarbonised, this will be a 100% saving. Rail freight reduces carbon emissions by 76% compared to road, and passengers travelling on High Speed 2 will emit almost seven times less carbon emissions per passenger kilometre than the equivalent intercity car journey. Phase 1 of High Speed 2 will make a significant strategic contribution towards a carbon-neutral economy, with the whole-life carbon footprint of its construction and operation being less than one month's road transport greenhouse gas emissions. I have to say that this is one reason that I find the opposition of the Green Party to High Speed 2 so inexplicable.

If HS2 does not proceed, it is not, of course, the case that funds would be immediately transferable to the north. As the Minister said on 24 July, in response to a question from her friend the noble Lord, Lord Framlingham,

"northern powerhouse rail ... is a very important railway project, but it is not an either/or situation. We can have HS2 and we can have northern powerhouse rail; indeed, for both of them to work, they both need to be built".—[*Official Report*, 24/7/19; col. 751.]

According to the *Times* on Monday, Britain's construction companies have written to the Prime Minister warning that scrapping HS2 would cause "irreparable damage" to the sector and would jeopardise "an industrial renaissance" in the Midlands and northern England. As the biggest infrastructure project in Europe,

HS2 is expected to create around 30,000 construction jobs and 2,000 apprentices. There is no alternative shovel-ready infrastructure project that can sustain the tens of thousands of skilled workers needed to maintain Britain's engineering and construction capability. I quote from the letter:

"It would take many years to get an equivalent pipeline of work in place, by which time the damage would already be done to the supply chain. Just as the original railways built by the Victorians are still in use today, HS2 is not just a 'once in a generation' project, but a multi-century investment." They are absolutely right.

4 pm

Lord Shipley (LD): My Lords, this has been a constructive debate. Some very important points have been made, particularly on appraisal methodologies, governance, cost, what speeds are necessary, the role of Old Oak Common and the poor state of the current network. But I agree with the noble Lord, Lord Kerslake; taking everything into consideration, we must take the long-term view and press ahead.

To work effectively, HS2 needs to be fully integrated with Northern Powerhouse Rail and the Midlands rail hub and must link with Scotland as currently planned. It can become the backbone of the UK's rail system, improving capacity and connectivity. In the face of climate change, HS2 is a major opportunity to encourage a modal shift from road and air to rail. It is now 120 years since a new railway line was built north of London. High-speed rail operates from London under the channel, but it does not operate north of London. It is time that it did.

It has been said that it is hard to estimate the impact of HS2 on growth. I am sure that that is true, but it is equally true that without it there would still be an impact on growth, because growth would be lower in the north and the Midlands. An unfortunate outcome of the current review for the north would be the construction of only the London to Birmingham route, with the development land value uplift concentrated in that area and private sector investment attracted there and not further north. There would then be no hope of the levelling up that the Prime Minister has promised.

This week there have been reports that the Midlands to Leeds spur is at risk of being abandoned or changed. The Y axis was specifically designed to meet the growth and connectivity needs of the east side of the country, linking all the cities across the north and the Midlands.

I was a member of the Economic Affairs Committee when it produced its first report into the economic case for HS2 in 2015. I remember being surprised to discover that there was no budget to link some HS2 stations with their local infrastructure, on the grounds that the costings for HS2 related only to HS2 itself. There are costs in joining HS2 to surrounding cities and towns, and that mistake has presumably been corrected, but that question takes me on to local transport schemes more generally.

The north of England should not have to choose between local improvements and HS2. Local improvements are more short term; HS2 is a much more longer-term project. It has been reported that

[LORD SHIPLEY]

some newly elected MPs in the north of England want HS2 scrapped in favour of local transport schemes. But they should not have to choose. In any case, they should bear in mind that new local transport schemes need connectivity with high-quality national networks, and private sector investment in those areas needs connectivity, particularly for freight.

HS2, as we have heard, is a national project, but that will be true only if its delivery includes improvements to the track of conventional lines when these are used. I am referring in particular to the east coast main line, which needs four tracks north to Newcastle, not just two, as far as this is feasible, to increase capacity for HS2 trains on that part of the line.

I repeat that we need to avoid short-term thinking. There are potentially large benefits in HS2 in capacity, not least for freight, and potentially huge benefits in connectivity across the north and the Midlands. In March the Chancellor will introduce his Budget, and he is on record as saying that there will be £100 billion for infrastructure investment. Presumably that sum will be for the lifetime of this Parliament, and it will be invested in schemes which will deliver the levelling up that the Prime Minister has promised.

The Economic Affairs Committee said in its report that the Government's priority for investment in British rail infrastructure should be the north of England. I concur with that conclusion. But the report also points out that representatives from northern cities said that the Northern Powerhouse Rail programme could not be completed without the second phase of HS2 being built. They are right, and it is a very important point. The two projects must be treated as one programme.

4.05 pm

Lord Fairfax of Cameron (Con): My Lords, I would like to declare something that is not in the register in case anyone might think it has coloured my judgment in this debate: we Fairfaxes all come from York.

I certainly do not have the great knowledge and expertise in rail transport of the noble Lord, Lord Berkeley, and some other speakers, but I have read his and the committee's reports with interest—and increasing concern. I can see the signals on the HS2 line, and, rather like the clocks here, they are almost all flashing red. Why?

Your Lordships have heard all about the cost; it is not just about the absolute size of the costs but the fact that they appear out of control, as my noble friend Lord Forsyth and other noble Lords pointed out. They have trebled already, and now stand at over £100 billion. Does anyone seriously believe they will not go higher, even if the noble Lord, Lord Kerslake, seemed quite sanguine about that? Both reports seriously question in detail whether these enormous costs represent value for money. Of course, it is only right to mention the project's sunk costs also: some £8 billion have already been spent in construction costs, mainly at Old Oak Common and Euston, as well as an eye-popping £750 million on consultants. However, here I am with the strictures of the noble Lord, Lord Kerr, about sunk costs, which I would call the Concorde trap.

Secondly, this is no longer the right project looking forward from 2020. HS2 started life over 10 years ago as a trophy project. I am happy to admit that when I was first back in this House four years ago, I supported the legislation that enabled it. However, some questions are quite fairly asked. Why now, with on-train internet connectivity and in a country the size of England, do we need a train capable of 250 mph that will in phase 1 shave less than 30 minutes off the London-Birmingham travel time, mainly for business passengers and at an unknown cost, in particular when there are much more urgent claims from competing rail projects in the north? That is the essential point.

We have heard about the capacity argument, but that does not necessarily work either. I read that the London-Birmingham route is currently only 40% full on average, and even at peak times only 70% full; if I am wrong, I will be corrected. Phase 2 of HS2 to Leeds as currently planned is not scheduled to complete before 2040.

None of the above takes into account the risk of substantial time overruns; Crossrail has been mentioned in this regard. I have a particular interest in Crossrail, because every day of my working life I ride past a Crossrail site on my motorbike, and I was waiting with great expectation for it to open in December 2018, having watched it be constructed for the five years before then. I am still waiting. I find it rather depressing that we seem incapable of delivering great British civil engineering projects on budget and on time.

Against that background, it is not surprising that a number of MPs in the north of England, including several new Conservative ones, are asking the Government to prioritise spending on rail transport in the north over this hugely expensive project providing questionable value for money. Yesterday, I happened to spot a newspaper article that seemed rather relevant. It was headed, "Network Rail rebuked by watchdog for failing North's commuters". As the noble Viscount, Lord Astor, and other noble Lords have said—and as the committee said in its report—what is urgently needed now is more capacity and more connectivity within and between northern cities, especially on commuter lines, including key east-west capacity. Of course, if we had unlimited funds, as some noble Lords suggested, we should do both—but we do not. Therefore, I am afraid, it is a question of what the highest priority is. Surprisingly, unless I am off here, no one has so far mentioned the forthcoming Williams rail review, which I imagine will have something to say in this area.

I recognise that this is not at all an easy decision for the Government, but the Prime Minister said recently that his Government would not be afraid to confront the really difficult issues that previous Governments may have shied away from. Obviously this is one such issue, if not the biggest current one. Speaking personally, I hope that the Government will be brave enough to make the right decisions here. They may include some of the recommendation made in the committee's report, which others have set out, namely: ditching HS2's very high speed capability, as my noble friend Lord Howell touched on; combining Northern Powerhouse Rail with phase 2 of HS2 much more closely; and making significant cost savings by scrapping the Old Oak Common to Euston final link.

Finally, we are holding this debate without the benefit of the final Oakervee review. That is less than desirable but we have probably covered most of the bases in the debate so far. There is enough here for the Government now to confront those flashing red lights.

4.12 pm

Baroness Young of Old Scone (Lab): My Lords, I declare an interest as chairman of the Woodland Trust.

The Economic Affairs Committee was critical of the appraisal process for large infrastructure projects such as HS2. I want to add another criticism of that process and of the Oakervee report's terms of reference. Neither took proper account of environmental costs and the consequent long-term economic costs of a damaged environment. The current HS2 route damages or destroys at least 108 irreplaceable ancient woodlands. These environmental costs and their implications have not been factored into decisions or Oakervee's considerations.

As noble Lords may have noticed, the UK is in the middle of a climate change and biodiversity emergency—a key issue during the last election. Trees and woodland were recognised by all the main political parties as key tools in combating both elements of this twin emergency. This week, the Woodland Trust published its emergency tree plan, which sets out clearly why not only new planting but the protection of existing trees, and especially of ancient woodland, are vital if we are to reduce the amount of carbon already in the atmosphere while restoring our threatened biodiversity.

The Government have pledged policies of no net loss of biodiversity for construction projects and biodiversity net gain for planning applications. No amount of new tree planting by HS2 can compensate for the destruction of irreplaceable ancient woodland. Indeed, HS2 Ltd's own calculations admit that it is not achieving no net loss for phase 1 or phase 2a.

I hope that the Minister will not say, as she has said previously, that HS2 is damaging only a small proportion of ancient woodland. That reflects a sort of salami-slicing approach to planning: HS2 will not damage much, the Oxford-Cambridge Arc will not damage much—and then some other development proposal will not damage much. Only 2% of our ancient woodland is left, so if we salami-slice in this fashion, soon there will not be any at all.

It is not just trees that are the environmental casualties. Recently the Wildlife Trust highlighted the risk of damage to five internationally protected wildlife sites—so much for international protection. It has highlighted the impact on 33 sites of special scientific interest, which are supposed to be the jewels in the crown: the most highly protected sites in the country. It went on to highlight damage and threat to 693 local wildlife sites which have been judged to be important in the local context and are much treasured by local people. Indeed, damage is risked to four nature improvement areas, three of which have already been funded by Defra. We really need to take stock again on HS2 and the damage it is causing to the environment.

HS2 Ltd is not even getting any better between phases at avoiding ancient woodland and protecting biodiversity. In spite of much nagging by the NGO movement and a process to learn the lessons from

phase 1, phase 2a will affect 15% more ancient woodland per kilometre than phase 1. Few lessons were learned from the phase 1 experience. In my view, a clue to at least part of the problem lies in the name “HS2”. We are told that many sites have to be damaged because at the high speeds being proposed, the track cannot wiggle around—please note my great technical grasp—sensitive sites. However, the reality of the connectivity problem that we are trying to solve is that we do not need these massive speeds to reduce journey times; rather, we need additional capacity for passengers and the means to separate people and freight in order to enhance freight capacity. We should be talking about MS2—middling speed 2. That would be perfectly adequate and in many cases could be achieved by introducing four tracks on existing routes, costing less and reducing the environmental damage.

The report rightly prioritises Northern Powerhouse Rail—in deference to my noble friend Lord Hunt, I will add the Midlands proposition—but says that it depends on phase 2 of HS2. Priority for the north is vital, but let it be fed by phase 2 of “middling speed 2”, to reduce environmental damage and costs while still boosting the economies of the north.

I want to ask the Minister four direct questions. Will the Government require the full environmental costs to be considered as part of the appraisal or reappraisal of this project? When will the Government publish the Oakervee report and reach a decision on HS2? Will they reset the priority as investment in the north, but on the basis of a “middling speed 2”, rather than the high-speed phase 2 of HS2? Will they also ensure that if HS2 does go ahead, even on the basis of its updated estimate of £106 billion, ongoing cost-cutting measures will not target the already inadequate level of environmental mitigation which has been so hard won, such as tunnelling to avoid damage to ancient woodland and other sensitive sites? We have already seen examples of environmental mitigation such as the tunnel at Whitmore, which would have avoided substantial ancient woodland loss, be rejected by the House of Commons committee on the basis of cost—at a time when the total cost was only £56 billion. How will the Minister ensure that more environmental mitigation will not be slashed in the effort to cut costs?

I said that I wanted to ask four questions—I lied; there are five. The last question is, does the Minister believe that the Prime Minister has the backbone to honour his green election pledges and announce radical changes to this unaffordable and damaging project?

Before I finish, I will add two issues. Several noble Lords have advocated a statutory basis for the National Infrastructure Commission. I make a plea for any statutory basis to lay a requirement on the NIC to deliver for the environment. It is currently so focused on driving forward on infrastructure that it forgets that the Government are ostensibly committed not only to economic growth but to climate change reduction and to combating biodiversity declines. The NIC is just tipping over into getting to grips with the concept of net zero, but still seems to think that biodiversity is a washing powder.

The noble Lord, Lord Adonis, said that we have to keep going on current proposals because the hybrid Bill process has included the most extensive and exhaustive

[BARONESS YOUNG OF OLD SCONE]
public and parliamentary scrutiny. I agree with him that it was exhaustive, but that process, which was invented aeons ago, is cumbersome, inflexible, lengthy, expensive and unfair to the public and stakeholders. We need a new process.

4.20 pm

Lord Randall of Uxbridge (Con): My Lords, I first draw the House's attention to my interest as the president of the Colne Valley Regional Park, through which HS2 will go. When I came to this House, I was told it was full of experts. Today's debate has shown that in great array. Unfortunately, experts do not seem to be able to reach a consensus, so we have experts on all sides. I congratulate my noble friend and his committee on producing this report. It is a great privilege to follow the noble Baroness, Lady Young of Old Scone, who has said much of what I wanted to say.

When this was first put forward, I wanted to love HS2. I was told it was going to help avoid airport expansion and be a wonderful project that would emphasise the importance of railways. I love railways; I think they are the answer to many things. I also had many of my best chums, my political friends down the other place, advocating this in various high positions—even the Mayor of the West Midlands, as has been said. I know him well; as a former retailer myself, I had a lot in common with him. I understand their position. At a small dinner for Whips at Chequers, I sat next to the then Prime Minister, David Cameron, and thought I would mention HS2. He went red, and I decided it was time to leave the Government so I could vote against the hybrid Bill, which in due course I did. The only other time I voted against the Government in my time down the other end was on the war in Iraq.

We know that the airport expansion theory has not worked at all. The idea we were told originally was that people from Birmingham and further north would be able to go straight on to HS1 and seamlessly across to the continent. Stopping the flights from London to Glasgow or Edinburgh might happen, a long time away. But the biggest driver of all this will be cost. It is actually much more pleasant to go on a train than an aeroplane, but I am afraid the cost is still a huge problem.

One of the biggest problems—the noble Baroness, Lady Young of Old Scone, said this very aptly—is about the speed. This has been said here before. Those of us who were opposed to this in our various positions in the Government wanted to see if we could find a middle way. We asked why it had to be so fast, because you could avoid a lot of the environmental damage—something I care deeply about—and some of the expense caused by it having to go in a straight line. I know that it has to go in a straight line if it is to be so speedy, but why do we need that speed? It is not for connectivity. If it is just for businesses and business men and women, we know that with the internet a train is now a pleasant place to work—well, usually. It depends who is sitting next to you, I suppose.

Before I briefly went into No. 10 as an adviser on the environment, I carried out an independent commission on port connectivity. We heard earlier about getting

from Felixstowe to Nuneaton and so forth. A lot of things have to be done. Are we spending the money in the right place?

I return to the environmental costs. It has been said that we do not know what the final costs of this project will be. That is true, except we already know the environmental costs. We know that ancient woodlands are being destroyed and that habitats and species have gone. I could mention them, but I do not want to bore your Lordships.

One of the biggest problems with the whole of this project has been HS2 itself. As a constituency MP I was treated with disdain. That was echoed by all my colleagues on both sides of the House who tried to deal with it. It dealt with the people affected along the line with disdain. It does not care. There are notable exceptions. I met engineers who were very helpful and wanted to help, but by and large the company is just not interested. My noble friend Lord Astor gave a good example in his excellent speech. He referred to trees. The company planted some more trees and then they did not water them, so they all died. That sums up HS2 to me.

When we had the Oakervee review, we were told that all enabling works were to be stopped. What happened? In the Colne valley and elsewhere HS2 rushed ahead, because it feared that they would stop. It pulled down as much as it could so that when and if it was told, “We're going to stop this”, it could say, “It's too late. We've destroyed it all. It's all gone.” That is why we have a problem with this.

HS2 has itself to blame. We know about the churn of employees and people at the top, and the salaries. The public have no faith in HS2. However, I agree that we need a lot of the things in the north, east and west that we have heard about today. Do people need better trains to come into London? I do not think so. We have quite a good service. However, we probably all agree that a decision must come from the Government soon. All that is happening is that more money is disappearing down the plug hole of the HS2 project as we speak. Obviously my particular thing will be to look to see whether we could change the route by making it medium speed, but we cannot go on like this. People's lives are really affected. I am talking about the environment, but people's lives and businesses have been ruined. It is time to call an end to this.

4.27 pm

Lord Desai (Lab): My Lords, as an economist, I know that economists have never found a rational basis for making long-term investment decisions. As Keynes said in chapter 11 of the *General Theory*, when a businessman invests for the long run it is animal spirits that count. You have to more or less say, “I'll take this risk come what may.” What we are discussing is very much the same sort of phenomenon.

It is no secret that the UK has underinvested in infrastructure for several decades. When I arrived here 55 years ago there was a regional problem. London was getting all the stuff and the north or wherever it was—we in London did not quite know—was not getting anything. Nothing has changed. The Treasury is a cheeseparating accounting body—I apologise to

noble Lords from the Treasury. The only way to convince the Treasury to spend money is to invest not in small projects in the Midlands going east to west but in a huge project. Everybody will sign up to a huge project and, like all huge projects, including the restoration of your Lordships' House, the final money spent will be a multiple of the original estimate, and the delay will be enormous. That is the law of large projects. On the whole, given all this, since we have started, we might as well get on and finish this thing, because we must do the northern powerhouse. Now that the Conservative Party has got a few northern MPs, it has finally discovered the north, so we will get some investment up there.

I will say one more thing. I was shocked by the cost-benefit analysis cited in the report. I have not done this stuff for ages, but was it on the same basis as the Victoria line was chosen? In a classic article by Foster and Beesley in the *Journal of the Royal Statistical Society* in about 1964, they counted the time saved commuting and valued it in terms of the average earnings of the commuter. That gave a money sum of the benefit against the cost of building the line—and the Victoria line was built. We are still doing this 50 years later. As my noble friend Lady Young of Old Scone pointed out, there are many other aspects of the cost-benefit analysis that should have been included—and hopefully will be included in the future. It is not only the time saved on commuting; what we really want to find out is what alternatives the commuters would have if they were not taking the train? Would they be flying? Would they be driving? What is the net saving in environmental terms from them being provided with this mode of transport, which takes them off the road and out of the sky?

It is also very important that when you go up north, east to west and so on, the benefit is not just in time saved but in the number of journeys that has increased because of connectivity, and the economic and employment benefits that will follow from the newly established connectivity between towns.

For a comprehensive cost-benefit analysis, including the environmental costs that my noble friend described, we have to do a total accounting. Maybe it is too late for this, but we could do it for the northern powerhouse, or whatever it is. We need to be more intelligent than we have been, especially given the urgency we now put on climate change and the environment, which is a much more serious problem than it used to be.

So those two aspects are important. I would urge the Government not just to worry about HS2 but to start the northern powerhouse as soon as possible. There is no need to wait until 2050 or whenever it is. Things are urgent, and you can do two infrastructure projects together; you do not have to separate them.

I do not need to say anything further. I urge the National Infrastructure Commission, or whoever looks after these things, to examine seriously the cost-benefit methodology of big projects.

4.34 pm

Lord Framlingham (Con): My Lords, it is great pleasure to follow the noble Lord, Lord Desai, and I am grateful to my noble friend Lord Forsyth for organising this debate, which has been wide ranging, as always. Lots of experts have spoken on the topic.

On 31 January 2017, in this House, I tabled an amendment to the HS2 Bill that would have killed the project off at a stroke; it would have stopped it in its tracks and saved us all, and the country, an awful lot of time and money, not to mention the anguish suffered by householders and landowners affected by the scheme. I do not intend to rehearse the totally convincing arguments that I deployed at that time. No one was listening then; now they are.

The scheme is a farce, dreamed up in a fit of madness, pushed forward by vanity and vested interests, and allowed to progress by a total lack of objectivity or critical assessment. Sound, experienced, professional railway advice has been constantly offered and totally rejected. On 31 January 2017, 26 Members of your Lordships' House voted with me: they have all been totally vindicated. Two of them were former Permanent Secretaries to the Treasury—the noble Lord, Lord Burns, saw HS2 at first hand under Gordon Brown, and the noble Lord, Lord Macpherson, studied it under David Cameron and George Osborne. They of all people knew the precise position, but no one was listening.

My objective today is not to say, “I told you so”—although it rather sounds as if I am and tempting though that may be. I want to take what may well be a final opportunity to beg and plead with the Minister, the Government and the Prime Minister to stop this madness. The point that I want to make above all other—above the madness, stupidity and total lack of any kind of democratic accountability—is this: this lack of accountability, secrecy and duplicity have led to the creation of an infrastructural Frankenstein's monster. It has taken on a life of its own. It cannot possibly succeed because there is nothing for it to succeed with—neither speed nor capacity; nothing. They have all been seriously questioned. Nothing lies ahead but mounting debt, appalling headlines of incompetency and a damaged landscape. Unless it is stopped now, it will become an ever-increasing millstone around the Prime Minister's neck. There will be no relief from the despair that it will create on a daily basis for as long as he is in office.

To abandon the scheme may seem at this moment a monumental decision, but if it is not taken, it will become a monument to our inability to take the most difficult decisions, however obvious they may be, and will lead to prolonged financial misery. Obviously, some people will be disappointed, particularly those with vested interests, some of them well-intentioned; but most people, particularly those who fully understand the ramifications of the project, will be happy and mightily relieved.

The Prime Minister has been told that HS2 is shovel-ready. That is simply not true and I would be grateful if, in her reply, the Minister would commit to telling him the truth: that it has not yet been decided whether to stop HS2 at Old Oak Common or continue to Euston. That is a major decision. Also, the plans for Euston are currently being taken to judicial review. I gather that problems around the Delta area in Birmingham are still to be resolved, and the question of the speed of the trains is under review, so it is hardly shovel-ready. The Prime Minister should be told the truth.

[LORD FRAMLINGHAM]

The most difficult thing that I have found is getting the truth to the people at the top who take the decisions. I had to get into Downing Street and knock on the door of No. 10 to get the information to the last Prime Minister. I have given my dossier on this to every Cabinet Minister by hand, with instructions not to give it to their civil servants, so that we can get some truth on the matter.

If you want to travel ridiculously fast in a very small country, you have to go in a straight line and you cannot stop very often. Thus, HS2 will result in the sidelining of stations and a much-reduced service to places including Coventry, Sandwell, Dudley, Wolverhampton, Stoke-on-Trent, Macclesfield, Stockport, Wilmslow, Doncaster, Wakefield, Leicester, Nottingham and Peterborough, and of course many cross-country services will be affected as well.

What must be remembered when a very difficult but entirely correct decision is taken is that it is only afterwards that the benefits become apparent. In this case, on scrapping HS2 two huge bonuses will immediately appear: money will be available for sensible railway projects and the English landscape will be granted a massive reprieve.

Last year, the TaxPayers' Alliance ran a competition to find worthy, viable railway schemes. I was privileged to be involved. It brought forth a huge number of excellent schemes that would bring massive benefits country-wide for a fraction of the cost of HS2. Of course, we are all aware—it has been spelled out again today—of the need for modern rail links from Liverpool to Hull, across the Pennines and in other regions,

What a tragedy HS2 has been for our landscape, our trees and our irreplaceable ancient woodlands. One hundred and eight ancient woodlands are under threat; what a cheer will go up and what a boost to the Government's green credentials it will be if they are reprieved.

The choice is simple: fudge the decision and let Frankenstein's monster fester on with financial, human and environmental consequences that will be dire; or face the facts and the truth, and be honest with ourselves, and scrap the scheme and start at once to spend the money on sensible, practical schemes in the north, the Midlands and the regions. That would not only more rapidly improve the currently appalling travel conditions but would give a great boost to both jobs and businesses.

4.41 pm

Lord Hunt of Kings Heath: My Lords, I am delighted to take part in this debate. I will be looking at this from a West Midlands perspective but I should perhaps declare myself as a friend of Euston station—not, I hasten to reassure the noble Lord, Lord Kerr, that I think it is architecturally of any merit whatever; it is just that I have a flat very close to it. I confess that I thought that the WC1 postcode signified that I lived in central London, which I think is where Euston station is.

Lord Berkeley: Come on.

Lord Hunt of Kings Heath: It depends where you look at it from.

We have heard from the noble Lord, Lord Framlingham, who has certainly been consistent over the years. He talked about despair, but I want to reflect to him the despair that would be felt in the West Midlands if HS2 were cancelled. It would have an absolutely devastating impact on our economic well-being. We are very vulnerable. With Brexit, the motor car industry is hugely vulnerable. Cancelling HS2 at the same time as there is economic uncertainty would be devastating for a region that, over the last two years, has grown more than any other apart from London.

My noble friend and the noble Lord's committee have produced some very salient points about the HS2 budget and the appraisal system. There is no getting away from that. The question is: is that enough to cancel HS2 as a whole? To be fair to both noble Lords, that is not what they are saying. They are raising issues that need to be answered, and that is fair.

The noble Lord's committee also focused on the north. It focused on the railway connections and referred to the 90 minutes that it takes to travel the 75 miles between Liverpool and Leeds. I do not dissent at all from what the committee has said about issues in the north, but I am disappointed that so little attention was given to similar issues in the Midlands. For instance, it takes 57 minutes to travel to Leicester from Birmingham, which are 46 miles apart, while the 51-mile trip to Nottingham takes 76 minutes. There is a large flow of people and work but it could be much, much bigger. There is no question but that road congestion—journeys take ages by road—and the very poor railway connections are impeding the development of a Midlands-type economy.

Lord Berkeley: I am grateful to my noble friend for giving way. How does HS2 improve the railway journey time between Birmingham and Leicester? It does not go anywhere near Leicester.

Lord Hunt of Kings Heath: My Lords, I am not a railway expert but I do know a little about railway maps. The point I was going to make is that this is part of an appalling railway system in the West Midlands—something with which I know my noble friend agrees. We have a local service operator called West Midlands Trains. Its record of 44.8% of services arriving on time between October and November last year is a symptom of our hugely overcrowded and cancelled trains. That is a feature of commuting life in the West Midlands. Part of the reason why we need HS2 is that our line is absolutely chock-a-block. Creating extra capacity is essential. I know that my noble friend does not disagree with that because it is what he said in his minority report.

Let us turn to the comments made by a number of noble Lords, which are, essentially: "If you cancel HS2, don't worry because the money will be available, we can sort out the capacity issues both in the north and in the Midlands, and all our troubles will go away." My noble friend's report is very interesting because he took the trouble to look at what the alternatives might be. For instance, I do not believe that we could deal with the capacity issue in the West Midlands without four-tracking the line from Rugby to Wolverhampton, but that would be hugely disruptive. I do not know how many bridges there are; I suspect my noble friend knows—

Lord Berkeley: No.

Lord Hunt of Kings Heath: But there are quite a lot. There is a lot of housing, the NEC, the airport—a host of difficulties for four-tracking. But if you do not four-track, you will not solve our major congestion problem.

The other option pointed out by my noble friend is the Chiltern line, a good line which many of us use when going to a different part of London. As he says, it would have to be four-tracked in certain places and would need to be electrified. My noble friend is doubtful about my railway geography, but the one thing I do know is that a lot of the Chiltern line goes through Buckinghamshire. Can you imagine what would happen if the Government announced that the alternative to increase capacity is four-tracking and electrifying the Chiltern line? All noble Lords who come from Buckinghamshire would rise in protest. The Chiltern line is saturated—

Lord Randall of Uxbridge: I do not come from Buckinghamshire—although very close to it—but I point out that HS2 goes through Buckinghamshire already.

Baroness Young of Old Scone: Before my noble friend resumes, I point out that we are in the midst of electrifying the Midlands route. It is not pleasant but it is not the end of the world. It is happening while trains run.

Lord Hunt of Kings Heath: It does not go through Buckinghamshire though, does it? The point I am trying to make, to anyone who says that it would be easy to increase capacity in the ways suggested—my noble friend did not say that—is that it would not be easy at all. It would also cost a lot of resource.

Finally, my noble friend estimated, I think, £39 billion for the local rail development in the north and the Midlands. It is a round figure. Does anyone seriously think that the Treasury will agree to spend that money in substitute for HS2? We all know what happens: you cancel a project, you say that you are going to do all sorts of things to substitute for it, but it never comes. We have all too many examples of major projects being cancelled. There is no doubt that there are serious questions, which both noble Lords have raised, but I think it would be a disaster to cancel the project.

4.49 pm

Baroness Bennett of Manor Castle (GP): My Lords, I am indebted to the noble Lord who drew attention to the Green Party's position on HS2. I am sorry that he is not now in his place and will be reading my comments later. He said that my noble friend Lady Jones of Moulsecoomb had made that position clear to your Lordships' House. The Green Party has held that position since the start of this debate. I ask anyone who wants to try to use environmental arguments about HS2 to look at our position and our very loud and clear statement that HS2 is no solution to the climate emergency or our nature crisis.

I always aim to be positive so I want to speak in favour of a lovely, exciting rail project going ahead right now. Unfortunately it is in Sweden, but it has a

potential impact on all your Lordships' travel: the return of night trains, which, as has been highlighted, means you will be able to get from Copenhagen in the middle of the evening to London for lunch by train. That is truly replacing flights with rail travel. If we are talking about using all the capacity of our existing lines, night trains are one way in which we potentially have more capacity. Indeed, when the Eurostar started the plan was to have sleeper trains to the continent, and that is something that I would very much like to see revived.

Perhaps I should have begun by declaring an interest as a resident of Sheffield and as former Green Party leader. I have not kept count of the number of train miles that I have completed over the last seven or eight years, and I am glad I have not. The noble Lord, Lord Kerr, referred to the level of expertise in this House, and I think I can claim expertise as a truly veteran long-time train traveller. I can also tell any noble Lords who wish to know exactly where the Pacers always leak when it is raining.

The Green Party came out in opposition to HS2 at the 2011 spring conference. I remember that debate. It was a long and heated one because, understandably, people asked: "The Green Party opposing trains—how can that be?" There has been lots of discussion in your Lordships' House about economic arguments but there is an argument that I have not heard yet. One of the key economic and social arguments that we focused on back in 2011 was that HS2 would focus people, money and resources even more on London than is already the case. That is the last thing that this country needs, and indeed that London needs. I know the Mayor of London has expressed his support for HS2, and many politicians feel the need to keep arguing for growth. That is an argument that we might perhaps have another time in your Lordships' House, but what London needs for itself is a healthy hinterland—a healthy north—and of course the north needs a healthy economy and society. London is a primate city; everything is focused here, and that causes massive damage to everyone.

The Green Party has called HS2 "an utter waste". We need massive spending on transport but, as many noble Lords have already said, on other rail routes, particularly those that run east-west. Also, although I have not heard every speech in this debate but I have heard nearly all of them, I have yet to hear the word "buses" used. I apologise if it has been said and I did not hear it. When it comes to how most people get around, get to work, see their relatives and friends and combat loneliness—all these issues that we are concerned about—buses are crucial, as are walking and cycling. That is where the funding and spending need to go.

I have talked about my personal expertise. I refer to the TransPennine so-called Express—I think some of your Lordships will be well aware of that—and for the need for all this to be integrated and fitted together. When I catch trains in many parts of the continent, every carriage has an indicator board telling you the next station and giving you real-time information about what bus connections you can make. It even sometimes tells you about where you can hire a bike and ways in which you can have an integrated journey. That is the kind of thing that we should spend money on.

[BARONESS BENNETT OF MANOR CASTLE]

There has been some discussion that this is not either/or. I refer your Lordships to a lot of the discussion we have had about the difficulty of our capacity in managing projects—our capacity to have the labour, skills and knowledge. We have problems with planning capacity. These issues may come up in another debate in your Lordships' House on the immigration Bill, when that arrives. We undoubtedly have huge problems, so saying that we can build more and more projects is a question of the availability of not just money but skills.

I said that this is not an answer to the nature crisis. I feel like a lot of these arguments have been made already, very notably by the noble Baroness, Lady Young, and the noble Lord, Lord Randall. This HS2 plan means huge damage for the environment. One of the arguments put forward by HS2 and its proponents is that they will do biodiversity offsetting. In the earlier debate on fisheries, we discussed how incredibly nature-depleted Britain is as a country. We have lost so much. As the noble Baroness said, we have only 2% of our ancient woodlands left. We simply cannot afford to lose more. The idea that you can plant some trees to replace or offset the loss of ancient woodland simply does not stack up.

On the arguments people make suggesting that HS2 will help the climate emergency, several noble Lords have pointed out that it will not replace flights. Actually, what we hear from regional airports along the route is how much of a boost it will be and how much it will increase their capacity and flights. The fact that, having declared a climate emergency, we are still talking in any way about airport expansion really does not add up. HS2 adds to and assists airport expansion. As I said before, I have not heard every single contribution but I have heard most of them, and I have noticed that no one has mentioned that we might even get to Edinburgh and Glasgow one day with HS2. That is where the argument started; that is how it was going to replace flights. I refer your Lordships to the issue of timing. The Intergovernmental Panel on Climate Change told us that we have 10 years to turn things around. In 10 years, we might get to Birmingham with HS2. That is nothing like the timeframe we need.

I will touch on the environmental damage being done. When I started having arguments about HS2, people said that it was designed for speed. Now, we hear that it is designed for capacity. If we went for simply capacity, we would not have the environmental destruction. That is something that the committee report covers.

I am being told to wrap up, but I will make one final point, because a lot of noble Lords have referred to the way we make decisions and deliver infrastructure in the UK. I sometimes say that if you invite me to talk about algae, I will bring up democracy, so I will bring up the issue of the structure of our governance now. First past the post politics produces really bad decision-making. It produces decision-making aimed at winning seats in particular places. We are indebted to a Member of this House who is not here today: your Lordships might like to look up the noble Lord, Lord Mandelson, telling the *FT* in 2013 about the political reasons why this decision was made.

I finish with a simple statement: do not go for greenwash, which is what the arguments for HS2 are. Let us choose the local and regional, cross-country, non-London-focused transport improvements that we need.

4.58 pm

Lord Monks (Lab): My Lords, as a former member of the Economic Affairs Committee, I continue to appreciate its work. It has been a forensic and challenging commentator on HS2 in recent years. This report, like its predecessor, shines a pretty sharp light on the many questions that continue to dog the HS2 project. To emphasise the point that the chairman, the noble Lord, Lord Forsyth, made, it does not call for the abolition of the project; it calls for a reassessment of certain aspects of it. That is an important distinction that may have got lost in some of the debate recently.

From my point of view, we are where we are. HS2 has started: the first phase is under way and 9,000 jobs are supported by the project. Early works are under way at the London terminals and elsewhere on the HS2 line to Birmingham. Billions have been spent and more are committed, so to scrap it now, as many are arguing, would represent a failure of epic proportions. This is not a white-elephant project, as some have suggested; it is not Concorde, or something relevant to only a tiny proportion of the population. This is a great north-south railway that could last 100 years or more, just as the Victorian railway network has done, and be a great national asset. To look just at what the project is costing now without looking at its lifespan seems very foolish.

It is not an alternative to investment in northern and Midland rail links. We have heard some interesting remarks about their limitations. As a Mancunian, I am only too well aware of the bottleneck at the Oxford Road/Piccadilly station. But, as the four metropolitan mayors said in the *Sunday Times* last week:

“Modern railways such as HS2 and Northern Powerhouse Rail are the single biggest means to transform jobs and opportunities for people in the Midlands and the north.”

The danger is that the reviews and debates will go on and on, and that the political will is going to fade, which in time will lead to the cancellation of the project. That is a real danger as we undertake this debate. The noble Lord, Lord Framlingham, is right in one respect: he senses that the political wind may be blowing his way at present.

Can we do major infrastructure projects in this country or can we not? HS2 is a test of whether we can—and, like the committee, I am very concerned about spiralling costs. I can well understand that this is eating into public support for the project.

Lord Framlingham: I want to dispel the idea that I am in any way against large infrastructure projects. I am just against nonsenses.

Lord Monks: That is where we disagree. We are all against nonsenses, by the way—on that we agree—but a railway open to all, going from the north of England to the south, seems to me anything but nonsense. It is a great national asset and I would have thought that the noble Lord would recognise that.

When we look at costs, I know that France is a larger and less populous country than us, with less opposition. But the advocates of HS2 have a real question to answer: why can France do these things so much more cheaply than we can? One thing I wonder about is the labour market that surrounds these projects. It is populated by armies of consultants and self-employed workers. The main contractors have very few directly employed people working for them for years, in a loyal and determined way. It seems that when we undertake these kinds of projects, it is well worth looking at the labour force and how it is organised.

I want to emphasise, however, that people in the northern sections should not be treated as second-class citizens. If there is an idea, as is rumoured in the current review, that we will get away with a cheaper, mixed, existing mainline hybrid scheme north of Birmingham, that would be very much resented in the northern parts of this country. They would feel it very strongly.

As I mentioned, the UK's record on large-scale infrastructure management is not good. The Olympics were a conspicuous exception; on the other hand, Crossrail is a nightmarish example of the kind of problems that we have. But if we do not attempt these things, and if we do not seek to improve and learn from the way others do them, we will never do better—and we will not do better by cancellation or dithering or perpetual review. We must get away from that.

It is important to emphasise to those who have raised environmental concerns that the new line would be, on balance, a great environmental advantage over the years. I know that there are problems with the route and woodlands, but taking things off the roads and away from the air seems to me to be important. The noble Lord, Lord Berkeley, has reminded us previously that HS2 would free up the existing lines to run more local and freight services. The Government have made many promises to the north about fresh infrastructure investment. If HS2 is collapsed, who in the north or Midlands is going to believe any of these promises? The Government need to keep their word, hold their nerve and complete HS2—all of it—as soon as possible.

5.05 pm

Lord Turnbull (CB): My Lords, at various times in government, business and private lives we find ourselves faced with a choice when things are not going well. Do we press on, having invested time, money and reputation, or do we step back and rethink? This dilemma was faced by Macbeth:

“I am in blood
Stepp'd in so far that, should I wade no more,
Returning were as tedious as go o'er.”

HS2 may not be in blood, but it is certainly in red ink.

What are our choices? We could press on, as a number of speakers have recommended, although we notice that Macbeth pressed on and it did not work out well for him. However, I expect that if we did, the total cost would be very high indeed and would exceed what is rumoured now. I also believe, however, that the benefits have been substantially underestimated, as I shall explain. It would not be a white elephant, but it might not be the optimal way of developing the rail network.

Alternatively, we could follow the sage of Framlingham and scrap the whole thing as too expensive and the benefits too uncertain. Supporting him are the wishful thinkers, who believe that the internet makes HS2 unnecessary. The web, however, has been around for 30 years and the appetite for rail track in that time has grown significantly. There are also people who I call “the fudgers”, who believe that it could all be achieved by upgrading existing structures—longer platforms, longer trains, better seating and all that stuff. But we have tried that already on west coast main line. It brought some improvements but also a decade of disruption to existing services.

The problem with this approach is that the original railway lines use one line for all types of service: express, commuter, cross-region and freight. The beauty of the modern lines is that long-distance passenger traffic is given a dedicated line, producing not just faster speed but greater reliability and punctuality. When I make a journey in this country, I am absolutely fed up of always having to go for the train in front of the one I really need because I want to be on time.

The present plan was always meant to increase capacity, but it was heavily oversold on the basis of speed, hence its misleading name: high-speed rail. More importantly, however, the benefits were largely measured in time savings for business passengers. HS2 has been the victim of railway engineers' hubris; they want a line not only as good as the continental railways but one that could get up to 400 kilometres per hour. Physics will tell you that the cost of building the track and the energy needed to drive the train rise sharply as speed increases. A maximum speed of about 300 kilometres per hour is quite sufficient for our landscape. HS2 has been planned for a densely populated area, running for roughly 200 miles from north to south and for 100 miles from east to west. There is just no room to get up to these very high speeds before you have to slow down.

What should we do? The first thing is to merge the separate brands HS2 and Northern Rail, creating instead a single plan for rail modernisation. This should be developed in a sequence that produces most benefit fastest, and starting where the current service is worst. I was told that my granddaughter got on a Pacer train the other day, turned to her mother and said, “What on earth is this?” I have never been on a Pacer train myself and I do not look forward to it.

Secondly, we have to identify the benefits fully. They are not just speed; the most important productivity gains come from widening the range over which families can access work—their travel-to-work area—and widening the range over which businesses can recruit talent. Then we have to identify and take account of the value of changes in land use. This is crucial. It is disgraceful that the response from the Minister admits that this third dimension has not been adequately covered, but offers no serious effort to correct it. This revamp of the methodology of the cost-benefit analysis is very important.

We also need to change the mindset. Rather than trying to reduce a journey time of one hour and 50 minutes to, say, one hour and 20 minutes, we should focus on maximising how far people can travel in a given amount of time. I would suggest 50 minutes, which is the average commuting time.

[LORD TURNBULL]

All this leads to the following conclusions. It was a strategic error to start with the part of the route that has most recently been modernised. We are now at the stage where the present phase 1, from Old Oak Common north to Birmingham, should go ahead but, thereafter, we need to give greater priority to connecting the major cities of the north, from Liverpool to Hull and the cities in between. Then, in the decades after that, these lines should be linked back to London. The present proposal adopts the opposite sequence: the communities that need improvement most urgently are at the back of the queue.

We come now to the question of Euston, and here we should stop and think. Euston is a terminus station and, as has been pointed out, these are inherently inefficient. You bring a train in and it is 20 or 30 minutes before you can use that platform again. When eventually the new network reaches London, it should go into the centre and out the other side. There is already a proposal for this, called Cross City Connect, or CCC—I hope noble Lords will look that up. I am in the camp that believes that Old Oak Common can provide, via Crossrail, links to many parts of London that are superior to those from Euston itself, while this rethink takes place.

Will the Government have the courage to make these changes? I do not know, but the appointment of a former chairman of the project, assisted by officials in the Department for Transport, to conduct the review—that is, to mark their own homework—is not encouraging. But if the Government can screw up the courage, the end result could be a project that may well cost more than the original estimates but which would yield much greater benefits much earlier and to more people, starting with those who need it most, and would help to close the yawning divide between north and south.

5.12 pm

Lord Truscott (Ind Lab): My Lords, I have spoken a number of times in your Lordships' House on HS2—I am not alone in that—so I will try not to repeat myself in today's debate. I welcome the Economic Affairs Committee's report, *Rethinking High Speed 2*, so expertly outlined by the noble Lord, Lord Forsyth of Drumlean. The report rightly points to major flaws in this hugely expensive vanity project. Why, for example, is HS2 designed to be 40 to 80 kilometres per hour faster than France's TGV, with the consequential and unnecessary damage to our environment, including wildlife and ancient woodland, as outlined by the noble Baronesses, Lady Young and Lady Bennett? I agree that the methodology and cost-benefit analysis put forward by the Department for Transport is wholly discredited, as the noble Lord, Lord Berkeley, and others have clearly shown.

The Government's response to the committee's report is lamentable. They blandly affirm that:

“The Department for Transport has confidence in its existing techniques, which have been developed over many years, to inform transport investment decisions.”

It is widely known that the department's overseeing of major infrastructure projects has been an unmitigated disaster; take Crossrail, for one, which is over budget and chronically delayed, as mentioned by the noble Lord,

Lord Monks. As mentioned earlier in the debate, we were even told by the former chairman of HS2, Sir Terry Morgan, that nobody knows how much HS2 might eventually cost. The cost of this project has already doubled since 2011 to over £100 billion. I make a prediction: if this obscene waste of money goes ahead, by the time it is completed in 2040 or later, costs will have doubled again. That is because no one involved has the slightest interest in keeping costs down—not the construction companies, the rolling stock providers, or the local authorities and trade unions so desperate for investment—and the general public will pick up the tab via their tax bills.

If the north and the Midlands want investment and better connectivity, there are better ways to achieve it. Local commuting services north of the Watford Gap are a disaster and a disgrace. Even the £100 billion allocated could be better spent, providing more than the 30,000 jobs posited to be provided by HS2, whether by building and staffing more than 200 hospitals, building 1.7 million social homes, or building more than 30 aircraft carriers. Do the maths: I think you would need more than 30,000 people to build 30 aircraft carriers.

I agree with the noble Lord, Lord Grocott, that we need significant investment in our rail infrastructure. There is no dispute about that, but is HS2 the best way to do it? I believe that it will prove to be a massive white elephant. On the continent, high-speed rail services have benefited the countries' capitals, not the regions, so it will be London that will benefit from HS2, not the north and the Midlands.

Is it not strange that HS2 now has no vocal advocates, bar one, in the Cabinet that proposed it, and none willing to back it openly in the current one, including the Transport Secretary himself? I listened very closely to the noble Lord, Lord Adonis—unfortunately, he is not in his place and seems to have missed most of the speeches that opposed HS2. However, he has been known to change his mind—for example, on tuition fees—and I hope that he comes to the same conclusion on HS2.

Some £8 billion has been spent already on HS2, as has been mentioned today, and construction of the line has not even started. I hope that that gives enough of a warning signal. It will of course cost money to cancel HS2, but the cost can be mitigated by property and land sales. In business, it is sometimes better to cut your losses and make a better investment. In my view, we should do this with HS2, to save the environment and improve regional connectivity.

5.17 pm

Baroness Randerson (LD): My Lords, this debate has had some very high-quality, well-informed speeches. I thank the committee for its report. I do not diminish the importance of that report when I point out that it is one of a significant pile of reports that relate to HS2, all of which have a great deal in common. The latest will be the NAO report, done alongside the DfT. It is the fourth NAO report into HS2, and we are still awaiting the formal publication of the Oakervee report—although, thanks to leaks, we know more or less what it will say. We all know, of course, the contents of the report by the noble Lord, Lord Berkeley.

The problems of HS2 are therefore well known: it is running late and significantly over budget. We do not know, however, what the Government will do about it. I will be hanging on the Minister's every word, as we wait for a hint about what they might do. Given that the Government have emphasised that they have ambitious plans for the north of England, I hope that they do not embark on their term of office by cancelling a project of such significance.

I always describe myself as a critical friend of HS2, and on these Benches we remain supportive of the project, but the Government simply have to bring it under control and deliver it efficiently. However, that must not be done by abandoning the core point of the project. A London to Birmingham railway would simply make Birmingham a commuter suburb for London and cement the dominant position of London. Abandoning one of the two legs of the planned further development in the north is also totally unacceptable. There are, however, ways of saving money without striking at the basic point of the project. The problem we currently face is that the Government and the Prime Minister have stoked uncertainty for the project. They must now provide certainty by making a decision, or a series of decisions.

On these Benches we generally support this project, not least because it has gone so far. It is easy to argue that we would not start from here, but, as several noble Lords have pointed out, at least £7.4 billion has been spent so far and £4 billion extra would be spent in cancellation costs. It is also a vital symbol of the importance of the north of England. The noble Lord, Lord Kerslake, reminded us that we do very badly on regional inequality in this country. At long last, the Conservatives seem to have accepted the importance of investment in rail for controlling CO₂ emissions. It is vital that HS2 is recognised as the spine from which other east-west connections will spread. Those east-west connections are just as important as HS2, if not more important. As my noble friend Lady Kramer said, this is not an either/or issue.

Another reason for supporting HS2 is that existing lines are full. I note what the noble Lord, Lord Forsyth, said about commuter lines being the most crowded, but the point of HS2 is that it will take the long-distance traffic off existing lines, making space for more commuter and short-distance travel. We must not forget the regenerative effect of HS2, which is already clear. Birmingham is benefiting significantly, and even Leeds—barely a gleam in the eye of the HS2 planners—is already feeling the positive effect.

So what has gone wrong? The business case for HS2 seems fragile, but that is because it is assessed in a downright stupid way, restricted to measuring time savings and ignoring the impact on regeneration, CO₂ savings and so on. My noble friends Lady Kramer and Lord Bradshaw both emphasised that this way of assessing projects really has to change to encompass their potential.

My noble friend Lord Bradshaw also emphasised the importance of the line for freight; if we are to achieve net zero CO₂ emissions, we have to create more space on railways for freight, to take it off the roads. Electric lorries are not just around the corner; it is a long way ahead for long-distance freight.

The whole HS2 project is more complex, and therefore more costly, than it was at the start, partly due to the important quest to minimise its environmental impact. Tunnelling costs a lot of money. Of course we must take these environmental issues seriously, but we also need to look at the big picture—the overall environmental umbrella, if I can put it that way, of HS2 as a whole. As a project, it will take passengers out of their cars and off domestic flights, and it will take freight off our roads. Our immediate environmental goal must be to reduce CO₂ emissions. Without that, there will be no ancient woodlands or beautiful countryside, and we will diminish the quality of our environment considerably.

The cost of HS2 has mushroomed, even setting aside the impact of updating 2011 prices. In this country we seem incapable of sensibly calculating costs and building timescales. The other day, I was watching a programme on Victorian engineering—some people get their pleasure in unusual ways on a Saturday evening—and I take some small comfort from the fact that it seemed to be the same even then: the big engineering projects overran in cost and time. We still have not got to grips with that all these years later.

There have been some sensible suggestions of ways to reduce costs. One is to look again at Old Oak Common as the terminus, which would be a real regeneration project—and I have to say that I am concerned at the prospect of 10 years of disruption at Euston. We can also look again at the number of trains an hour; noble Lords have emphasised in this debate that 18 trains an hour is not realistic. We need to reconsider the top speed, because speed costs money. The DfT seems obsessed with speed, but we should be looking at reducing the speed slightly and saving a significant amount of money. I can tell your Lordships that, as a regular passenger on Great Western Railway, this year I have taken three trains, and all three have been significantly late. We have this wonderful new, electrified, high-speed line on Great Western Railway, but the trains are late. Reliability matters most of all, rather than a few extra minutes.

Any idea of falling back on the concept of upgrading existing lines needs to be avoided. Andrew Haines, the chief executive of Network Rail, called the idea absurd. To provide similar capacity to that of HS2 would need the upgrading of the west coast, east coast and Midlands main lines all at once—2,700 weekend closures over a 15-year period. Great Western Railway has just had 10 years of electrification with sporadic weekend closures, and that was pretty nightmarish.

In conclusion, it is urgent that this decision is taken. My noble friend Lady Kramer said that the Government are out of time and out of rail. I say to the Government: stop dithering, because you are also out of excuses. HS2 has problems and is being further undermined by indecision. I recall similar issues being raised on HS1; now we travel on it and think it is wonderful. We have to get on with it.

By the way, my television viewing went from a programme on Victorian engineering to “Abandoned Engineering”. I hope that HS2 does not come into that category.

5.28 pm

Lord Collins of Highbury (Lab): My Lords, I will start with both thanks and apologies, because my two Front-Bench colleagues who would normally reply to this debate are not here—my noble friend Lord Rosser unfortunately has to be at a funeral, and my noble friend Lord Tunnicliffe has to be at another railway event which is part of his career in railways. Therefore, two experts unfortunately cannot participate, and your Lordships have me. My expertise on railways is rather limited, but I am keen on development, which is what this debate is absolutely about. I too thank the chair of the committee, the noble Lord, Lord Forsyth, and the committee, for their excellent report, *Rethinking High Speed 2*. I welcome the noble Lord's comment that rethinking does not mean stopping.

Rethinking is about planning. One of the things I have been pleased about in the debate is the understanding that you need to rethink constantly in any huge project because, to use the words of that famous American politician, Donald Rumsfeld, there are always known knowns, known unknowns and so on. You can carry on with it, but it means that you must review and adapt as a project develops. That has certainly been a key lesson from the debate.

I, too, stress the point made by the noble Baroness, Lady Kramer: this is not an either/or debate. This is not about choosing one aspect of rail transport over another. It is fundamental. As we heard, the northern powerhouse will succeed only with HS2. We need both. It is not vice versa.

We also need to encourage a strong shift from road to rail for both passengers and freight. I was extremely pleased to hear the noble Lord, Lord Bradshaw, and my noble friend Lord Faulkner emphasise this point. I remember when I first came into this Chamber the speeches of my noble friend Lord Berkeley on the importance of freight on rail. We need to focus on that added dimension to the debate.

Of course, the debate has also been about capacity. The west coast and east coast main lines are often at full capacity, which will only worsen as the population increases—a point highlighted by the noble Lord, Lord Mair, and other noble Lords. Our country has an issue with productivity and slumping economic growth. I am a firm believer that HS2 is a response to those issues that may provide a solution. Parliament must ask itself whether it is the most efficient solution.

This week, we read in the leaked report that HS2 could cost up to £106 billion, which far exceeds the £56 billion estimated in 2015. As an aside, I am a member of the Lords Finance Committee. Every single project that we have examined in relation to Parliament has far exceeded its estimated business case budget. There have been many reasons for that, not least that we are dealing with an ancient building; we need to ensure that we uncover all the things we need to address in renewing it. That point applies partly to the HS2 project, because as we proceed, we will find more and more problems. HS2 must provide value for money; at such a cost, it is unclear whether the Government will ensure that it does. It is true that the headline figure fails to take into account a benefit-cost ratio with wider economic impacts.

Skills have been another key element of today's debate. Someone said that the skills shortage is a reason for cancelling the project. Actually, the fact that we need to build skills in this country, and to ensure that those skills have an effect, is the reason for keeping it. As my noble friend Lord Monks said, it is extremely important that we maintain our capacity to build further infrastructure projects. Moreover, if the economic reports are true of returns as low as 60p, the Government have clearly failed to keep costs down and must make clear how they will do that as the project continues.

I totally agree with my noble friend Lord Adonis that the problem with so many projects in this country is their stop-start nature: will the project proceed? That is a risk in itself in terms of companies and others being committed to keep faith with a project and invest. I think my noble friend referred to the illusion of certainty. While it may be an illusion, that sense of certainty at the beginning of a project is how we build confidence, and as we uncover issues it is really important that we review. Reviewing is not a negative, it is a positive.

We have also heard about the environmental consequences, which I fully agree must be minimised. My noble friend Lady Young referred to reports from the Wildlife Trust of how HS2 could endanger 693 classified local wildlife sites, 108 ancient woodlands and 33 legally protected sites of special scientific interest. The High Speed Rail Group may dispute some of the figures, but we can all acknowledge that there will be some degree of negative impact on wildlife and woodlands. As the Government continue with HS2, they must be conscious of this and it has to be factored into the programme.

One policy solution which has been suggested as an antidote to these issues could be to lower speeds on the network. HS2 is due to be the fastest railway in the world, with potential speeds of up to 400 kilometres an hour. Trains are initially expected to run at least at 360 kph, but as has been mentioned in this debate, the French TGV and Japanese bullet trains both operate at 320 kph. If the line was slower, it has been argued today and in the report that the track would not have to be as rigid, greater flexibility would allow for the provision of different routes, costs could be reduced and some of the impacts on wildlife habitats would be avoided. However, in doing so, we do not want to compromise on the consumer appeal of the present estimated journey times as well as the status of tourism appeal, which has not been mentioned: it would be branded as the world's fastest railway.

I was talking to my noble friend Lord Tunnicliffe about the projected costs when he was in his place. He was responsible for the Jubilee line extension. He felt that the costs would be exceeded, but they were working on a cost-benefit analysis that did not turn out to be the case. Traffic increased hugely on the Jubilee line, but that was not predicted when the initial decision was made. It is those things that we have to take into account. If the Government are to consider slower speeds, they must ensure that that is not done to the extent that passengers see no reason to use HS2 instead of the existing main lines.

We have also heard the case for using a different London terminus, with trains stopping at Old Oak Common in north-west London. Many will exit at that station to use the interchange with Crossrail and consequently have faster journey times to their end destinations. It has been suggested that there is no need to continue on to Euston and that the line should terminate there. I have heard those arguments and I think that they need to be taken into consideration as part of the review. As we have heard, that could save up to £8 billion. The Mayor for London has made quite a compelling argument that termination at Old Oak Common would mean that Crossrail would be full by the time it reaches central London, which is another factor that should be taken into account. Of course, we lose out on the main advantage of rail compared with air travel—that it is from city centre to city centre. These considerations should be taken into account, but I re-emphasise that agreeing that these things need to be considered is not a case for halting this project.

In conclusion, I stress that, as my noble friend Lord Monks said, HS2 has the potential to revitalise our economy, contribute to ending climate change and solve the capacity issue that frustrates the main lines—but a project of such enormous cost must be of benefit to communities across the United Kingdom, not just to those in London and Birmingham. There are worrying reports that the line may serve only our country's first and second cities. That would be an abject failure to deliver on the improved connectivity the Government have so long promised. I absolutely agree with my friend Andy Burnham that:

“We cannot have a situation where there is a gold-plated railway service between London and Birmingham and a brass-plated one between the Midlands and the North. That will widen the North-South divide, not close it.”

It must be built alongside widespread electrification, the reopening of closed railway stations and the construction of new lines.

The issue at the moment is that many feel HS2 is an irrelevant project that will have no impact on their life, positive or negative. If we pair HS2 with wider improvements, we can use the project as a catalyst to revitalise our railways in a way that can regenerate communities, tackle climate change and boost our economy.

5.41 pm

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con): My Lords, what an excellent debate. I thank all noble Lords for their thoughtful contributions and give special thanks to my noble friend Lord Forsyth, who I understand is not feeling too well—I wish him all the best in his recovery—and his committee for their thorough and detailed report.

As many noble Lords have pointed out, HS2 is a very significant investment. If it proceeds, it will probably be the largest infrastructure project in Europe. There are pros, cons and a multitude of other considerations. Many noble Lords have cited the advantages and benefits of the project. It will unlock much-needed rail capacity, particularly for commuters as trains shift from the express lines and free up commuter capacity. It will improve connectivity between big cities and

locally, as I will come on to. It will support housing growth and provide 30,000 jobs and 2,000 apprenticeships. But I was heartened to hear many noble Lords today focus on the skills side of these projects. It is essential that we continue to revitalise and regenerate our workforce, and these sorts of skills will be absolutely essential as we move forward.

Other noble Lords have voiced their concerns. It is a substantial investment; we need to make sure that the returns justify the financial commitment. What are the forecast costs? They have been subject to intense scrutiny and revision. Construction of HS2 will affect many home owners and landowners all along the route for many years and, despite significant planned mitigation, it will inevitably have an impact on habitats and woodland along the route.

The decision of whether and how to proceed with HS2 is not an easy one, but it must be made. Unfortunately, the noble Baroness, Lady Randerson, will be disappointed to hear that I am not going to make it today. I would love to. Noble Lords have made powerful arguments on both sides of the debate and now the Government will decide: does the project go ahead or does it not? If it does, should there be changes to the existing plan? That is why the debate today on my noble friend's report is particularly timely.

We will make the decision in February. In doing so, the Government will consider the independent advice, commissioned in August last year, provided by Doug Oakervee and his panel. The department received the draft report before Christmas, and we will publish the full report. The Government will also consider reports such as the one that is being debated today, and the personal views of the noble Lord, Lord Berkeley, alongside other voices from the independent panel, such as the Mayor of the West Midlands, Andy Street.

The Economic Affairs Committee's report offers a detailed analysis of the project and highlights some opportunities for rethinking HS2. It has been pointed out that there are opportunities for rethinking major projects, and they must not be dismissed. The report is based on evidence from a considerable number of experienced witnesses, and it makes clear recommendations to the Government. I will try to focus on some of the issues that it raises.

The first issue I will turn to is Northern Powerhouse Rail, which is a really long title so I will call it NPR, and rail investment in the north. This has been noted of course by my noble friend Lord Forsyth, but also by many other contributors. The report reiterates the importance of NPR and the Government wholeheartedly agree. Indeed, we committed to it in our manifesto. We have also been clear—indeed, the noble Lord, Lord Faulkner, quoted me—that it is not a case of either/or when it comes to HS2 and NPR. There are many advantages to the connectivity offered by both.

We agree that there is an urgent need for rail investment to improve connectivity, journey times and frequency between northern towns and cities. In summer 2019 it was agreed that the first stage of NPR would be a new line between Leeds and Manchester. The Government are now working at pace with Transport for the North—TfN—on the detailed next steps that we need to get done. We will announce them in partnership with TfN

[BARONESS VERE OF NORBITON]

in due course. NPR is of course in addition to the Great North Rail Project, which is already under way, and increasing the network's capacity and supporting additional services.

I have heard quite frequently today noble Lords saying, "Hurry up. Get it done. Why can't you just get it done?" I would have said exactly the same thing had I not become a Transport Minister. Many noble Lords know as well as I do that designing, planning, constructing, consulting and surveying for a railway takes a very long time. To a certain extent, construction is the easy bit; it is the bit that can be done towards the end. That is certainly the case with roads, where the road will take seven or eight years, but you can build it in about 18 months. It is everything that goes before it that takes the time.

I wish we could hurry up through this, but I do not think that the noble Baroness, Lady Bennett, would be happy, because we would be rushing our environmental surveys, and that would be no good at all. We would not be talking to local stakeholders, and that would be no good at all. So we have to go through the process. NPR, much as many of us would wish that it was not, is at a very early stage in the process. It is currently no more than a Sharpie line on a map. We have to move it forward and we are working at pace to do so, but I am not going to lie; it will be quite some time before the first customers can board an NPR train.

The committee suggested that construction of HS2 should begin in the north rather the south. The original rationale for beginning building in the south was one of capacity. The capacity constraints are currently most keenly felt on that stretch of line. I have been on that line quite a few times recently, and certainly the 8.05 to Birmingham is a little cramped. In fact, it is very cramped. We are now at a stage where the new capacity will not come online for quite some time. That is why we started in the south. Parliament has already provided the powers to build the railway between London and Birmingham—so, if this project is going ahead, we might as well crack on with that. The process for the northern sections of the current proposals is a little behind that of the southern section because the legislation, in the shape of a hybrid Bill, is not yet before your Lordships' House or the other place.

Several noble Lords made comments about hybrid Bills. It is probably beyond the scope of today's debate, but I would be happy to hear ideas on whether hybrid Bills are suitable ways to take projects such as this forward, and what alternatives we might consider in the future for major infrastructure projects. To change the phasing of HS2 might cause delay, and I am not sure that is a good idea. It could cause additional costs and leave quite a number of property owners in limbo.

Despite the report being thorough and detailed, there is one notable omission, as noted early in the debate by the noble Lord, Lord Hunt of Kings Heath; the Midlands have been forgotten and are not included. I am sure this was not intentional; the Midlands are incredibly important and benefit from HS2. We are also committed to progressing other investment in the Midlands, such as the Midlands rail hub, which will improve connectivity for passengers and freight, this

time going east to west. East-west connectivity is essential, as was noted by the noble Baroness, Lady Randerson, and the hub will benefit places such as Leicester, Nottingham, Derby and Coventry.

That is not all. Noble Lords will have heard me say before that we are investing £48 billion in our existing rail network between now and 2024. We are looking at rail connectivity between Oxford and Cambridge, for example, and we have committed £500 million to restoring train lines and reopening stations, in a programme of so-called Beeching reversals which will help reconnect smaller towns, improving local economies and accessibility to jobs.

Several noble Lords made the point about upgrading the existing network to deliver some capacity release. Unfortunately, other noble Lords mentioned the enormous disruption that maintenance and enhancement of the existing network can lead to. Sometimes it is deemed worth while, but it is very difficult, and historically, particularly around HS2, we have looked to new builds rather than upgrading existing lines.

I turn to the analysis of the costs and benefits of HS2. The report is critical of the methodology supporting the HS2 cost-benefit analysis. I have listened very carefully to noble Lords. The Department for Transport is proud of the guidance that we use to model and appraise economic and strategic cases, which is widely respected internationally. We can hold our head high when talking about our skills in that area. However, we remain eager to test new appraisal methods. Again, I am happy to be pointed to any papers that noble Lords may have read recently on how the department could improve its appraisal system. Our benefits appraisal focuses on those benefits that can be easily and robustly monetised. The results must then go through the checking process, so the whole insurance process sits above the appraisal process. It is conservative, and some of the long-term benefits are not taken into account because they are very difficult to monetise. You are between a rock and a hard place; if you try to monetise them and are wrong, you will get into trouble, but also if you do not monetise them, you are going to get into trouble. However, I understand that we need to look at increasing the benefits that we try to monetise. More information will be published in due course. Should the project go ahead, I would expect a full business case to be published, which would contain quite a bit of other information.

Points were raised by the noble Lord, Lord Adonis, around the stop-start nature of infrastructure projects. I completely agree. As the Roads Minister, I am very pleased that we have long-term funding now. We can see where our infrastructure is going to go, particularly on our strategic road network. That means that we can plan more effectively. We are beginning to do that with rail as well. Certainly, having reviews that stop a project is sometimes not hugely helpful.

However, I want to comment on the benefit-cost ratio. It would be easy as a Transport Minister to ask for all projects to be sorted by benefit-cost ratio and just pick the top one. That would make my life really easy but of course, life does not work like that; other considerations need to be taken into account. Historically, as I am certainly finding, investment begets investment. You get greater benefits in higher productivity areas,

so they will get more investment. Does that mean that you ignore the places with lower productivity? Of course not, but how do you make the decision about where you put that investment? It is not as simple as straight BCR. We recognise that and we take other considerations into account.

On the costs and the schedule for HS2, my right honourable friend the Transport Secretary, Grant Shapps, said that there is no future in obscuring the costs, benefits and timetable of HS2. As noble Lords will know, on the first day back in Parliament after the Summer Recess, he published the independent stock-take from the chairman of HS2. The chairman stated that he does not believe that the scheme can be delivered within the budget of £55.7 billion at 2015 prices; he estimated a range of £72 billion to £78 billion at 2015 prices. But he also said that the benefits had been substantially undervalued.

It is worth noting that all the figures I quoted are in 2015 prices and therefore compare apples with apples. Some in the HS2 commentating space do not follow that convention, which is sometimes not very helpful. But of course, they are not trying to be helpful. I tend to try to talk about things in consistent prices, so we know whether things are comparable. Regarding the schedule, the chairman said that, in line with other major transport infrastructure projects, he proposes a range of start dates rather than a specific one. He is looking at 2028 to 2031 for phase 1, and 2035 to 2040 for the section between Manchester and Leeds.

It is worth pausing for a moment to consider the quantum of the numbers being bandied around and the duration, and perhaps do some rough and ready maths. I know that at this point some noble Lords may say, “It is capital, not revenue”. I get that, but if we consider the highest cost and the longest construction period from the chairman’s stock-take—£78 billion over 20 years—that is an average investment of just under £4 billion a year, which equates to about half a percentage point of annual government spending.

So, where are we now? The Department for Transport has provided the latest estimates on costs, and the schedule, to the National Audit Office as part of its review. I understand that the NAO will publish a report tomorrow. The Secretary of State remains committed to transparency and will provide further information once the Government have concluded their decision-making process on whether and how to proceed with HS2.

A number of noble Lords mentioned cost savings and what we might do, and I will try to touch on a couple if time allows. Of course, we must control our costs, but we must also consider that sometimes, when a cost is reduced the benefit is reduced, and not all cost reductions are neutral. I very much appreciated the contributions from all noble Lords, but especially that of my noble friend Lord Howell—I will ensure that the HS2 Minister is aware of his advice—and of the noble Lord, Lord Mair, who spoke about using innovation in HS2 to reduce costs.

Many noble Lords mentioned reducing the operating speed of the scheme, and I agree that the emphasis on speed has been utterly misplaced. I have said before in your Lordships’ House that the project might benefit

from a rebrand. Its name has detracted from wider intended benefits—capacity, connectivity, getting capacity out into the constrained network. We know that the west coast main line is almost closed to new peak-time train paths. Unfortunately, the west coast main line is currently operating at beyond its design capacity, and that leads to maintenance and reliability issues. If we are to reduce our carbon footprint, we must encourage modal shift; yet, if we do not have the capacity, we cannot do that. Therefore, it is right to question speed and it must not be done in isolation, without considering the disbenefits. We must also be aware that it could offer worse value for money. The debate on reducing the speed is not new. It is an area about which we have asked the Oakervee review to advise the Government.

Another area of challenge has been the number of trains per hour, mentioned by the noble Lords, Lord Hollick and Lord Berkeley. The project is being designed and built for a high frequency from the start, with track and station layouts that support this level of service. Other high-speed railways—for example, in France—now operate at a higher frequency than they were originally designed for, and the ability to increase their service levels further is being constrained by legacies of the original design. HS2 will have an advanced signalling system that allows trains to more safely travel closer together.

My noble friend Lord Forsyth mentioned the Old Oak Common terminus. I must be truthful in that, although I know where Euston station is, I had to google Old Oak Common. It is perfectly well located. It is a little far out from the centre of town—let us be honest—but it must be considered, along with the reduction of costs and whether there are any disbenefits in going there. Previous analyses have warned of the pressure on the Elizabeth line and the lack of resilience should the Elizabeth line be closed for whatever reason. Passenger modelling shows that a third of HS2 passengers would get out at Old Oak Common.

My noble friend Lady Neville-Rolfe mentioned the UK construction industry. It is absolutely critical and I agree with her. The UK construction industry has a reputation for being fragmented and prone to contractual dispute, and it also suffers from low productivity compared with Europe and other engineering sectors. Those are the two reasons why major infrastructure projects are traditionally more expensive in the UK than in Europe. We have to increase our productivity but we also have to retain the skills within the system.

I will write with answers to a few other questions but, in drawing to a close, I add a final thought which perhaps builds on the comment from the noble Lord, Lord Grocott. Thinking back nearly 200 years to the 1830s, our predecessors were here debating not one, two or three but four new major train lines. Over a period of nine years, four of the lines that form the vast part of our national railway today opened for traffic. I have no doubt that at that time there were challengers, critics and naysayers, but I doubt that they had any idea of the impact that their determination and courage would have on their children’s generation and many generations thereafter. So perhaps we build railways for our children and our children’s children. I, for one, am grateful to those Victorian pioneers for giving us the routes that we have today.

6.02 pm

Lord Forsyth of Drumlean: My Lords, we have had a very good debate. On the subject of Victorian pioneers, my noble friend might recall that when Prince Albert set up a commission for the Great Exhibition, he insisted that no one should be charged more than a penny, that it should make a profit and that it should be completed on time—and indeed it was. And not only did it make a profit but the surplus was used to build the Victoria and Albert Museum and the Science Museum, and there was money left over that is still providing bursaries to art students. So it is a bit unfair to present the Victorians as being unable to carry out great projects and bring them in within time and within budget.

We have had an extremely good debate, which mirrored what went on in the committee. The key issues are: is it really necessary at this stage to make the link to Euston, and what are we going to do if the costs overrun? Several noble Lords talked about costs: the noble Lords, Lord Hollick, Lord Rodgers, Lord Fairfax, Lord Turnbull and Lord Truscott, as well as my noble friend Lord Howard, who told us about salaries—which tended to suggest that there was a gravy train as well as a fast train—and the noble Lord, Lord Mair, who told us about the opportunities to use technology on costs. All those noble Lords emphasised the importance of costs. The committee, when we looked at this continuing escalation of costs, was concerned—as the noble Lord, Lord Collins, and the noble Baroness, Lady Kramer, said—that it is not “either/or”. Our concern, as has happened so many times, was that, if the costs get out of control, the Treasury will cut the project. Almost every speech has been in support of infrastructure in the north. My noble friend Lord Astor, and the noble Lords, Lord Berkeley and Lord Shipley, all emphasised how important it is that this work in the north should be carried out.

Many speeches pointed to the environment. My noble friend Lord Randall, the noble Baroness, Lady Young, and the noble Lord, Lord Faulkner, all emphasised its importance. This is where cost and the environment come together. If we reduce the speed of this thing, as the noble Baroness, Lady Young, pointed out, there is then wobble room to enable important environmental assets to be saved, because it is not necessary to travel in a straight line.

Baroness Young of Old Scone: I thank the noble Lord for giving way. I would hate for him to call it “wobble room” on a train. I think I said “wobble room”. One must get these technical terms right.

Lord Forsyth of Drumlean: One person’s wiggle is another’s wobble. I am not sure that either is a technical term but we got the gist of what the noble Baroness meant. She and my noble friends Lady Neville-Rolfe

and Lord Howell made this point about the importance of avoiding straight lines, which comes with a reduction in speed.

What was really interesting about the response from my noble friend the Minister is that she gave an absolute assurance that we will get a decision from the Government in February. So, within five weeks we will be told what is happening; whatever is happening, that will end the uncertainty and we can get on with whatever they have decided—and her speech left ample opportunity for them to decide almost anything at all.

The noble Lord, Lord Adonis, in a very powerful speech, argued strongly that we should not seek to challenge decisions taken in 2016—I wish he had taken that view on other decisions taken in 2016—which was a view shared by the noble Lords, Lord Shipley and Lord Kerslake. The noble Baroness, Lady Kramer, made the important point, echoed by my noble friend Lord Framlingham, that one of the problems with this project has been the breakdown in trust and the lack of transparency. Whatever the Government decide next month, I hope we will have a much more open dialogue about the progress of this project. It seems to me that the opportunities are to tackle the question of speed, to defer the link to Euston and, most importantly—something the Minister’s reply did not deal with, but as recommended by the committee—to ring-fence the expenditure in the north; it should be absolutely clear that it is part of this project that is not open to being sacrificed.

Having listened to the debate, I believe that there is a consensus in this House not to cancel the project but to get a grip on the costs and the environmental damage that has been done, and to deliver with certainty the infrastructure that is needed east, west, in the north of England and, indeed, in the Midlands. Of course, I regard the north as the deep south, as I come from Scotland. I have avoided the temptation to talk about the links to Glasgow or Edinburgh, where the ability to wiggle or wobble around the mountains of the Lake District and elsewhere is distinctly limited. I am most grateful to everyone who participated in the debate. I am sorry that I have not had time to mention everyone. I am most grateful to colleagues for staying so late on a Thursday evening.

Motion agreed.

Royal Assent

6.09 pm

The following Act was given Royal Assent:

European Union (Withdrawal Agreement) Act.

House adjourned at 6.09 pm.