

Vol. 809
No. 174



Monday
18 January 2021

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

Questions	
International Soft Power Strategy: Role of BBC.....	977
Airports National Policy Statement	980
Circular Economy and Elimination of Waste	984
Nagorno-Karabakh	988
Coronavirus Job Retention Scheme: Working Parents and School Closures	
<i>Private Notice Question</i>	991
Trade Bill	
<i>Third Reading</i>	996
Mental Health Act Reform	
<i>Statement</i>	1013
Non-Domestic Rating (Lists) (No. 2) Bill	
<i>Second Reading</i>	1026
Non-Domestic Rating (Public Lavatories) Bill	
<i>Second Reading</i>	1072

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

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

This issue of the Official Report is also available on the Internet at <https://hansard.parliament.uk/lords/2021-01-18>

In Hybrid sittings, [V] after a Member's name indicates that they contributed by video call.

The following abbreviations are used to show a Member's party affiliation:

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

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

© Parliamentary Copyright House of Lords 2021,
*this publication may be reproduced under the terms of the Open Parliament licence,
which is published at www.parliament.uk/site-information/copyright/.*

House of Lords

Monday 18 January 2021

The House met in a hybrid proceeding.

1 pm

Prayers—read by the Lord Bishop of Bristol.

Arrangement of Business Announcement

1.06 pm

The Lord Speaker (Lord Fowler): My Lords, the Hybrid Sitting of the House will now begin. Some Members are here in the Chamber; others are participating remotely, but all Members will be treated equally.

Oral Questions will now commence. Please can those asking supplementary questions keep them short and confined to two points? I ask that Ministers' replies are also brief.

International Soft Power Strategy: Role of BBC Question

1.07 pm

Asked by Lord Wallace of Saltaire

To ask Her Majesty's Government what assessment they have made of the role of the BBC in their international soft power strategy.

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): My Lords, the BBC plays an important role in promoting our values globally through its independent and impartial broadcasting. It is a central part of British soft power and influence. The role of soft power is being considered as part of the integrated review of security, defence, development and foreign policy. This will be informed by the conclusions of the cross-government work already undertaken on our strategic approach to this area.

Lord Wallace of Saltaire (LD) [V]: My Lords, what steps are the Government taking to co-ordinate their domestic approach to the BBC with their international soft power strategy? Does the Minister not consider that the repeated criticism of the BBC by Ministers, including the Prime Minister, and the right-wing press weakens the standing of the BBC and its reputation abroad?

Lord Ahmad of Wimbledon (Con): My Lords, as I already said in my original Answer, we recognise as a Government the important role the BBC plays and continue to support its work around the world. Since 2016, the Government have invested heavily in the BBC, with over £370 million of funding. We continue to recognise the important role it plays on the world stage.

Lord Austin of Dudley (Non-Aff) [V]: My Lords, the BBC is the world's most trusted broadcaster and its work in promoting values such as democracy, freedom and the rule of law is crucial when Chinese and Russian state-funded propaganda channels, with no commitment to accuracy or impartiality, are building large audiences in Europe, across Africa and Asia, and beyond. Will the Government commit to maintaining the funding they provided to introduce new and enhanced services—including the Russian service—after it runs out in September? Any cuts could put this work at risk, undermining the promotion of our values abroad.

Lord Ahmad of Wimbledon (Con): My Lords, I agree with the noble Lord on the important role that the BBC plays. Funding is of course being considered alongside other FCDO spending priorities, as part of the 2020 spending review, but I would add that I also agree with him on the importance of new language services. During the previous period that I mentioned, between 2016 and 2020, the BBC has already launched 12 new language services supported by the Government.

Baroness Anelay of St Johns (Con) [V]: My Lords, our International Relations and Defence Committee report, published last week, welcomes BBC World Service provision of impartial information in three languages in Afghanistan. Does my noble friend agree that this work is important, because it contributes to fostering a more open society in which women can be empowered, and that the Government should maintain their financial support?

Lord Ahmad of Wimbledon (Con): My Lords, I agree with my noble friend and, through her role as chair, congratulate the committee on its important report. The FCDO is supportive of the BBC's delivery of impartial and trusted news to Afghanistan. I spoke to the Foreign Minister of Afghanistan this morning on the importance of the role of women, in particular when it comes to peacebuilding. We believe that the BBC, particularly its BBC Pashto platform, is an important part of doing just that.

Baroness D'Souza (CB) [V]: My Lords, despite the proliferation of online news services, millions across the world turn towards the BBC World Service for accuracy and balance. Are Her Majesty's Government planning to severely limit this most powerful of all soft power instruments, or will the current level of funding be guaranteed beyond September 2021?

Lord Ahmad of Wimbledon (Con): My Lords, I have already partially answered the question on funding. However, let me reassure the noble Baroness that we remain committed to the BBC, as has been demonstrated by our support for the 12 new language services over the period from 2016 to 2020.

Lord Mendelsohn (Lab) [V]: My Lords, the Government's welcome and important funding of the World Service beyond the licence fee has more than achieved its objectives with a greater number of language services, double-digit audience growth and ever-higher trust ratings. Does the Minister accept that this unique world-leading asset for the UK is the right vehicle for further and larger support to achieve our vital national

[LORD MENDELSON]
interest of combating disinformation and the use by hostile actors of dishonesty to undermine the stability of democracies?

Lord Ahmad of Wimbledon (Con): My Lords, I fully recognise what the noble Lord has said about the important role that the BBC World Service plays, for the very reasons that he says.

Baroness Bonham-Carter of Yarnbury (LD) [V]: My Lords, I welcome the words of Richard Sharp, the newly appointed chair of the BBC, that it is “part of the fabric of all our national identities”.

Does the noble Lord the Minister agree? And does he agree that a globally strong and domestically supported BBC is massively in the national interest? I am afraid I have to press the Minister. Will the Government commit to sustaining their investment in the BBC World Service which has reaped such great rewards?

Lord Ahmad of Wimbledon (Con): I agree with the noble Baroness in her opening remarks. On the issue of finance, we are currently reviewing FCDO priorities. She may press me, and she is entitled to, but I cannot give a specific answer at this time.

Baroness Fall (Con) [V]: Now that we have cut our ties with the EU, we need to be more, not less, focused on how we maximise our influence around the world. We have many assets at our disposal: a strong economy, our aid budget, our military, our membership of many influential bodies and we are chairing the G7 and COP 26 this year. However, our language and how we deploy it through the likes of the BBC World Service and BBC World News remains one of our greatest assets, as others have already iterated in this debate. I ask the Minister to reassure us that, as we look to review the licence fee, we do not cut funds to these most valuable assets—especially as we are competing with state media outlets from the likes of China and Russia.

Lord Ahmad of Wimbledon (Con): I have listened very carefully to my noble friend and I agree with her. Like many noble Lords, indeed all noble Lords, I welcome the role the BBC continues to play, and the Government are very supportive. I take specific note of the concerns raised on the issue of funding. I am sure the input from today’s questions will feature in our thinking as we move forward on the future funding of the BBC World Service.

Baroness Bakewell (Lab) [V]: My Lords, we live in times of fake news. “Fake news” is an allegation made by the President of the United States against the media in America. Will this Government pledge and make public their support of the BBC as a trustworthy news source?

Lord Ahmad of Wimbledon (Con): My Lords, I believe I have already done that several times today, and I will continue to do so.

Baroness Coussins (CB): My Lords, can the Minister update the House on action taken by the Government to protest about and bring an end to the systematic

persecution by Iranian authorities of the BBC’s Persian service journalists and their families, both in the UK and in Iran?

Lord Ahmad of Wimbledon (Con): The noble Baroness raises a very important point. I reassure her that we consistently raise the important role of journalists within Iran with the Iranian authorities. Let me also reassure her that, as she will know, media freedom and protecting journalists around the world is a key Government priority.

Baroness Hooper (Con) [V]: My Lords, in underlining everything that has been said about the importance and value of the BBC’s foreign language services, may I turn to the need to increase trade with Latin American countries? Are there any plans to build on the success of the BBC World Service’s Spanish-language Latin American service BBC Mundo? For our home consumption, will the Minister press the BBC to increase positive coverage of events in the region? I must confess that I often have to switch to Al Jazeera to get the wider picture.

Lord Ahmad of Wimbledon (Con): I take note of what my noble friend has said. In looking towards what is now global Britain and our support, I am sure that the BBC and its valuable service will be part of our thinking as we strengthen our approach to trade and other areas around the world.

Baroness Smith of Newnham (LD) [V]: My Lords, does the Minister envisage that the soft power strategy that was anticipated will ever be produced, or has it been subsumed into the integrated security and defence review? Where will the BBC World Service fit into that?

Lord Ahmad of Wimbledon (Con): As I have already said, the integrated review is a vital part of that, and all these component elements will be in the announcement of the findings of the integrated review. The BBC World Service provides an important source of communication and information, as we have heard from noble Lords, and it will continue to be part of our thinking. The issue of soft power around the world is a key part of what we do. Whether we look at the BBC, some of our scholarships or global Britain’s place in the world through the Commonwealth, all of these are part and parcel of our soft power strategy and part of what will feature in the announcement of the integrated review.

The Lord Speaker (Lord Fowler): My Lords, all supplementary questions have been asked. We now move to the second Oral Question.

Airports National Policy Statement *Question*

1.18 pm

Asked by Lord Randall of Uxbridge

To ask Her Majesty’s Government, further to the report by the Climate Change Committee Sixth Carbon Budget: *The UK’s path to Net Zero*, published on 9 December 2020, what plans they have to review the Airports National Policy Statement.

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con): My Lords, on 16 December 2020, the Supreme Court overturned the earlier Court of Appeal decision and declared:

“The airports national policy statement is lawful”.

The Government are carefully considering the court’s judgment. We take seriously our commitments on the environment and reducing greenhouse gas emissions, and we will consult on an aviation decarbonisation strategy in due course.

Lord Randall of Uxbridge (Con) [V]: I draw attention to my entries in the register. I thank my noble friend for her not entirely unexpected answer. However, will she agree with me that, especially in this year of the UK hosting the COP 26, our aviation expansion policy should be re-examined? Does she agree with the sixth carbon budget that any future expansion plans in London should be balanced by reductions in capacity elsewhere in the UK, which will not be good news for a levelling-up agenda, never mind our commitment to net zero by 2050?

Baroness Vere of Norbiton (Con): I agree with my noble friend that this year is very important in terms of ensuring that we capitalise on our role as president of COP 26 and establish the sixth carbon budget in law, which will be done by June 2021. The role of international aviation within that is being very carefully considered by my department.

Lord Lilley (Con): My Lords, of all the ways of restricting carbon dioxide emissions from air travel, is not restricting the capacity of airports the silliest? Its main consequence would be that more planes would be stacked up above busy airports, using more fuel, and all other flights to those destinations would have to carry more fuel just in case they were stacked up too.

Baroness Vere of Norbiton (Con): I agree with my noble friend that there are many ways that we can tackle carbon emissions. He mentions stacking. That is why we are taking forward the airspace modernisation plan, which will have capacity benefits for airports, reduce costs for airlines and reduce delays for passengers—because stacking will become a thing of the past.

Lord Krebs (CB) [V]: My Lords, will the Minister tell us whether the Government accept the climate change committee’s recommendation that international aviation emissions should be formally included in the UK climate targets when setting the sixth carbon budget? These are real emissions and account for 7% of the UK’s greenhouse gas emissions; by 2018, they had increased by 88% above 1990 levels.

Baroness Vere of Norbiton (Con): As the noble Lord will know, the climate change committee published its report on 9 December, which is not that long ago, and Christmas was in the intervening period. We are looking very carefully at the recommendations. International aviation emissions is a very knotty problem which

can lead to unintended consequences if countries act unilaterally. We really need to see international action, and the UK is at the forefront.

Lord Faulkner of Worcester (Lab) [V]: My Lords, does the Minister recall that, when the Prime Minister made his extremely welcome announcement on 11 February that the Government were proceeding with HS2, he said:

“Passengers arriving at Birmingham Airport will be able to get to central London by train in 38 minutes, which compares favourably with the time it takes to get from Heathrow by taxi”—*(Official Report, Commons, 11/2/20; col. 712.)*

In view of that, can the Minister give a commitment that her department will look very carefully at HS2’s potential for shifting traffic from domestic flights to trains, as that would make a huge difference to the carbon emissions target?

Baroness Vere of Norbiton (Con): The noble Lord is absolutely right that HS2 will provide huge benefits and may well lead to some people choosing to make a domestic train journey rather than taking a domestic flight. He is also right that it connects Birmingham Airport to north-west London in particular; I am sure the residents there will appreciate that.

Baroness Randerson (LD) [V]: Within the transport industries there is a growing consensus that travel patterns will change post-pandemic, with greater emphasis on leisure travel. Some 60% of Heathrow’s customers were business passengers, but we all use Zoom now. Heathrow expansion was already a white elephant before the pandemic. Does the Minister accept that it must now be reassessed, applying modern environmental standards?

Baroness Vere of Norbiton (Con): Any expansion by Heathrow would already be assessed according to modern environmental standards because, of course, the ANPS is future-proof: London Heathrow must show that its plans are compatible with updated carbon targets and international obligations before it can obtain a DCO for the project.

Baroness Blower (Lab) [V]: My Lords, regarding the path to net zero, it is likely that a significant number of the roughly 223,000 jobs in the aviation sector may be lost. What is the Government’s strategy to replace them with sustainable jobs in an environmentally sustainable aviation sector? Now that the Government are providing further support—paid, of course, by the taxpayer—why are they failing to attach conditions, including banning the “fire and rehire” tactics used by aviation companies to push through wage cuts for already low-paid workers?

Baroness Vere of Norbiton (Con): I am less pessimistic than the noble Baroness about the future of the aviation sector. The Government are working very closely with it both as it recovers from the immediate effect of the pandemic and on the medium-term strategy for regional connectivity, decarbonisation—as noted in earlier questions—and many of the other issues that are key

[BARONESS VERE OF NORBITON]
to getting people back in the skies. On the noble Baroness's comment about hiring-and-firing practices within some airlines, that is a matter for them and their human resources policy.

Lord McColl of Dulwich (Con) [V]: My Lords, as the urgent doom and gloom predictions of 20 years ago have not materialised, and as attempts to alter climate change are hugely expensive, how far have the Government got with the essential cost-benefit analysis?

Baroness Vere of Norbiton (Con): My Lords, when we look at carbon emissions, we must do so in the round: air-quality and noise considerations also need to be taken into account. All of these are important. I accept that there are investments to be made, but I believe that, in the round, whether it be on carbon, air quality or noise, these investments are worth while.

Baroness Fox of Buckley (Non-Aff): My Lords, in light of the urgent need to reinvigorate the British economy post-Covid with ambitious and large-scale infrastructure projects that will require plentiful and flexible travel opportunities, and of the previously mentioned devastating impact of lockdown measures on aviation, tourism and jobs in that sector, will the noble Baroness assure us that net zero targets will not be used as a barrier to airport expansion and rejuvenation? Will the Government discourage the eco green version of unnecessary travel rules under the guise of hectoring us to fly less, and instead encourage us to fly more, when safe to do so, whether for pleasure, holidays, business or even to attend global summits to discuss carbon reduction?

Baroness Vere of Norbiton (Con): Of course, the Government have a wide range of transport infrastructure projects that we are taking forward under the guise of building back better. The noble Baroness is right, in that there is always a balance: in the future, when aircraft emit less, it may be absolutely acceptable to take as many flights as one likes. Sometimes, we are told we should not fly, but, of course, that is just because of the carbon. Actually, flying is a very good, quick and efficient way of getting from A to B.

Lord Browne of Ladyton (Lab) [V]: My Lords, the airports NPS proceeds on the stated basis that:

"Aviation demand is likely to increase significantly between now and 2050",
and that

"Any increase in carbon emissions alone is not a reason to refuse development consent".

However, the sixth carbon budget report says quite specifically that there can be no airport expansion unless emissions from flights can be reduced to compensate. Does that not require the Government to revisit and revise the NPS, considering this new conditionality, which they have accepted?

Baroness Vere of Norbiton (Con): As I have said previously, the Government are extremely grateful for the expert advice provided by the climate change

committee. We are considering all the recommendations in its report and we will report back shortly.

Lord Oates (LD): My Lords, I welcome the Government's commitment in the energy White Paper to net zero for flights to European Economic Area countries. Therefore, could the Minister tell the House when the UK emissions trading scheme is likely to be aligned with our net zero trajectory, how it will take account of the non-CO₂ warming effects of aviation and when net zero will be applied to all aviation, regardless of destination?

Baroness Vere of Norbiton (Con): The noble Lord raises a series of questions that probably cannot be answered briefly, so I will write to him.

Baroness McIntosh of Pickering (Con) [V]: My Lords, will my noble friend undertake to keep under review airport passenger duty, which is now charged at double the amount compared to EU destinations and will act as a brake to ramping up airline travel as soon as the Covid pandemic is over?

Baroness Vere of Norbiton (Con): As my noble friend is aware, the Government are keeping airline passenger duty under review. We are aware that it has significant negative impacts, particularly on domestic flights, and we will consult in due course.

The Lord Speaker (Lord Fowler): My Lords, all supplementary questions have been covered, and we now move to the third Oral Question.

Circular Economy and Elimination of Waste Question

1.29 pm

Asked by *Baroness Boycott*

To ask Her Majesty's Government what steps they are taking to encourage (1) a circular economy, and (2) the elimination of waste.

The Minister of State, Department for the Environment, Food and Rural Affairs and Foreign, Commonwealth and Development Office (Lord Goldsmith of Richmond Park) (Con) [V]: My Lords, in the 25-year environment plan, the Government pledged to leave the environment in a better condition for the next generation, committing to eliminating avoidable waste and doubling our resource productivity by 2050. Our resources and waste strategy sets out how we will meet that commitment, moving society away from the inefficient linear economic model of take, make, use, throw to a more circular economy, where resources are kept in circulation for longer.

Baroness Boycott (CB): I thank the Minister for his Answer. I understand that the Government are going to publish a resource and waste strategy imminently—there was a policy statement last July. However, it is quite piecemeal in approach. Some 80% of the environmental impact is in the design phase, so to prevent waste we

have to look at things such as built-in obsolescence and the manufacture of white goods which can only be repaired by the manufacturer and are in fact designed to be thrown away rather than reused. Will the Government produce a proper circular economy action plan, as the EU has done, and lay out how it can be put on to the statute book?

Lord Goldsmith of Richmond Park (Con) [V]: My Lords, the Environment Bill includes powers to introduce legislation on product or eco-design—for example, to support durable, repairable and recyclable products. It will also enable us to introduce extended producer responsibility schemes for packaging and a whole range of products, as well as a deposit return scheme, or DRS, for drinks containers. We are absolutely ready to initiate a whole suite of measures that will reduce waste and remove built-in obsolescence.

Baroness Blackstone (Ind Lab): Will the Minister update the House on how the Government plan to tackle planned obsolescence? Do they favour altering consumer rights legislation, taking a regulatory approach or introducing primary legislation?

Lord Goldsmith of Richmond Park (Con) [V]: My Lords, as I mentioned, the Environment Bill includes a whole suite of primary legislation measures, which, combined, will result in a move towards a more circular economy. That means tackling built-in obsolescence and encouraging manufacturers to produce products that can either be recycled, repaired or reused. It means removing waste as a default for manufacturers and shifting the emphasis as much as possible towards the producer and away from the consumer so that products are designed in such a way as to avoid a legacy of unnecessary waste.

Lord Mackenzie of Framwellgate (Non-Aff) [V]: My Lords, I fear that the Minister has probably answered my question, but I recall that 60 years ago my father used to acquire damaged and scrapped cycles, rebuild them and sell them at auction. He was literally an early recycler, I suppose. Could manufacturers be legally required, by better design, to make access to items easier, thereby enabling the owner to repair as opposed to replace items such as domestic appliances?

Lord Goldsmith of Richmond Park (Con) [V]: Yes, subject to the consultation that I mentioned earlier, it is possible, even likely, that manufacturers will be required to manufacture products that are not simply thrown away as a default. In addition, since publishing the resources and waste strategy, we have already introduced a whole range of measures. We have consulted, for example, on major reforms to the way in which waste is managed, including DRS, extended producer responsibility and consistent recycling. We have set up pilot schemes to reduce food waste and have published proposals for targets in the Environment Bill. Our carrier bag charge has been hugely successful; it will be extended to all retailers and increased to 10p. There is a range of bans on single-use plastic straws, stirrers and cotton buds. We are not waiting for the Environment Bill to begin this process, but it will create a coherence and give us the powers that we need to go further.

The Earl of Caithness (Con) [V]: My Lords, given that prevention is better than cure and to achieve food waste elimination ambitions recommended in the CCC's sixth carbon budget, what steps is my noble friend taking to prevent household waste, beyond awareness campaigns, and to explore novel ways in which to make reducing food waste easier for households?

Lord Goldsmith of Richmond Park (Con) [V]: My Lords, my noble friend raises a really important point. The UK is fully signed up to meeting the UN sustainable development goal 12.3 target, which seeks to halve global food waste at consumer and retail level by 2030. Our resource and waste strategy committed us to better redistributing food to those in need before it gets thrown away, and we have put £15 million into that. We are consulting on mandatory food waste prevention targets for businesses and publishing a food surplus and waste hierarchy to support businesses to prevent food waste. Around 3 million tonnes of waste has been prevented since 2013 and, of that, around 2.7 million tonnes is food waste.

Baroness Bakewell of Hardington Mandeville (LD) [V]: My Lords, I was appalled to find that on leaving the EU, the UK will be exporting our plastic waste to third world countries, where it will be burned, releasing toxins into the atmosphere. I understand that countries receiving our toxic waste have the option to refuse it. Can the Minister reassure us that not only will he encourage his colleagues to ban the export of plastic waste, but he will campaign rigorously to reduce plastic waste to zero?

Lord Goldsmith of Richmond Park (Con) [V]: The noble Baroness has my commitment on both points. We recognise the problems of waste mountains in numerous countries that cannot or do not manage their waste properly. The Government have already committed to banning the export of plastic waste to countries that are not members of the OECD. In addition, the entire thrust of the Environment Bill that I mentioned earlier is designed to reduce all avoidable and unnecessary waste.

The Earl of Shrewsbury (Con): My Lords, on a related issue, is my noble friend satisfied with the functionality and efficiency of local council waste reception sites? Is he concerned, like me, that many types of waste materials taken to these sites are capable of being recycled—for instance, some plastics, shredded paper and other materials—but they are still being sent to landfill unnecessarily and perhaps in error? Perhaps guidance to the operators needs reviewing.

Lord Goldsmith of Richmond Park (Con) [V]: There is no doubt that the recycling infrastructure or approach across the country is mixed. The Government are committed to a 65% recycling target for municipal waste by 2035, which is a significant increase on where we are now. One way in which we will do that is by requiring local authorities and other waste collectors to collect the same core set of recyclable materials—including plastics, but other materials as well—from households and businesses in England from 2023.

The Earl of Clancarty (CB): My Lords, does the Minister agree that the order of change that the circular economy will effect on society must equally mean significant change in education, particularly in schools, not just in terms of content but fundamentally in classroom organisation and dynamics, with the encouragement of holistic thinking and multidisciplinary learning? Then there is the central role that design will play in future. Finland is leading on these changes, and we should be looking at this too.

Lord Goldsmith of Richmond Park (Con) [V]: My Lords, our goals in the 25-year environment plan are for zero avoidable waste, doubling our resource productivity by 2050 and reducing greenhouse gas emissions and impacts on nature relating to waste, as well as enhancing our resource security. One way in which we will be able to do that is by ensuring that the educational system—by which I mean not just what children are taught but the environment in which they are taught it—promotes an understanding and appreciation of the value of resources and the damage of resource waste. Education awareness is a key component; it is already a key component in the litter strategy for England. I believe that 80% of schools in England are already members of the eco-schools programme, and we are pushing hard to increase that. There are numerous other resources available for schools as well.

Baroness Jones of Whitchurch (Lab) [V]: My Lords, WRAP has recommended that as we recover from the economic impact of Covid, government financial support to businesses should focus on remanufacturing and repair, which will generate new jobs and tackle structural unemployment. Does the Minister agree with that approach? What is he doing to deliver that investment, which, of course, will need to take place with other departments?

Lord Goldsmith of Richmond Park (Con) [V]: I certainly agree with that assessment, and the Government do too. Reusing and repairing products saves people money. Low-income households saved, we believe, £468 million in 2019 through reuse and repair. Widespread adoption and circular economy business models have the potential to add around £75 billion in gross value added to the UK economy, according to WRAP. It also believes that moving to a more circular economy, including recycling, could create around half a million jobs across all skill levels and regions in the UK. This is central to what we are attempting to achieve through our waste strategy and via the Environment Bill, which will facilitate the changes that are needed.

Baroness Scott of Needham Market (LD) [V]: My Lords, electronic waste is an enormous problem, particularly given the speed at which we replace our devices. One of the main barriers to recycling is a concern about the security of those devices. Will the Minister give some urgent thought to how to support and extend initiatives to make devices secure and get them out to schools and other settings where they are badly needed?

Lord Goldsmith of Richmond Park (Con) [V]: UK law can already be used to set requirements in relation to electronic equipment: on durability, repairability

and recyclability. BEIS has run a call for evidence, which will be completed in June. Following that, BEIS and Defra have commissioned research to prioritise energy-related products for future eco-design regulation. I cannot confirm whether that work covers the security aspect that the noble Baroness raised, but I will write to her on that specifically following this session.

The Lord Speaker (Lord Fowler): The time allowed for this Question has elapsed.

Nagorno-Karabakh Question

1.41 pm

Asked by **Baroness Cox**

To ask Her Majesty's Government what assessment they have made of the situation in the Nagorno-Karabakh region.

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): My Lords, the Minister for the European Neighbourhood has spoken four times to the Armenian and Azerbaijani Foreign Ministers, most recently in November, when she welcomed the cessation of hostilities. We recognise that both sides have had to make difficult decisions to ensure the safety and security of their citizens. We of course remain deeply concerned by allegations of war crimes, desecration of cultural heritage and the humanitarian situation, and continue to raise these with all concerned parties.

Baroness Cox (CB) [V]: My Lords, I thank the Minister for his reply. However, is he aware that, despite the ceasefire, reports continue of atrocities perpetrated by Azerbaijani forces on Armenian military and civilian prisoners? During and since my visit, I have seen videos and photos of mutilations, torture and killings—there have been beheadings of Armenians—and heard of Azeris taking phones from prisoners, filming their torture and killings and sending these back to their families. Will Her Majesty's Government act with great urgency to ensure that Azerbaijan is called to account for the continuing, well-documented atrocities, or will they allow Azerbaijan to maintain impunity?

Lord Ahmad of Wimbledon (Con): My Lords, I assure the noble Baroness that we continue to raise these issues at the highest level. My honourable friend Minister Morton, as well as my right honourable friend the Foreign Secretary, are fully engaged on this agenda. We are, of course, supporting the OSCE Minsk co-chairs in this regard. On a positive note, we also welcome the recent news of an exchange of prisoners of war that took place on 14 December. However, atrocities need to be fully looked at and investigated.

Lord Anderson of Swansea (Lab): My Lords, Nagorno-Karabakh remains a frozen conflict and a continuing danger to regional peace. So far, our role has been limited, if not irrelevant. Can the Minister say whether we shall concentrate on human rights, religious toleration and the protection of civilians and religious sites?

Lord Ahmad of Wimbledon (Con): My Lords, I assure the noble Lord that the points he made are important areas to consider, not just in this conflict but in any conflict. I also assure him that those very points have been made in all our exchanges, with both sides. We have also emphasised the unfettered access of the ICRC to the region.

Baroness Northover (LD): My Lords, following up on that, can the Minister tell the House what access the ICRC and other international bodies are being given in the area, to guard against feared ethnic cleansing? What follow-up might there be to independently investigate possible war crimes committed by either side?

Lord Ahmad of Wimbledon (Con): My Lords, as the noble Baroness may know, on 30 October, the Foreign Secretary announced £1 million of funding to the ICRC to support its humanitarian efforts in this regard. We are working with international partners on the issue of access, to ensure that all people across the region receive the aid they require. It is important that crimes are fully investigated in any conflict, anywhere in the world. That is why we are very supportive of the work by the co-chairs of the Minsk Group of the OSCE in this respect.

Lord Pickles (Con) [V]: My Lords, following the recent ceasefire, Turkey suggested that it might deploy peacekeepers to the region. Does my noble friend agree that it is a prerequisite of a peacekeeper that they should enjoy the confidence of both sides? This is clearly not the case. What discussions have my noble friend and the Government had with the Turkish Government, our NATO partner, about how they might use their facilities to reduce tension within the region and ensure co-operation, so that those who have perpetrated war crimes and acts against humanity are brought to justice?

Lord Ahmad of Wimbledon (Con): My Lords, I agree with my noble friend on the principle that peacekeepers need to have the support of all sides to the conflict. My right honourable friend the Foreign Secretary and the Minister for the European Neighbourhood have engaged directly with their Turkish counterparts on the specific issue of Turkey.

Lord Curry of Kirkharle (CB) [V]: My Lords, we all share a deep concern and revulsion at the extent of these atrocities and lots of words have been spoken. However, it still appears that not enough pressure has been brought to bear to try to resolve this issue. Can the Minister confirm what international conversations he has had with the UN and others to bring more pressure to bear to resolve this dreadful situation?

Lord Ahmad of Wimbledon (Con): My Lords, discussions have taken place at all levels. I have already mentioned the support given at the OSCE. There have also been discussions on this at the UN Security Council. The important thing is that the cessation and peace deal that has been negotiated holds, that there is a return of prisoners and that, ultimately, there can be peace in a region which has suffered from conflict for too long.

Lord Collins of Highbury (Lab): My Lords, I have two quick points. Picking up on the question of the noble Baroness, Lady Northover, the Parliamentary Under-Secretary of State at the FCDO confirmed last month in a Written Answer that she had discussed humanitarian access with Russian Deputy Foreign Minister Titov. Can the noble Lord tell us a bit more about the outcome of those discussions? Also, last October we had an announcement of £1 million going to humanitarian support. Can he update us on how that money has been distributed, and on what success the United Kingdom has had in encouraging others to give humanitarian support?

Lord Ahmad of Wimbledon (Con): My Lords, if I may, I will write to the noble Lord on the impact of the £1 million. On discussions, we are of course raising the need both for support for all refugees in this context and for support within the region. We continue to impress on all authorities the key issue of unfettered access, also raised by my honourable friend in Russia.

Lord Bruce of Bennachie (LD) [V]: My Lords, atrocities have been reported on both sides. Of course they must be investigated and prosecuted, but this conflict has been frozen for nearly 30 years. The rights of Armenians must be protected, but so should the rights of the more than 600,000 Azeris who have been displaced for more than a generation within their own country. So does the Minister agree that the international community, while recognising Nagorno-Karabakh as an integral part of Azerbaijan, has failed to progress a long-term solution? What can be done to ensure that this settlement leads to a permanent resolution and does not become the seed of a renewed conflict?

Lord Ahmad of Wimbledon (Con): My Lords, the important point is that all occupied territories are vacated and that, ultimately, the rights of citizens within Nagorno-Karabakh are respected. In this regard it is our view, as I have said, that the Minsk process provides the basis on which this can be taken forward, and we implore all sides to co-operate fully.

The Lord Bishop of Coventry [V]: My Lords, as has been implied, thousands of Armenian monuments and cultural heritage sites are now under Azerbaijan's control, including ancient churches, monasteries and cemeteries. There is evidence that Azerbaijan has already begun to deny the Armenian heritage of these sites, so what steps are the Government taking to support UNESCO in drawing up an inventory of the most significant cultural monuments, and have conversations been had with Azerbaijan about its responsibilities under the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict?

Lord Ahmad of Wimbledon (Con): My Lords, I assure the right reverend Prelate that the protection of heritage and religious sites is an important part of the discussions that take place with both sides, including on the case of Nagorno-Karabakh referred to in his question. On the issue of UNESCO making a detailed assessment of specific sites, I will need to write to him.

Baroness Eaton (Con) [V]: My Lords, according to Genocide Watch's 10 stages of the genocidal process, published in November, Azerbaijan had already reached stage 9, extermination, and stage 10, denial. What steps will Her Majesty's Government take to fulfil their duty to protect and provide for the victims of Azerbaijan's genocidal policies in the recent war?

Lord Ahmad of Wimbledon (Con): My Lords, as I have already said, I assure my noble friend that the Government have implored both sides to protect all citizens, particularly those in Nagorno-Karabakh, to make sure they have their rights protected and guaranteed. My noble friend will be aware that it is a long-standing government policy that genocide is a matter for judicial decision rather than for Governments or non-judicial bodies.

The Lord Speaker (Lord Fowler): My Lords, the time allowed for this Question has elapsed. That brings us to the end of Question Time.

1.51 pm

Sitting suspended.

Coronavirus Job Retention Scheme: Working Parents and School Closures

Private Notice Question

2 pm

Asked by Lord Woolley of Woodford

To ask Her Majesty's Government, further to the report published by the TUC *Working mums: Paying the price* published on 14 January, what action they plan to take to support working parents and those with caring responsibilities to access the Coronavirus Job Retention Scheme who (1) cannot work due to the latest school closures and (2) were denied or not offered furlough.

Baroness Penn (Con): My Lords, the furloughing of staff is a voluntary arrangement entered into at the employer's discretion and agreed by employees. It is not for the Government to decide whether a firm should put its staff on furlough. However, the eligibility criteria are clear that an employee is eligible if they are unable to work, including at home, due to caring responsibilities resulting from Covid.

Lord Woolley of Woodford (CB) [V]: My Lords, I am sure it will not be lost on noble Lords that today is Martin Luther King Jr Day. It is in his spirit of fighting for social and racial justice that I make a passionate plea to the Minister that we confront head-on the findings from the latest TUC report that so many parents and carers—particularly mothers—often working for low pay, many of whom are black, Asian and minority ethnic, are being denied furlough. Can we have temporary legislation for these parents to be afforded furlough during this difficult time or, at the very least, give a clear direction to employers about their obligation? Like many, I am also very worried about the stress and impact on mental health this is causing for parents and their children, which will only get worse if we do nothing.

Baroness Penn (Con): My Lords, the Government are acutely aware of the pressures faced by working parents, with schools shut. We do not intend to change how the furlough system operates; as I said, it is a voluntary decision by employers and employees. However, we have put in place far more support to parents during the current lockdown compared with when schools were previously closed; for example, they have the right to form a childcare bubble to help with their childcare demands, and there is a requirement on all schools to provide a minimum level of high-quality online learning to children while schools are shut.

Lord Monks (Lab) [V]: My Lords, this TUC report is another excellent piece of work by my old organisation. It highlights the heavy pressures of the pandemic on working families, especially mothers, many of whom are juggling low pay, awkward hours, childcare and home schooling. How are the Government going to address these problems? Will they, as the noble Lord, Lord Woolley, asked, plug this gap in the furlough scheme after consideration? At the same time, will they address other gaps in support which have been highlighted in the recent report of your Lordships' Economic Affairs Committee; for example, for the 500,000 self-employed?

Baroness Penn (Con): My Lords, as I said to the noble Lord, Lord Woolley, the Government consider that a voluntary arrangement for the furlough scheme is the appropriate one, while being very clear that the eligibility criteria allow parents and carers to be furloughed where they are unable to work, including from home, due to Covid affecting their caring responsibilities. We have put more support in place during this third national lockdown, including keeping childcare settings open for preschool children, to help alleviate the burden on parents.

Baroness Brinton (LD) [V]: My Lords, one group has definitely been left out. This report also calls for access to the furlough scheme for the clinically extremely vulnerable who cannot work from home but are required medically to shield. Currently, these individuals are entitled only to statutory sick pay; at just £95.85 per week, how are these shielding people meant to be able to support their families over many months? When will the Government correct this inequality and add them to the furlough scheme?

Baroness Penn (Con): My Lords, the guidance for the furlough scheme is also clear that those required to shield because they are clinically extremely vulnerable are eligible for the scheme under its current rules. The other piece of hope for the clinically extremely vulnerable is the fact that we have sent out 5 million letters, starting today, to those over 70 and the clinically extremely vulnerable to start their programme of vaccination.

Lord Mackay of Clashfern (Con) [V]: My Lords, since these difficulties for parents are caused by the inability of the local authority to perform its responsibility under the statutory duty of the parents to send their child to school and the local authority's duty to receive the child, is there a legal responsibility on the local authority to deal with these difficulties?

Baroness Penn (Con): I say to my noble and learned friend that the decision to shut schools in England was taken by central government. However, we have set out clear, legally binding requirements for local authority and academy schools to provide high-quality remote education, equivalent in length to the core teaching pupils would have received in school: from three hours a day for key stage 1 to five hours a day for key stages 3 and 4.

Lord Singh of Wimbledon (CB) [V]: My Lords, the TUC report shows the difficulties faced by the parents of children unable to go to school in the Covid lockdown. It is not easy for some to work from home, reschedule work or incur the cost of reducing working hours. Does the Minister agree that we should urgently consider copying the initiatives in Germany and Italy of giving the parents of young children some additional paid leave to help in the present crisis?

Baroness Penn (Con): My Lords, in international comparisons, our furlough scheme is actually more generous than many other countries' and has fewer eligibility criteria than other countries'. But the Government completely understand the pressure that working parents are under. That is why we worked hard to keep schools open for as long as possible, and that is why we are working to get transmission rates down as quickly as possible so that we can reopen schools and get children back to the place where they are best off.

Lord Tunnicliffe (Lab) [V]: My Lords, it is vital that the Government respond swiftly and decisively to new developments in the fight against the pandemic. The impacts of school closures on parents were apparent during the first national lockdown, and yet the Chancellor did nothing to ensure that the furlough scheme would be fit for purpose in the event of further closures. The TUC has provided clear evidence that the scheme is not fit for working parents, so will the Government now build in the flexibility that parents so badly need? Further, will they finally extend the eligibility of other schemes to those who have thus far been excluded from desperately needed finance?

Baroness Penn (Con): My Lords, the Government are clear that the furlough scheme can be used flexibly by employers—it can be used to accommodate those employees who cannot work due to their caring needs arising from Covid. They have extended eligibility in the extended scheme to account for employees who were taken on since the furlough scheme first operated. Learning from our first experience, we have put other measures in place to support parents, including childcare bubbles and the provision of high-quality online education.

Lord Taylor of Goss Moor (LD) [V]: My Lords, I have a suspicion that among Members of the House of Lords there are not many single parents who are home educating their young children. I am one of those, however, and I spent last week with my 11, 12 and eight year-olds, helping to home educate them and doing everything else that they needed. I do not have to choose between my job and looking after my

children but many people are in that position. Surely, at the very least, there should be some rights for these parents to have support where the schools are not open. In addition, if employers are not prepared to support them, at the very least employers should be required to give them their job back at the end of this period.

Baroness Penn (Con): The noble Lord is absolutely right that where parents need to take leave for caring responsibilities they have the right to do so, and if that is taken for under 26 weeks, they have the right to return to the same job when they return to work.

Baroness Altmann (Con) [V]: My Lords, following on from the previous question, might it be possible for the Government to consider extending the carers' leave, given that the pandemic has gone on for so long, so that it is more akin to maternity leave and lasts for a longer period in these exceptional circumstances?

Baroness Penn (Con): My Lords, the right to take parental leave is one of a number of options open to parents. We hope that employers will work with their employees to find the best solution in each circumstance, including the use of the furlough scheme where appropriate and where the eligibility criteria are clear.

Lord Loomba (CB) [V]: My Lords, juggling childcare, home schooling and work is extremely challenging, with many facing the dilemma of choosing between home schooling their children or work, especially when they cannot work from home. Clearly, this serious issue needs addressing urgently. Can any legal obligation to offer furlough include backdating payments to allow payments to those who have already had to take unpaid leave and therefore lost valuable income because they did not have alternative childcare arrangements?

Baroness Penn (Con): The Government do not intend to change the operation of the furlough scheme from a voluntary scheme for employers to use to a legal obligation for employers to offer it. We do not believe that that is the right way forward. However, we are providing additional support to parents facing a very difficult situation in juggling work and home schooling.

Baroness Massey of Darwen (Lab) [V]: My Lords, the TUC report points out that financial insecurity is having a bad effect on the well-being and mental health of mums. This will affect family well-being, as well as poverty, inequalities and social mobility for children—which are perennial issues outside crises. Does the Minister think that it is high time for the Government to appoint a senior Minister totally focused on children and families to safeguard their rights, welfare and progress?

Baroness Penn (Con): My Lords, I believe there is a Minister for Children and Families who has that responsibility in the department. However, I completely take the noble Baroness's point on the pressures on parents, including with regard to financial security. That is why the Government have put over £7 billion more into the welfare system in this financial year to support people through the current crisis.

Lord Blunkett (Lab) [V]: My Lords, the TUC has highlighted the challenge. Surely the only answer in the short term is to use the February half-term break to vaccinate all teaching and non-teaching staff and get the children back into school. Perhaps the Minister will take that back to her colleagues in Cabinet.

Baroness Penn (Con): My Lords, I am happy to take that back, but as regards the vaccination schedule, we are following the initial first wave set out by the JCVI, which goes by clinical vulnerability and particularly by age. I know that we will consider further waves after that and that we will consider the latest evidence, including on transmission and the impact on workers and public services.

Lord Foulkes of Cumnock (Lab Co-op) [V]: But is the Minister not aware that in an unprecedentedly large response, the TUC found that more than 70% of those who asked their employers to put them forward for furlough were refused? The Government are refusing to make this a legal obligation on the very same day that down the Corridor, in the Commons, they are refusing to continue the £20 increase in universal credit. They are being exposed yet again for the mean and heartless Government they are.

Baroness Penn (Con): The support that the Government have put in place through the furlough scheme and other schemes during this pandemic is absolutely unprecedented compared to any time in our history. The Government are there for families and people struggling through very difficult times, and will continue to be.

The Deputy Speaker (Lord Bates) (Con): My Lords, all supplementary questions have now been asked.

2.14 pm

Sitting suspended.

Arrangement of Business

Announcement

2.20 pm

The Deputy Speaker (Lord Bates) (Con): I will call Members to speak in the order in which they are listed on today's list. Interventions during speeches or "before the noble Lord sits down" are not permitted, and uncalled speakers will not be heard. Other than the mover of the amendment and the Minister, Members may speak only once in each group. Short questions of elucidation on a Minister's response are permitted, but discouraged. A Member wishing to ask such a question, including Members in the Chamber, must email the clerk in advance.

The groupings are binding, and it is not possible to de-group an amendment for separate debate. A participant who might wish to press an amendment other than the lead amendment to a Division must give notice either in the debate or by emailing the clerk in advance. Leave should be given to withdraw amendments. When putting the Question, I will collect the voices in the Chamber only, so if a Member taking part remotely wants their voice to be accounted for when the Question is put, they must make this clear when speaking on the group.

Trade Bill

Third Reading

2.21 pm

Relevant documents: 15th Report from the Constitution Committee

Lord Ashton of Hyde (Con): My Lords, I have it in command from Her Majesty the Queen to acquaint the House that Her Majesty, having been informed of the purport of the Trade Bill, has consented to place her prerogative, so far as it is affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

The Deputy Speaker (Lord Bates) (Con): I call the Minister to make a statement on legislative consent.

The Minister of State, Department for Business, Energy and Industrial Strategy and Department for International Trade (Lord Grimstone of Boscobel) (Con): My Lords, as the Government have made clear throughout all stages of the Trade Bill, the UK Government are committed to working closely with the devolved Administrations to deliver an independent trade policy that works for the whole of the UK. I am pleased to say that the Senedd and the Scottish Parliament have both granted legislative consent, and I am grateful to colleagues in the Welsh and Scottish Governments, who have worked tirelessly to consider this Bill and schedule the necessary votes. However, the Northern Ireland Executive have not brought forward a legislative consent memorandum, and the Assembly has therefore not voted on legislative consent. I reassure noble Lords that the Government will continue to engage with the Northern Ireland Executive.

Clause 8: Standards affected by international trade agreements

Amendment 1

Moved by Lord Collins of Highbury:

1: Clause 8, page 8, line 23, leave out "in advance of such agreements being" and insert "are"

Member's explanatory statement

This is to clarify the drafting of this provision.

Lord Collins of Highbury (Lab): My Lords, on behalf of my noble friend Lord Grantchester, who has unfortunately been delayed on his way to the House, I beg to move Amendment 1. This is a technical amendment to correct an error that was made in the original drafting, and I understand that the Minister and the Government will not be opposing it.

Lord Lansley (Con) [V]: My Lords, I am pleased to have the opportunity to say just a few words about this amendment. Although it is technical, the intention is to provide clarity to that part of Clause 8 which sets out the procedure whereby the Government propose to implement an international trade agreement which has an impact on standards in domestic legislation relating to, for example, social, environmental or animal welfare standards. I completely understand that the intention of the noble Lord, Lord Grantchester, in tabling this amendment is to make it clear that the

legislation relating to standards should complete its parliamentary processes, as the clause says, prior to the trade agreement being laid.

I am not really speaking about that aspect of it. Indeed, I draw attention to the fact that, notwithstanding Clause 8, Clause 7 has what I would regard—not least because I moved the relevant amendment at Report—as a better formulation, which requires the subordinate legislation, secondary instruments, to have been laid before the ratification of the trade agreement and for the primary legislation required for its implementation to have been passed before ratification. However, Clause 8, as clarified by this amendment, has the effect of meaning that the parliamentary procedure in relation to domestic legislation has to be completed before those texts are laid before Parliament. I think that is unnecessary and rather burdensome, and it would be better to rest on the text in Clause 7, which requires the legislation to have been passed prior to ratification.

The point I want to make is actually about impact assessments. If, in response to this short debate, the noble Lord, Lord Grantchester—who I see is, happily, now in his place—can explain why impact assessments should not be laid before Parliament prior to the completion of parliamentary processes relating to the implementation of domestic legislation, I would welcome that. That seems unnecessary—indeed, undesirable. It would be better were impact assessments formulated and laid before Parliament relating to domestic legislation which implements any change in standards in this country consequent to an agreement in an international trade context. For them not to be required by legislation to be laid before Parliament until the text of the trade agreement itself is laid seems unnecessary and undesirable.

I do not oppose the amendment, as it has the effect of making clear that subsection. However, what the subsection suggests, particularly for impact assessments, is undesirable. As it happens, as we dispatch the Bill to the other place, this clause rather duplicates what is set out in Clause 7. It would be better to retain Clause 7, rather than the formulation in this part of Clause 8.

Baroness McIntosh of Pickering (Con) [V]: My Lords, I welcome Amendment 1, as it brings greater clarity, and thank the noble Lord, Lord Grantchester—who I am delighted to see in his place—for bringing it forward.

I take this opportunity to put a question to my noble friend the Minister, and to thank him for the openness he has shown throughout proceedings on the Bill. Does he have a timeframe in mind as to when the code of practice, as envisaged under Clause 8, is to be brought forward? I imagine that is also subject to Amendment 1 before us this afternoon. Will the code of practice envisaged be general, or does he envisage that a separate code of practice for each future international trade agreement may need to come before the House?

As my noble friend is aware, I care passionately about maintaining the standards in paragraphs (a) to (f): in particular, food, animal welfare and the environment. Does he share my concern at the noises off, which are saying that, now we have left the European Union, we do not have to maintain those high standards? Can he, from the Government's perspective, quash any such move, paying tribute to British farmers and to the high

standards to which they produce our food, to which consumers have become accustomed and wish to continue to purchase? With that, I give Amendment 1 a warm welcome.

2.30 pm

Lord Purvis of Tweed (LD) [V]: My Lords, I also welcome the amendment, and I welcome the noble Lord, Lord Grantchester, who is back in his place. I hope his journey was safe.

I want to pick up on the point made by the noble Lord, Lord Lansley, in his characteristically accurate and sensible contribution. We will probably debate impact assessments, including their value and necessity, to some degree during ping-pong if the Government make the regrettable decision not to support what was Amendment 6, which refers to the need for independently verified impact assessments on trade agreements. Many of us are rather startled, and indeed worried, by the fact that, on the biggest trade agreement of them all—the one with our European Union partners—the Government have maintained a position of refusing an economic impact assessment, even after all the statements made during the passage of this Bill by the noble Lord, Lord Grimstone, whom I hold in very high regard, that it is the Government's position that every trade agreement will come with an impact assessment. I hope the Government can clarify their position and say that we will get an impact assessment with our trade agreement with the European Union.

I want to comment on the necessity of having this amendment corrected by the noble Lord, Lord Grantchester, as has been remarked on. In an interview in the *Financial Times* last week, Tim Smith, the outgoing chair of the Trade and Agriculture Commission, made some very strong statements, which I support, about the UK not entering a “race to the bottom”, needing to be vigilant on behalf of the different elements of the UK—rural and agricultural business, in particular—and wanting to see the Government, in their permanent arrangements for the independent body that we have now established under the Bill, being as strong as possible on standards.

I therefore share the unease indicated by the noble Baroness, Lady McIntosh of Pickering, whom it is always a pleasure to follow in these debates. The Government seem set on an agenda that demonstrates why their approach needs to be different from that previously taken in the European Union. This might be just to show that we are different, rather than being at all meaningful, but the damaging aspect is that, as Tim Smith indicated, there are many countries with which we have had rollover agreements—and will have trade agreements in future—but which do not prohibit the use of the same chemicals, additives and procedures in the rural industry as we do. Our trading relationships with them should be about us maintaining our standards and working with partners to see the ever-increasing standards that they enjoy.

This minor and technical amendment, which I hope we will see go through to be in the finalised Bill after the House of Commons considers it, is of value. I am glad that the noble Lord, Lord Grantchester, has brought it forward and I support it.

Lord Grimstone of Boscobel (Con): My Lords, I will be brief in my remarks on Amendment 1 in the name of the noble Lord, Lord Grantchester. I will restrict my remarks to this amendment rather than to the underlying amendment that it would amend.

We disagree with the fundamentals of the clause voted into the Bill on Report. However, we believe that there is no sense in dividing your Lordships' House over this amendment, which aims to clarify ambiguities in the drafting in a previous amendment. I noted carefully the comments made by my noble friends Lord Lansley and Lady McIntosh of Pickering.

As far as the code of practice and its timing are concerned, until the Bill has completed its passage and been subjected to ping-pong, we will not know exactly what will be in it, so we have not yet turned our attention to the detail and substance of the code.

I agree completely with the comments of my noble friend Lady McIntosh on the importance of food standards; we have been pleased to reiterate that constantly during the passage of the Bill. I join her in applauding the great work our farmers do day in, day out.

We will not oppose this minor and technical change to the clause, and we will return to debate the detail of this provision at the appropriate time.

Lord Grantchester (Lab): My Lords, I shall start with a quick apology. My train down this morning was part of the new lockdown schedules and did not exist, so I took the next one; I thought that I would still be all right but, as we discovered, I was two or three minutes late. I apologise for that. I thank my noble friend Lord Collins for standing in for me and moving the amendment formally, which is all I would have done in any case as this amendment was discussed earlier during the passage of the Bill. I was notified that it was slightly unclear—hence the correction before the House today.

I am grateful for the further comments I received from noble Lords in looking at the amendment again, but the substantive point is that we are happy to have this part of the Bill looked at again by the Commons and to have time to discuss it, because the points are well expressed and the thrust of the amendment is very cogent. The Commons will look at it among the totality of the clauses in the Bill. I am sure that this will give an opportunity for further clarity, assimilation and—how can I put this?—alignment between the various clauses to make better sense of it.

On the point made by the noble Baroness, Lady McIntosh, yes, it is important that statutory instruments come with impact assessments. As to whether an impact assessment is required for every trade Bill—or, indeed, every statutory instrument needed for every trade Bill—I am sure that the Minister, when he is going through trade Bills and the CRaG procedures as determined already, and by amendments to this Bill, will clarify that and make it clear. I am sure that he will also make it clear that, of course, once this Bill becomes legislation, the Government will do all they can to facilitate a full debate in both Houses.

Amendment 1 agreed.

The Deputy Speaker (Lord Bates) (Con): My Lords, we now come to the group beginning with Amendment 2. I remind noble Lords that Members other than the mover and the Minister may speak only once and that short questions of elucidation are discouraged. Anyone wishing to press this or anything else in this group to a Division must make that clear in the debate.

Schedule 3: Exceptions to restrictions in the devolution settlements

Amendment 2

Moved by Lord Grimstone of Boscobel

2: Schedule 3, page 25, line 23, after “(5)(b)” insert “(as amended by the European Union (Future Relationship) Act 2020)”
Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Scotland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

Lord Grimstone of Boscobel (Con): My Lords, as stated on Report, the Government bring forward these amendments in the light of the passage of the European Union (Future Relationship) Act 2020. These amendments will revise the paragraph numbering in Schedule 3 to accord with the amendments made to the respective devolution Acts by the aforementioned Act. Schedule 3 relates to exceptions to restrictions in the devolution settlements. Although these amendments amend Schedule 3, I assure noble Lords that they are minor and technical and will not make any substantive policy changes to the Bill. I beg to move.

Lord Curry of Kirkharle (CB) [V]: My Lords, my interests are as listed on the register. I will be brief; I fully endorse all the amendments proposed in this group.

I have a few comments on the proposed trade and agriculture commission but, first, on behalf of my friends on the Cross Benches, I thank the Minister for being so helpful and considerate throughout the passage of this Bill. His patience and willingness to engage have been very much appreciated, particularly when the sense of time pressure has been apparent. Obviously, the constraints of the pandemic have imposed on the parliamentary process, and coupled with the need to speedily expedite so many Bills to meet the timetable determined by leaving the European Union, this has placed enormous pressure on the system—not only on Ministers but on the myriad of staff teams that have of necessity been required to support this demanding timetable. I thank all for their valuable support, which has been incredibly important and is very much appreciated.

I thank the Government again for recognising the need for the trade and agriculture commission, and for deciding to give it statutory footing through the Bill. This is a hugely important step forward and is valued by all key stakeholders. I have a very straightforward request for clarity from the Minister, and I apologise for raising this again. It is on the relationship between the TAC and the food standards agencies. I am deliberately using the plural because of the separate functions that exist within the United Kingdom, and these amendments

today are addressing issues relating to the United Kingdom. Removing human health from the remit of the TAC—because, one assumes, the food standards agencies will undertake that responsibility—raises the question of how this will work in practice when a new trade deal is being scrutinised by all these bodies, and how this will be reported to Parliament. Will there be a number of separate reports, will the individual bodies and agencies collaborate and produce a joint report, or will the Secretary of State filter the various reports before submitting to Parliament?

I know that the Minister tried to respond to these issues on Report, so I apologise that I am probably stretching his patience to the limit, but I am still rather confused and would appreciate it if he could please explain it again so that I have clarity. I end by thanking all staff once again for their immensely valuable help with this most important Bill.

Baroness Neville-Rolfe (Con): My Lords, I declare my interests, notably as chair of the UK-ASEAN Business Council, and of Crown Agents. I congratulate the Minister and my noble friend Lord Younger on getting this important Bill to this stage after such an extended passage. I endorse the comments of the noble Lord, Lord Curry of Kirkharle, about the support provided by the Ministers and their professional and helpful team.

Britain has a great trading history and we must enter the new era with confidence, backed by our strengthened Department for International Trade and the new Foreign, Commonwealth and Development Office. I spell them out for good reason: there is potential in goods, services and digital.

My noble friend will recall that there were some uncertainties on Report, and that in summing up and withdrawing his amendment, the noble Lord, Lord Stevenson of Balmacara, said that he or I might come back at Third Reading. This seems the right place to ask my questions, since the operation of powers in the devolved nations was under discussion. That has been clarified in these government amendments, to which I do not object, despite the earlier reservations I had expressed. I have given advance notice in the hope that the Minister can reassure me.

The clauses on trade information enable HMRC to collect information about UK exporters. It has been made clear all along that compliance with the request would be entirely voluntary. On Report, my noble friend the Minister said that the practical implementation of this would be a “tick box” on the tax returns—presumably, both corporate and personal. However, he gave no indication of the sorts of questions that would be asked; can he kindly do so today? I appreciate that this will be in regulations in accordance with what was Clause 7(4), but we need an idea of what information will be sought. For example, will it be the name of the trader, and which country or countries they exported to in the tax year in question? Will they need to provide a breakdown of customs headings?

2.45 pm

In our wish to have well-informed trade policy we must not forget the Prime Minister’s new-found instructions to reduce red tape. I agree with my noble

friend Lady McIntosh of Pickering and the noble Lord, Lord Grantchester, about the usefulness of impact assessments, and I thank my noble friend the Minister for the impact assessment that was produced for this Bill. Will an impact assessment be prepared on the regulations on data gathering and so on, and will that be cleared by the Regulatory Policy Committee? I fear that any reply that is more complicated than “yes”, when multiplied by the number of those involved in trade and filling in tax forms—which will obviously include exports to the EU under the new regime—is bound to have net compliance costs of more than £5 million.

On the same theme, perhaps the Minister could kindly confirm that the Henry VIII power that was in Clause 7(4), and is now a little later in the Bill, will be used only to put these voluntary questions on the tax return, as he said last time. If, for example, it is going to be used for other reasons, will new primary legislation be sought? As I said before, it seems to be a wide power. Assuming, as I hope and expect, that the Minister is able to reassure, can he give some indication of what sort of information public authorities will glean from tax forms? For example, I would be a little concerned about tiers of information on profitability being made public.

Finally, I come back to the linked issue of confidentiality of disclosure and the risks of that—whether in London, Edinburgh or elsewhere—in relation to the new export information that will be sought, and the information on imports, border security and transport flow, referred to in the following clause. Such information can be disclosed only with the agreement of HMRC, under the terms of the Bill. I very much took the Minister’s point last time that the devolved Governments take their responsibilities seriously, and I hope that experience justifies the Minister’s confidence on that. However, once information has been provided to any of our public authorities, can not a decision by Ministers, or a freedom of information request, reveal which companies or sole traders are exporting or importing, or give details of where and what, from which others can draw conclusions? I hope not, as this would be damaging to UK competitiveness, and could be used by foreign interests to gain an advantage at this critical time for UK plc. The Data Protection Act is useful but any further reassurance the Minister can give to our businesses and sole traders would be much appreciated.

Baroness McIntosh of Pickering (Con) [V]: My Lords, I welcome this group of amendments. I pay tribute to my noble friend and his colleagues, who have successfully engaged the legislative consent from the Scottish Parliament. I say that as someone of Scottish descent, and a non-practising member of the Faculty of Advocates.

I honestly do not believe that we would have got to this pass if it had not been for the intervention of a number of noble Lords, but especially the noble and learned Lord, Lord Hope of Craighead, among others, who intervened at all stages of what is now the United Kingdom Internal Market Act. I hope my noble friend will join me in paying tribute to the ongoing discussions on the framework agreements between the four nations that will be increasingly important as we develop trade, agriculture and environmental policy. But I am

[BARONESS MCINTOSH OF PICKERING]

sure that there was more than a minor hiccup in engaging with the Scottish Parliament, so I congratulate him and I welcome these amendments in bringing us to that pass. Although he describes them as technical and not significant, I think they are a major step along the path to securing the passing of the Bill as it proceeds to the Commons.

Lord Fox (LD) [V]: Following two previous attempts spread over years, the Trade Bill seems finally to be making its way towards the statute book, perhaps by way of ping-pong. These amendments were described by the Minister as essentially technical housekeeping. I agree with him and certainly with the amendments, but perhaps it is appropriate that the final amendments we will discuss focus on inserting the Bill into the devolution settlement, as symbolised by the Scotland Act.

As the noble Baroness, Lady McIntosh, said, the Trade Bill is about setting Westminster's role for the future, just as the internal market Bill did. I am pleased to hear about the legislative consent from Scotland and Wales, but in the past months these Benches have shown that we disagree with the way the Bill has avoided the effective involvement of Parliaments and Assemblies in the United Kingdom, taking a lot of power for the Executive.

But we have had those debates, and I will use this time to focus on some elements of the application the Trade Bill might enjoy. It is worth pointing out that the UK will be embarking on this so-called independent trade policy when the global trading environment is—how should I put it?—challenging. Even before the massive uncertainty of the global pandemic there were increasing trade tensions and a slowdown in the global economy.

Yet when I listen to the words coming from government mouths, I often hear echoes of British exceptionalism. Phrases such as “sovereign island nation”, when trotted out, seem to hark back to the 19th century. It is this backward view of the world that most disturbs me. I hear overtones that reflect the use of trade deals in a way that European nations did to compete for imperial domination in the 1800s.

At the heart of this is a total lack of understanding of the nature of modern global supply chains. Despite ministerial remonstrations when debating the Bill, it is impossible for me not to take the recent deals as examples of trade policy and how they are being applied. Of course, we could look at the rollover deals, but none of these has delivered anything material that we did not have before, so there is not much material there.

Then we come to the EU and UK deal. Clearly, there are substantial changes here that point to the direction we are travelling in. It is hard. It demonstrates this lack of understanding of how the flow of goods and services is facilitated by supply chains. Such flows are no longer maintained by access to the clipper ships of the East India Company, as this nostalgia seems to reflect, but nurtured by standards, people and data—three areas the EU trade agreement fails to enhance.

The role of shared standards and regulations is becoming only too apparent to our exporters struggling with serious border friction. Meanwhile, the lubricating

effect to trade of mobility frameworks and mutual recognition of skills has yet to impinge on the wider public. However, I believe the tone of the Government's responses to amendments addressing these issues will ultimately be seen as foolish. Finally, there has been no progress on data flows. That problem has just started.

Christmas Eve was not the end of this story; it was one step in a long process of negotiation. There will be protracted and difficult discussions about implementing the provisions covering trade in goods. We are starting to see this. Then there are two key areas outstanding. The first is financial services. Talks on an equivalence deal are taking place over the next three months, but this will exclude core banking services such as lending, payments and deposit-taking. If the EU and the UK fail to secure agreement, the UK will be left with the task of negotiating separately with 27 member states.

Then, as I said, there is data adequacy. The EU Parliament has severe reservations regarding sharing data with the UK. There is great suspicion over the potential onward transfer of data to the USA. Overcoming these fears will require much more than the Prime Minister looking into the eyes of MEPs and saying, “Trust me”.

However these go, the EU and the UK will remain in low-level dispute on all sorts of issues far into the future. Through all this, the UK will have to calculate the impact of whatever is agreed with the EU on its efforts to conclude bilateral trade agreements with other countries.

I question how the Government will use the much-vaunted freedom that they and the Prime Minister parade. As my noble friend Lord Purvis indicated, the UK Government are already looking for opportunities to diverge from the EU to demonstrate the symbolic value of Brexit and perhaps to pursue what they see as an advantage. Yet each change, each extra difference adds new friction to the EU-UK trade border. For every action there stands a possible reaction and a cost. We will see as time goes on whether the UK trade machine has the depth and sophistication to walk these lines. The weekend leaks on the working time directive and the Chancellor's “big bang 2” speech seem to indicate otherwise.

The Bill sets a framework for trade. The Executive have taken upon themselves such powers that they will have no one else to blame for the results.

Lord Stevenson of Balmacara (Lab) [V]: My Lords, these are minor and technical amendments. Agreeing to them should pose no difficulty to us. In introducing them the Minister spoke very warmly about his commitment to working with the devolved Administrations. It is very good to hear that two of the three have now passed their required legislative consent Motions. It is a pity that Northern Ireland simply was not able to do so, but it does speak to progress.

The noble Baroness, Lady McIntosh, made a good point about the need to keep an eye on the ball here, because these issues go far wider than just the trade debate. They certainly came up on the internal market Act, but they go further than that as well. We need to be sure that those who work and operate outside central London feel confident that the responsibilities available and open to them to achieve what they want

for their communities will not be obstructed by any centralising force in government. This will come out of this Bill, but it also needs to be taken account of much more widely.

I look forward to the Minister's response to the points that the noble Lord, Lord Curry, made on the TAC. This body is still shrouded in a certain amount of mystery. Maybe we can reach some further development on that with Amendment 1, which we discussed earlier, but we still need to spend some time talking about how we might take forward the issues that remain unresolved as the Bill goes from here to the Commons.

The noble Baroness, Lady Neville-Rolfe, was extremely agile in finding a way to bring back an issue she had raised previously. I respect her ability to do that. I also look forward to the Minister's response. There seem to be two big issues here. There is the question about how the trade information will be gathered: will it be tick-box, voluntary or otherwise? If it is voluntary and tick-box, why is it necessary to use such an extraordinary amount of legislative time, and in particular the Henry VIII power in the Bill? The legislation seems to require only a very minor change to encourage people to register their interests in exports. If that is the case, why on earth does the Minister need to take powers that might change primary legislation? I look forward to his full response to that.

The noble Baroness also raised confidentiality, which I know she feels very strongly about. It can perhaps be dealt with without too much consideration, because it seems obvious, but it could bear further examination. Perhaps further discussions can take place, if not today, on what is happening with the information that has been gathered.

We have no objection on the narrow point of the government amendments before us. I am sure that they will pass.

3 pm

Lord Grimstone of Boscobel (Con): My Lords, I thank noble Lords for their contributions to this short debate, and I am very grateful for their kind words about those who have worked so hard on this Bill. I will come back to this during my Third Reading speech.

The noble Lord, Lord Fox, was characteristically eloquent, and the noble Lord, Lord Stevenson, was characteristically practical. I have carefully noted their comments. The noble Lord, Lord Curry, asked about the reports that would be made in relation to matters in this Bill under the Agriculture Act. To clarify, there are effectively two reports. The statutory Trade and Agriculture Commission must make a report, which will be laid before Parliament by the Secretary of State, and the Secretary of State too must lay a report according to the provisions of the Act. His or her report will of course be informed by the report of the statutory Trade and Agriculture Commission, but will also draw on expertise from other sources; for example, there will be a requirement to report on the impact of matters covered by the report on human health.

My noble friend Lady Neville-Rolfe raised a few specific points which I will briefly reassure her on. Like her, speaking from the viewpoint of practical

businesspeople, I abhor red tape and can confirm that we have no intention of adding to the mountain of it that already exists. I can give my noble friend a complete reassurance that the question on the tax form will absolutely be a simple and voluntary tick box, asking "Do you export goods or services?" Companies will not be required to provide a breakdown of customs headings and literally no other information will be sought other than that tick. I can also confirm that the Government have done an impact assessment on the entire Bill. Perhaps unsurprisingly, it was agreed that this additional question on the corporation tax form—or, where appropriate, the self-assessment form—was regarded as a minimum burden on business. If there was a word that meant "smaller than minimum", it could have been used. I also reassure my noble friend that the Henry VIII power will be used only to place the necessary question into the tax form.

Finally, I can provide a complete assurance that commercially sensitive record-level data collected by HMRC on exporters and others would be exempt from a freedom of information request. Responses to such requests must not disclose information that is in breach of other law. In this case, sharing disclosive information about businesses or people collected by HMRC would be in contravention of the Commissioners of Revenue and Customs Act 2005 and the Data Protection Act 2018, and of course there are penalties for so doing. I hope that my words provide complete reassurance to my noble friend.

This has been a short but useful debate, and I would be grateful for the support of the House in making these minor and technical amendments.

Amendment 2 agreed.

Amendments 3 to 13

Moved by Lord Grimstone of Boscobel

3: Schedule 3, page 25, line 23, leave out "(ii)" and insert "(iii)"
Member's explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Scotland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

4: Schedule 3, page 25, line 24, leave out "(iii)" and insert "(iv)"

Member's explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Scotland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

5: Schedule 3, page 25, line 25, leave out "(iv)" and insert "(v)"
Member's explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Scotland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

6: Schedule 3, page 25, line 28, after "(8A)(b)" insert "(as amended by the European Union (Future Relationship) Act 2020)"
Member's explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Government of Wales Act 2006, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

7: Schedule 3, page 25, line 28, leave out "(ii)" and insert "(iii)"
Member's explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Government of Wales Act 2006, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

8: Schedule 3, page 25, line 29, leave out “(iii)” and insert “(iv)”

Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Government of Wales Act 2006, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

9: Schedule 3, page 25, line 30, leave out “(iv)” and insert “(v)”

Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Government of Wales Act 2006, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

10: Schedule 3, page 25, line 33, after “(4)(b)” insert “(as amended by the European Union (Future Relationship) Act 2020)”

Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Northern Ireland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

11: Schedule 3, page 25, line 33, leave out “(ii)” and insert “(iii)”

Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Northern Ireland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

12: Schedule 3, page 25, line 34, leave out “(iii)” and insert “(iv)”

Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Northern Ireland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

13: Schedule 3, page 25, line 35, leave out “(iv)” and insert “(v)”

Member’s explanatory statement

This is one of four Government drafting amendments to correct the place at which a provision is inserted into the Northern Ireland Act 1998, in consequence of the European Union (Future Relationship) Act 2020 inserting an equivalent provision.

Amendments 3 to 13 agreed.

Motion

Moved by Lord Grimstone of Boscobel

That the Bill do now pass.

3.04 pm

Lord Grimstone of Boscobel (Con): My Lords, as we come to the end of the legislative process for the Bill in this House, I will say a few words to express my sincere gratitude to those who have made its progress possible, starting with my noble friend Lord Younger, whose support throughout this process has been invaluable, especially to a rookie Minister such as myself. I am hugely in his debt. He has shown me the ropes, he has been a deep well of knowledge on parliamentary process and he has stepped up time and again during the debates.

I also thank my predecessor in this role, my noble friend Lady Fairhead, who laid the groundwork in so many ways and whose prior work undoubtedly made the passage of this Bill so much smoother. Any credit

for this Bill should surely start with her. I pay particular respect to the noble Lords who have taken their time to meet with me, virtually, to listen to me and to advocate for their issues, and particularly thank the noble Lords, Lord Grantchester, Lord Purvis of Tweed and Lord Fox, and the noble Baroness, Lady Kramer. I also thank my noble friends Lady Neville-Rolfe, Lady McIntosh of Pickering, Lady Noakes and Lord Lansley.

I thank the noble Baronesses, Lady Kidron, Lady Ritchie of Downpatrick and Lady Jones of Moulsecoomb, and the noble Lords, Lord Alton and Lord Berkeley, for their expertise and relentless advocacy of important issues that often get subsumed in the wider debate. There is one notable addition to the names I have just mentioned. My predecessor, my noble friend Lady Fairhead, singled out the noble Lord, Lord Stevenson, for his contributions in the 2017-19 Bill, and I do the same. Without his forthright counsel, his expertise and his patience, the Bill would not be where it is today.

But this has been very much a team performance. Behind the scenes, civil servants have put in an unbelievable job of work. My thanks go to them, to my private office—in particular, my private secretary Donald Selmani—and to those in the Department for International Trade and across Government who have helped get the Bill to this point. With permission, I will specifically mention the Bill team, whose support has been invaluable not only to myself but to many Members of our House, beginning with the previous Bill manager, Gail Davis, who has expertly guided this Bill and who will now enjoy a well-earned retirement after a distinguished career in the Civil Service. I also pay tribute to the other members of the Bill team, past and present. James Copeland, the current Bill manager, has been on this legislation since day one. I suspect that he is almost as hopeful as noble Lords of getting it on the statute book. I should also mention members of his team: Alistair Ford, Oscar Burbidge, Ross Holton and Thomas Bingham. Finally, I thank the parliamentary staff, the doorkeepers and the clerks, for their patience and professionalism, and I know that I speak for the whole House when I thank all those who have helped make the hybrid process a success during the time of this dreadful pandemic.

This has been my first experience of taking a major and substantive Bill through the House and I do believe that the legislation, after the hard work that Peers have put into it, will be a credit to all Members of this House and the other place and will have a significant positive impact on the citizens and businesses of this great country.

Lord Stevenson of Balmacara (Lab) [V]: My Lords, I thank the Minister for his very graceful and elegant introduction of this brief part of the Bill. Votes of thanks are very difficult to do, whether in the Chamber, as they were here, remotely or as part of a more social gathering. It is very difficult to get them right, but I think everyone would agree that this was very nicely done.

The Minister is a relative newcomer to our work, although he has got into the groove very quickly and been able to manage it very successfully. Of course, he

has a secret: he started his career in the Civil Service. Therefore, it is to be expected that members of the Bill team have welcomed him back, as it were, and have supported him in a way that has allowed him to do his job with a great level of skill.

I often think that Bills passing through your Lordships' House acquire a character of their own. This Bill might be described in a number of ways. "Groundhog Day" would be most people's choice, but that would involve a daily repetition whereas this Bill has been with us only twice. I say "only", but each time it has repeated much of the stuff that we have dealt with before. The first time it went through with the noble Baroness, Lady Fairhead, and it was very different because of changed circumstances.

However, that comparison perhaps does not work quite so well, so I suggest that we are talking about a version of "Hamlet". Parts of this Trade Bill are perhaps Rosencrantz and Guildenstern: they, too, are involved in events often happening just outside their understanding and make all-too-infrequent appearances before escorting Hamlet to England and an untimely offstage death—such a waste of such wonderful characters. I will leave others to speculate who played the other parts. I certainly have in mind characters who might be accused of playing Polonius and others who might have played the Player King.

Of course, having the Bill twice, as we have had, may bring other benefits. One suspects that there are probably several PhDs and books to be written about how different approaches were taken over the two cycles of the Bill, the changes in Ministers, the impact of the changes in the political environment and even the change from real to virtual debate, which was mentioned by the Minister, which will have had an impact. I think it might be interesting see them in a few years' time.

However, we need to focus on where we go next with the Bill. The Government have achieved their target of getting it through all its stages in your Lordships' House, but it is not finished. In 2019, the then Minister kindly acknowledged that she felt the Bill had been "improved" by its passage through your Lordships' House. The Minister, the noble Lord, Lord Grimstone, also implied that, although he did not quite say so in the same words, but I thank him for his thanks to us and the others who have contributed to the Bill.

I am sure that I speak for all those involved in the Bill, indeed, for the whole House, when I say that this is, amazingly, the first Bill that the noble Lord, Lord Grimstone, has done, and he has done so with extraordinary skill. The idea that only a few months ago he made his maiden speech at Second Reading of the Bill means that we have to look in a new light at his ability to catch up and work forward. He has been very good at organising meetings and providing the information we wanted. Indeed, at one point I had to remonstrate with him about his propensity to email me and colleagues at all hours of the day and night and at weekends. Enough is enough, I think—although he did not seem to take the message.

The noble Viscount, Lord Younger of Leckie, whom the noble Lord, Lord Grimstone, mentioned in his speech, supported him very well and showed his usual

charm and courtesy at the Dispatch Box. The Bill team, which was also mentioned by the noble Lord, Lord Grimstone, was exemplary. We have had a very good service from them and I thank them very much for that. He also mentioned the debt of gratitude we owe to the broadcasting hub and to the staff of the House for making it possible to deliver the Bill at all. My struggles today have been a good example of that. I have been able to communicate at very short notice in a way that I did not think was possible when the internet went down a couple of hours ago.

Outside the House, we have been assisted by the Greener UK alliance and the Trade Justice Movement, in particular. Over the period that we have been involved in the Bill, it has been interesting to see how external groups and civic society have become more interested in trade policy. This is a good thing, given that it is crucial to us as a nation going forward. That is something we want to build on and have endure.

I have been supported in this phase of the Bill by my noble friends Lord Grantchester, Lord Bassam of Brighton and Lord Lennie, our Whip, who have coped very well with me in my "Hamlet" mode. Dan Harris, our legislative assistant, has also been absolutely brilliant and has supported the whole enterprise, even sacrificing his birthday celebrations on one occasion to make sure that papers were made ready and got out. His negotiations with the Public Bill Office have been a joy because I have not had to do them.

We have made a number of changes to the Bill which we hope will be considered sympathetically by the other place tomorrow. I say again to the Minister that we are not far apart on many of these issues, and it would be good to meet him in the interim to see whether there is further common ground to be hammered out.

3.15 pm

Lord Purvis of Tweed (LD) [V]: It is a pleasure to follow the noble Lord, Lord Stevenson, in his literary thanks to the Minister. I cannot compete with that. I am from the Walter Scott area rather than Shakespeare country, but I am certain that, during the three-and-a-quarter years of the passage of the Bill, the Minister and Ministers probably felt that many of our amendments and much of what we were saying were "Much Ado About Nothing", much as we thought that the Government were probably acting as a "Comedy of Errors". But the Minister will now probably think that "All's Well That Ends Well" with the passage of the Bill, and I congratulate him on putting this legislation on the statute book.

In response to his maiden speech, I indicated that it was the third time that the Bill had been presented to the House and that I was certain that it would be third time lucky for him, and it has been. However, I do not think there has been much luck associated with the Bill. I congratulate him on taking it through in a conscientious, gracious and inclusive manner. All those qualities were indicated in his first correspondence with me when he became a Minister when he set out how he wished to operate. He has demonstrated that to the letter, and I am very grateful, as are my noble friends Lord Fox, Lady Kramer, Lady Bowles, Lord Bruce, Lady Bakewell and others on these Benches who have been able to benefit from the Minister's time and the

[LORD PURVIS OF TWEED]

manner in which he has listened our concerns and thoughts and responded in a timely manner. In that, he has been very ably assisted by his private office, which I also commend, as well as the noble Viscount, Lord Younger, who has been an extremely patient Whip on the Bench on many of these proceedings.

I had a look at the Parliament web page for the Bill. One of the signs of how conscientious Ministers are is what the website terms “Will write letters”. The noble Lord, Lord Grimstone, has written 23 letters during the passage of the Bill through the Lords, which demonstrates two things: first, that across all the Benches there has been great interest in trade policy in a post-Brexit scenario; and, secondly, that he has tried to respond to all the points that have been raised. For the record, I say that not all the 23 will-write letters were to me, but I am sure that the Minister probably felt at certain stages that the contributions from me and these Benches were perhaps excessive. My colleagues and I care very deeply about having a 21st century trade policy to meet the needs of the 21st century. During ping-pong, we will endeavour to continue to make the case.

The Minister said that he commends those on the other Benches on getting the Bill to where it is today. I hope he does not mind me saying that if the Bill becomes an Act as it is today we would be very happy, but we are not yet at the very final stage—like some of the trade agreements that have not yet been ratified after the end of the transition period, this involves a degree of provisional application. I hope the House of Commons will see the sense in the cross-party amendments that this House has passed so that the Bill as it is today will continue to be strong.

I will say one final thing about the Minister. I commend him on putting through this legislation while also having significant health problems with his eye. I have never known a Minister who has seamlessly managed to have major eye surgery—and we commend the NHS and Moorfields Eye Hospital on restoring his eyesight—while taking this legislation through without pause. No one would have noticed any difference, so I commend him on doing it.

I hope that, during ping-pong, we will be able to protect some of the elements of the amendments that we passed during the scrutiny, which I think most colleagues consider to have been thorough, conscientious and effective.

Lord Mann (Non-Afl) [V]: My Lords, as we near the end of lengthy deliberations over a long period, during which we have finally managed to leave the European Union, and now have to start to combat, economically, the greatest worldwide pandemic in many centuries—I do not think that is an exaggeration—I want to make a short contribution imploring the Government not to follow a tendency inbuilt in all Governments. When legislation has taken so long to put together and eventually receives Royal Assent, I implore them not to sit back and leave others to do the next stage. We in this country are good at appointing trade envoys to go out across the world but we are not nearly as good at taking the message inwards. If one thing strikes me more than anything else about what is needed with the

freedoms that come from leaving the European Union and the complexities of recovering, at some stage, the economy post the Covid pandemic, it is that we will need to engender two things that will not come automatically.

The first is an entrepreneurial spirit. It is easy for politicians to talk about that but, when industrialists, business people and workers have been anchored down for so long with the pandemic and will continue to be in some way for some considerable time, entrepreneurship will not simply emerge quickly from nowhere; it will need encouraging, facilitating and inspiring.

The second thing, as part of that, will be the need for a new social contract, to use an old term in a modern setting, post Brexit. If those who own and work in our businesses are not on the same wavelength, with the same motivations and moving in the same direction, that entrepreneurship will be severely hampered. The innovations will be concepts rather than delivered goods and services that boost our economy. The Government need to decide whether we will be an economy that trades cheap and cheerful or as the best in the world. That choice will be made in the next 18 months and will last for many years to come.

I implore the Government to go inward into our industrial heartlands of the past, taking the message of this Trade Bill about what trade means and re-establishing that social contract—the message that we are all in this together. The UK, with its new freedoms, will prosper and thrive if we do so on the basis of being the best, rather than the cheap and cheerful back end of the industrial world, I hope that Ministers from this department will take the lead in doing that.

Baroness McIntosh of Pickering (Con) [V]: My Lords, I pay fulsome tribute to my noble friends Lord Grimstone of Boscobel and Lord Younger of Leckie for their stewardship of the Bill, bringing us to where we are today. I join my noble friends in also paying tribute to my noble friend Lady Fairhead for originating the original Bill, to which I also contributed.

My noble friend has alluded to all those who contributed, and I join him in thanking all the officials who have helped us—notably, his private secretary and the Bill team. I also thank the doorkeepers, the attendants and those in the Printed Paper Office and the Public Bill Office, who have worked exceptionally hard on the Bill. I thank, too, the catering staff, who have ensured that, while we have been meeting in this House, we have been well fed and watered.

My noble friend alluded to the fact that the Bill has changed during its passage in this House before it proceeds to the ping-pong stage. I echo the concerns expressed by the noble Lord, Lord Curry of Kirkharle, that the food standards agencies of the four nations will be asked to advise on human health. There is a concern over how they will report on and feed the human health aspects into the other two reports to which my noble friend referred.

I also extend warm thanks to the Law Society of Scotland, which briefed me at various stages of the Bill to ensure that Scottish concerns—particularly those of the legal profession in Scotland—were heeded.

The noble Lord, Lord Stevenson, referred to “Hamlet”. Obviously that was set in Denmark, with the Prince of Denmark being the main player. I end by thanking my noble friend Lord Grimstone, who has emerged as the swan, with the rest of us being the ugly ducklings. He has had an aura of calm at every stage of the Bill, and I am sure that he has been serenely paddling underneath. I thank him and congratulate him and other noble friends on getting the Bill to this stage today. I look forward to the ping-pong stage to see how the unfinished business, particularly relating to the CRaG procedures and the other domestic legislation and the regulations they put in place, plays out.

Lord Grimstone of Boscobel (Con): My Lords, on behalf of myself and everybody else referred to, I thank noble Lords for their most generous comments. I constantly stand in awe of the expertise in our House and the courtesies with which views are expressed. With a sense of relief, I beg to move that the Bill do now pass.

Bill passed and returned to the Commons with amendments.

Mental Health Act Reform

Statement

The following Statement was made in the House of Commons on Wednesday 13 January.

“With permission, I would like to make a Statement on reforming the Mental Health Act. Even amidst the pandemic, I am enormously grateful for the work that my team and the NHS have done, led by Sir Simon Wessely and Claire Murdoch and my honourable friend the Minister for Mental Health, to deliver this White Paper, which we published today, to bring mental health legislation into the 21st century.

We are committed as a Government, and as a nation, to seeing mental health treated on a par with physical health. We are increasing funding for mental health services to record levels, with £2.3 billion extra each year being invested through the NHS long-term plan, and an immediate £0.5 billion in place to support mental health services with the very significant pressures they are under. Our mental health services are now helping more people than ever before. Services are there for the most serious mental illnesses, although those, of course, are under significant pressure. Services are there for better community support through 24/7 crisis services and establishing liaison in A&E, and supporting people to manage their own mental health.

This programme of transformation is ambitious, and as we support mental health services now, so we must bring up to date the legislative framework for the long term. The Mental Health Act 1983 was created so that people who have severe mental illness and present a risk to themselves or others can be detained and treated for their protection and the protection of those around them, but so much has changed since the Act was put into place, nearly 40 years ago. We now understand a lot more about mental health. Public attitudes around mental health have changed significantly for the better. We now have a better understanding and practice of how we can best support people with learning disabilities and/or autism. We are also concerned

by the growing number of people being detained, inequalities among those who are detained, and the length of time that people are spending detained under the Act.

So, after a generation, we must bring the Mental Health Act into the 21st century. The previous Prime Minister, my right honourable friend the Member for Maidenhead, Mrs May, asked Professor Sir Simon Wessely to lead a review into what a modern mental health Act should look like. I thank her for her work, and I am so grateful to Sir Simon and his vice-chairs for their dedication. As I said to the House last year on its publication, the Wessely review is one of the finest pieces of work on the treatment of mental health that has been done anywhere in the world. I know that the review was welcomed across the House. We committed in our manifesto to deliver the required changes, and I am grateful to the Prime Minister for his emphatic support.

Sir Simon’s review compellingly shows that the Mental Health Act does not work as well as it should for patients or their loved ones—that the Act goes too far in removing people’s autonomy and does not give people enough control over their care. I am delighted to set out our full response to that review in our White Paper, which, together with my right honourable and learned friend the Lord Chancellor, we have laid before the House.

The White Paper sets out plans for a landmark new mental health Act. The new Act will ensure that patients are put at the centre of decisions about their own care; that everyone is treated with respect; and that the law is used to compel treatment only where absolutely necessary. The White Paper has been developed in close consultation with those with the greatest expertise—the Royal College of Psychiatrists, Rethink Mental Illness, Mind, the Centre for Mental Health and countless practitioners on the front line—and I thank them all.

There are four pillars to this work; I should like to take a moment to update the House on all of them. First, we will give patients a voice in their own care, which we know leads to better engagement in treatment. We will put care and treatment plans and advance choice documents in statute for the first time, so that patients are more closely involved in the development of their care and so that they can have confidence that, if they lose capacity because of illness, their preferences will be properly considered. We are making it easier for patients to challenge decisions about their care, creating a new right to choose a nominated person who is best placed to look after their interests, and increasing patients’ access to the independent tribunal to provide vital independent scrutiny of detention. In his report, Sir Simon recommended that one of the best ways to ensure dignified care is to ensure that patients can expect the privacy of their own ensuite room. We have already committed £400 million of funding to deliver that, and we are building new mental health hospitals, with two schemes already approved and with more to come.

Secondly, we will address the disparities that currently exist within the application of the Mental Health Act. Black people are currently four times more likely to be

[LORD GRIMSTONE OF BOSCOBEL]

detained under the Mental Health Act than white people, and black people are 10 times more likely to be placed on a community treatment order. We also know that people from black and minority-ethnic backgrounds can often engage with services later, and our plans to enhance patient choice, increase scrutiny of decisions and improve a patient's right to challenge will help us to improve service provision for all. On top of that, we have already announced our new patient and carer race equality framework, as recommended by the review, and we are developing the use of culturally appropriate advocates, so that patients from all backgrounds can be supported in making their voice heard.

Thirdly, it is important that the Act supports patients within the criminal justice system. We will make sure that, where people in prison require treatment in a mental health hospital, they are transferred in a timely way, and we will support rapid diversion from custody to care where appropriate, so that people in our criminal justice system can get the right care in the right place at the right time, while we fulfil our fundamental duty to keep the public safe.

Finally, in our manifesto, we committed to improving how people with learning disabilities and autistic people are treated under the Act. Until now, the use of powers in the Act did not distinguish between people with mental illness on the one hand and people with learning disabilities and/or autism on the other. That is wrong. Needs are different and the law should be different, too. That is all part of treating everyone with respect. We therefore propose reforms to limit the scope to detain people under the Act where their needs are due to their learning disability or autism alone. In future, there will be a limit of 28 days for these detentions, which would be used to assess clinical need, and, wherever possible, we will work to ensure that appropriate support is available in the community rather than in institutional settings. I thank Baroness Hollins, Ian Birrell, Mencap and the National Autistic Society for their advocacy and for their support for these reforms.

This Act is there for us all and we want to hear as many views as possible on these plans, so we will consult widely on this White Paper and will respond later this year before we bring forward a new mental health Bill. I believe that everyone in our society has a contribution to make and that everyone should be respected for the value that they bring. It is the role of government to support people to reach their potential, even at the most difficult of times, and to protect people when they are at their most vulnerable. That is what I believe, and I believe these reforms will help put those values into action and help give patients the dignified treatment they deserve. I commend this Statement and the White Paper to the House."

3.27 pm

Baroness Thornton (Lab) [V]: My Lords, the whole House will welcome this White Paper. The overhaul of the Mental Health Act has been long awaited. It is also to be welcomed that the Government have accepted the majority of the recommendations from Sir Simon Wessely's independent review of the Mental Health

Act. As Sir Simon Wessely's report highlighted, there is a great need for patients to be heard, for their choices to be respected and for them to be supported to get better in the least restrictive way.

Although legislative changes are important, the best way to prevent people being detained under the Mental Health Act is to prevent them reaching a crisis point in the first place. This means bringing reality to equality for mental health, bringing in investment and training, and introducing a culture change in the NHS.

My first question is whether the investment detailed in the long-term plan will be sufficient to achieve that. Many of the organisations which have championed mental health doubt that it will. Surely we will require greater investment to implement the proposals of the White Paper.

The Government accept almost all the review's recommendations on advocacy and tribunals, including the funding that will be required to implement them. These are key reforms affecting people's liberty and will play an important part in making other improvements to people's rights effective. Can the Minister assure us that planned reforms will be fully funded?

The independent review was published over two years ago. Since then, the murder of George Floyd and the growth of the Black Lives Matter movement have brought the impact of structural racism into greater focus. Among the five broad ethnic groups, the known rate of detention for the black or black British group—321.7 detentions per 100,000 of the population—was over four times that of the white group, which was 73.4 per 100,000. Men and women from African-Caribbean communities in the UK have higher rates of post-traumatic stress disorder and suicide risk and are more likely to be diagnosed as schizophrenic. Does the White Paper go far enough in tackling the racial disparities within our use of the Mental Health Act? It is very much to be welcomed that the Secretary of State has announced the new patient and carer race equality framework, which was recommended by Sir Simon Wessely. Can the Minister tell us the timetable?

On health inequalities in general, children from the poorest 20% of households are four times as likely to have serious mental health difficulties by the age of 11 as those from the wealthiest 20%. Half of LGBT people—52%—have experienced depression in the last year. One in eight LGBT people aged between 18 and 24 say that they have attempted to take their own life in the last year. Almost half of trans people have thought of taking their own life in the last year, and 31% per cent of LGB people who are not trans say the same. People living in the most deprived areas are more likely to be referred to an IAPT service by their GP but are substantially less likely to receive a complete course of treatment or make a successful recovery. Long-term funding decisions will be needed in the next spending review. What will they look like? Will the Government make a long-term commitment to invest when this is required?

I am sure we all welcome the aim to improve how people with learning difficulties and autism are treated under the Act. Will there be limitations to the scope for detention where their needs are due to learning

disabilities or autism alone? Do the Government accept all the review's recommendations on advocacy and tribunals, including the funding that will be required to implement them? These are key reforms affecting people's liberty and will play an important part in making other improvements come about.

The emergency legislation of the Coronavirus Act 2020 represented a concerning reduction in patient rights and safeguards. While we understood the reasons for their initial introduction, I am sure that everyone is glad that they were never enacted and pleased that they have now been dropped. However, Covid-19 will prove a defining moment for the way in which we discuss and protect our mental health. A rising tide of people who have not previously experienced mental health problems now find themselves in that position. For a lot of people, the pandemic has seen a shift from merely "struggling" to becoming clinically unwell. Funding and reform will be needed more than ever.

Finally, can the Minister tell us when the legislative programme will commence? Is there to be a joint pre-legislative scrutiny committee? I believe the Minister's right honourable friend the Secretary of State suggested that that might be the case. That would be very welcome and I hope that it will start very soon indeed. When, finally, will we see the draft Bill?

Baroness Tyler of Enfield (LD) [V]: My Lords, there is much to be welcomed in this White Paper, for which we have waited so long. I am pleased to see patient voices being put front and centre of plans and proposals to address the current shocking disparities in the rates of detention of people from black and minority-ethnic backgrounds. However, the issues that were highlighted in the Wessely review two years ago have continued to scar the lives of too many people during the extremely long gestation period of this White Paper.

The original legislation is 40 years old now and out of date. It is shocking, frankly, that it has taken us so long to amend archaic processes, such as an individual's father automatically being their advocate in a mental health crisis, whatever the nature of the relationship or preference of the individual patient.

I understand the importance of getting the details right. However, I was concerned by the lack of urgency shown by the Secretary of State when responding to questions from MPs on the Statement last week. Why do we have to wait another year before the legislation can even begin? Can the Minister give us a concrete timeframe for the further consultation? What is the timetable for taking forward the non-legislative reforms in the Wessely review, not least to achieve wholesale cultural change in mental health services?

I am similarly very concerned about workforce issues facing this sector. Many of the workforce aims laid out in the *NHS Long Term Plan* are not on track to be met, with 12% vacancy levels in many mental health services. Between 2016 and 2019, demand for services increased by over 20%—and that takes no account of the exponential growth in mental health problems during the pandemic. Recent forecasts suggest, for example, that only 71 additional consultant psychiatrists will be added to the NHS workforce by

2023-24, against a requirement of more than 1,000 to deliver the long-term plan. What measures are the Government taking to address the additional workforce requirements of reforming the Mental Health Act?

We then come to the issue of funding. The short-term injection of £500 million is, of course, welcome, but it is sustainable and long-term investment in services—covering the full spectrum from preventive to crisis care—that we so badly need. We need a comprehensive plan for funding all existing and new mental health services, rather than one-off injections of short-term funding. Above all, this means investment in community services. In a survey of Royal College of Psychiatrists members, insufficient access to community health services was cited as the greatest cause of increases in formal admissions. The best way to prevent people being detained under the Mental Health Act is to prevent them reaching crisis point in the first place.

Like the noble Baroness, Lady Thornton, I am deeply worried about the impact of the pandemic on the nation's mental health. In October last year, the Centre for Mental Health estimated approximately 10 million extra people with mental health needs due to the pandemic—a staggering figure. While it is understandable that we have been focusing on the physical threat of the pandemic and protecting our acute services, when will the Government come forward with proposals to address what some are now calling a mental health emergency?

It is an unpalatable fact that black people are currently 10 times more likely to be placed on a community treatment order. In these situations, patient voices become even more important, ensuring that culturally appropriate services can be provided. The patient and carer race equality framework is a good start; I look forward to hearing more on this issue. I note that cultural advocates are currently being recruited, but can the Minister confirm how many patient and carer advocates will be involved in both the advancing mental health equalities task force and the patient and carer race equality framework steering group? Also, why are the Government not proposing to legislate for a CTO to have a maximum duration of two years or to allow tribunals to change the conditions imposed on an individual by the order, as recommended by the Wessely review?

I end by returning to the issue of prevention. The courses of action covered by this legislation represent the worst-case scenarios for individuals experiencing severe mental health problems. We have so much evidence telling us that investments in preventive measures are highly cost-effective interventions and avoid the trauma of crisis scenarios for patients. While we debate this White Paper, it is vital that we do not lose sight of the bigger picture.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Bethell) (Con): My Lords, I thank both noble Baronesses for their incredibly perceptive, thoughtful and detailed questions, some of which I am afraid are beyond the brief in front of me. I reassure them, particularly the noble Baroness, Lady Tyler, that I will write with detailed answers to some of their more perceptive and searching questions.

[LORD BETHELL]

We are all enormously grateful to Sir Simon Wessely for his thoughtful, persuasive and thorough report. It has taken some time to work on it, but now that it has arrived we will act on it. I reassure the House that it is an enormous priority.

I reassure both noble Baronesses that funding is absolutely in place for mental health. If I may briefly run through that, an extra £2.3 billion a year for mental health services is committed by 2023-24. Some £500 million in mental health investment in the NHS workforce was announced in the spending review, and it will go towards addressing waiting times for mental health services.

The noble Baroness, Lady Tyler, referred to the challenge of recruiting psychiatrists. As she knows, that area is extremely challenging. The employment brand of mental health services is not as strong as it is for, say, surgeons, but we have done an enormous amount through HR and the people plan to find new ways of attracting people to rewarding and challenging roles in psychiatry, and those investments are beginning to pay off.

We have invested more than £10 million this year in supporting national and local mental health charities to continue their vital work in supporting people across the country. I will move on to the mental health effects of the pandemic in a second. We have invested £8 million in the Wellbeing for Education Return programme, which will provide schools and colleges all over England with the knowledge and resources to support children and young people, teachers and parents. We have announced more than £400 million over the next four years to refurbish mental health facilities to get rid of dormitories in such facilities across 40 trusts.

The noble Baroness, Lady Tyler, asked me about urgency and whether the Government were truly committed to moving quickly. I reassure her that money has already been announced and plans are in place to address some of Sir Simon's most urgent recommendations.

Both noble Baronesses asked about the timetable for legislation. I reassure them that the consultation began last Wednesday; it is a 14-week consultation and we have committed to responding to it this year. If I may advertise to noble Lords, this is a terrific opportunity for all those with views on mental health to contribute to that important engagement. It is our plan to publish the Bill next year on the back of that consultation and for legislative scrutiny to take place next year. The question of whether that will be joint legislative scrutiny is not clear to me right now, but I undertake to both noble Baronesses to inquire and press the case for joint scrutiny when I return to the department. I shall write to both of them accordingly.

The noble Baroness, Lady Thornton, raised the impact of the racial dimension highlighted in the report. The numbers in Sir Simon's report are incredibly striking and it is crystal clear that this is an issue that we absolutely have to deal with. Will we go far enough? Yes, indeed we will. The framework recommended is extremely powerful and we are already putting it into place. We have learned an enormous amount from the

report. The ability for those with mental health issues to nominate their own advocate is an extremely powerful innovation that I think will have a big impact on this issue, but we still have further to go. We are engaged with those who are both representative and expert in this area to ensure that we are challenged to go far enough.

Likewise, on learning difficulties and autism, noble Lords will remember that we have had powerful and moving debates in this Chamber in the last few months on that very issue. I reassure the noble Baroness, Lady Thornton, that we note Sir Simon's recommendation in his report for a 28-day cap on the detention of those with learning difficulties and autism. It is just not good enough for those with learning difficulties and autism to be detained under a Mental Health Act restraint for an interminable period. That point is thoroughly recognised, and the report's recommendations are extremely well made.

On the question of the pandemic, the noble Baroness, Lady Thornton, put it extremely well: there has been a shift in many people's response to the pressures and the isolation of lockdown, from being stressed and anxious to having genuine clinical challenges. The full effects of that have not worked their way through the system so it is difficult to get a nuanced and complete view from the numbers today, but we are very much on the balls of our feet to understand and react to the pressures

If I may draw out one issue, young girls seem to be a demographic who have particularly felt the loneliness, anxiety and uncertainty around the pandemic and lockdown. We are particularly concerned to ensure that support goes to families and individuals who present clinical mental health issues as a result of the pandemic.

On the other, very detailed questions asked by the noble Baroness, Lady Tyler, I undertake to answer them in writing at the earliest possible opportunity.

The Deputy Speaker (Lord Russell of Liverpool) (CB): We now come to the 20 minutes allocated to Back-Bench questions. I ask that questions and answers be brief so that I can call the maximum number of the 15 remaining speakers on the list.

3.45 pm

Baroness Hollins (CB) [V]: My Lords, I welcome the focus of the consultation and the White Paper on prevention, along with the new duties on local commissioners to ensure that they understand and monitor the risk of crisis for individuals—for example, when a family member dies—and to ensure an adequate supply of community services for people with learning disabilities and autistic people as an alternative to admission. Does the Minister agree that for these duties to have teeth, the descriptor “adequate” will have to be defined and subject to legal enforcement?

Lord Bethell (Con): The noble Baroness asks a very perceptive question. I pay tribute to her work in this area and the challenge and scrutiny that she has given to the Government, which have helped lead to the position we are in at the moment. This is exactly the

kind of area that we will be presenting for consultation, and I very much look forward to the noble Baroness's contribution to that consultation.

Lord Holmes of Richmond (Con) [V]: I welcome the White Paper, which represents a once-in-a-generation opportunity. Allied to that, can the Minister confirm whether the Government will commit to prioritising permanent and immediate mental health support for all our NHS front-line workers in ICU, in the emergency room and beyond—immediate lifelong prioritised mental health support for all those who have given so much support and continue to give it to all of us through this pandemic?

Lord Bethell (Con): My Lords, I live opposite University College Hospital. Every night I hear the ambulances arriving and I think of the staff on the front line working so hard night after night in such difficult circumstances, dealing with people in agony. The mental health of our NHS staff is paramount. Some £50 million has been invested in strengthening mental health support for staff. We have put in place the mental health hotline, practical support, financial advice and specialist bereavement and psychological support. I have no doubt that more could be done but this is very much an area that, as my noble friend rightly points out, is worthy of more investment.

The Lord Bishop of Bristol [V]: My Lords, I join fellow Members in welcoming the Statement and the response to the significant report by Sir Simon Wessely. As the noble Baroness, Lady Thornton, noted and as the Minister commented, the evidence is that minority ethnic individuals are 40% more likely than white Britons to come into contact with mental health services through the criminal justice system. Will the Minister explain how the proposed framework will address the underlying attitudes and practices that led to this statistic, which at best are described as a failure to understand the culture and at worst are a reflection of racist views?

Lord Bethell (Con): The right reverend Prelate is right to allude to the importance of culture. No amount of bureaucracy or guideline-writing can ultimately address the basic attitudes, backgrounds and mental starting point of those involved in these decisions. I reassure the House that at the moment we are processing the people plan, which addresses at a fundamental level the hierarchy, racism, homophobia and misogyny sometimes found in some parts of the NHS. We are acutely aware that culture is fundamental to the safe provision of services to patients. The framework itself is not wholly directed at culture, but it will be supplemented by these kinds of reforms.

Lord Winston (Lab) [V]: I congratulate the Government on getting Sir Simon Wessely to help them bring about this much-needed reform and will welcome seeing how it progresses in the next year. I want to draw attention to one of the problems about sectioning patients. Two members of my team at different times have been sectioned; both were psychotic and severely depressed at the time. One phoned me at 5 am to say that people had come for her; it was clear that this was highly

scary and very damaging. The other patient was left in a police station after being found on a moor for many hours before eventually a bed could be found, miles from where she lived or where anybody could visit her. Also, the premises available for such patients when they have been sectioned seem quite inadequate. The Minister has mentioned the dormitory system, but when I visited both those women, I felt that I would be very depressed myself if I were in those circumstances. We need to do much more to make premises more homely if we are to be more successful in encouraging a return to normal health.

Lord Bethell (Con): The noble Lord is entirely right: when people experience a mental health crisis, they should be treated with consideration. Unfortunately, the police are sometimes at the front line of dealing with those with mental health difficulties. It is a stretch for them, and they should have the right training to be able to deal with a situation sensitively and they should have the right premises to be able to give people safe and secure environments. It is at the outer limits of their professional responsibilities, but we are doing as much as we can to put the training in place.

I remember from my own personal experience, when my father and my mother were sectioned, the consideration and thoughtfulness of those involved in both those processes. It is not all bad, but I take the noble Lord's point.

Baroness Jolly (LD) [V]: My Lords, I welcome the White Paper and the commitment to deliver person-centred care. Many health and social care professionals will need to change the way they work, which is both necessary and welcome. What is the national budget for training over the next five years and how soon will those being treated for mental health conditions expect to notice a difference in their care?

Lord Bethell (Con): My Lords, the noble Baroness is entirely right: the training is critical in this area; it could not be more important. We have invested £500 million in mental health services and support for the NHS workforce to address this. I cannot give her the precise number that she has asked for, but I shall write to her if I can track it down. However, we recognise the urgency of the situation and we hope that the impact of this money will be felt as quickly as possible.

Baroness Meacher (CB) [V]: My Lords, I too welcome this White Paper based on the Wessely review. However, without real increases in spending on mental health, the anticipated Bill will not be able to fulfil its potential. I was not reassured by the Minister's comments on funding.

If we become physically ill, we can expect to be treated within a reasonable timeframe; that is not so in mental health. If the Minister agrees that that is not acceptable, will he challenge the £2.3 billion figure, which, as I am sure he knows, will do nothing to rectify the ongoing imbalance and will leave people detained in hospital because of the absence of adequate community services?

Lord Bethell (Con): My Lords, the noble Baroness is right that community support for those with mental health challenges is critical—we are supporting community health in addition—but I slightly disagree that the £2.3 billion will make no difference. It is a phenomenal commitment and it demonstrates that the Government have recognised that mental health services have lagged behind primary care and physical services, as the noble Baroness rightly points out, and we are working hard to make up the difference.

Baroness Sanderson of Welton (Con) [V]: My Lords, I too welcome the White Paper and in particular one of its key aims, which is to address the disparities that exist in relation to those from black, Asian and minority-ethnic backgrounds. The data from the race disparity audit played an important role in revealing those disparities. Can my noble friend the Minister confirm that the Government will continue to utilise the work of the Race Disparity Unit as we continue on the path towards the first new mental health Bill in 30 years?

Lord Bethell (Con): My Lords, I have met the Race Disparity Unit and can share my noble friend's testimony to the critical work that it does. The statistical collections managed by NHS Digital have shone a light on the extent of the disparities illustrated by Sir Simon, most notably that black people are more than 10 times more likely to be made subject to a community treatment order after discharge from hospital. That is an astounding number. We are determined to take action; we will introduce a new patient and carer race equality framework which will support NHS mental health care providers to work with their local communities to improve the ways in which patients access and experience treatment. The Race Disparity Unit will continue to play a key role.

Lord Bradley (Lab) [V]: My Lords, while I welcome the White Paper, it is unlikely that the legislation will be enacted until 2023. Many reforms can be made before that date to implement some of Sir Simon's recommendations, including the development of community facilities to support people with learning disabilities and autism so as to hugely reduce the use of in-patient beds and, crucially, alternative provision to finally stop the use of prison and police custody suites as places of safety. I therefore press the Minister again to assure the House that sufficient capital funds are available within the NHS long-term plan to implement such key recommendations.

Lord Bethell (Con): The noble Lord is 100% right: we can definitely start work on the recommendations of the report. As I said earlier, we have already done so: committing £400 million to end dormitories in 40 trusts. That sort of parallel processing can be done for other elements of the report. The consultation began last week, which shows our determination to get moving. Some recommendations of the report are spellbindingly obvious; we will work on them immediately. The role of police suites in safe refuge, cited by the noble Lord and by the noble Lord, Lord Winston, is exactly such an example.

Baroness Barker (LD) [V]: My Lords, this is yet another NHS document which makes not a single mention of the needs of LGBT people. The Statement

is in effect an admission that the Mental Health Act 2007 was deeply flawed and, as a result, thousands of people have been subject to wrongful treatment. Will the Government act now to stop the abuse of community treatment orders and other elements of that Act that have led to the position that is so accurately described by Sir Simon Wessely?

Lord Bethell (Con): My Lords, I confess that the noble Baroness has me on the hop there, because I had not noticed that LGBT issues are not mentioned in Sir Simon's report. I share the noble Baroness's surprise about that. Let me return to the document and I will address her point in correspondence.

Baroness Wheatcroft (CB) [V]: My Lords, Sir Simon found excessive use of restrictive practices in mental health institutions. Many of us will be familiar with the appalling case of Bethany, the autistic teenager who spent three years in what can be described only as a cell, in an appallingly inhumane regime that kept her locked up in solitary confinement and with no physical contact with other people. Only when her father went to court did she escape, and she is now living happily in an open-plan institution. Can the Minister assure us that such treatment will never be condoned again? We cannot wait for legislation on this.

Lord Bethell (Con): My Lords, I certainly do not condone that treatment in any circumstances, but I acknowledge the noble Baroness's point: there have been some instances in the past—reasonably rare but consistent—where those with autism and learning difficulties have been subject to the most inappropriate regimes and where a completely different type of support, therapy and accommodation from the kind found in mental health institutions was needed. The campaign to which the noble Baroness alluded is entirely right and we are moving quickly to address those points.

Lord Davies of Brixton (Lab) [V]: My Lords, the White Paper is certainly to be welcomed, as there is much to be done. The number of people being detained in hospital under the current Mental Health Act has increased over the past few years. One reason is the lack of resources to provide the support needed in the community and respite care. While we are told that there has been investment, the resources often do not reach hard-pressed mental health trusts. More resources will be needed, not only to grow the workforce but for the workforce to receive education and training in the values and practices needed to deliver the radical changes envisaged in this review. We should also ensure that the workforce better reflects the communities it serves. Again, while I welcome the promise of further investment in mental health services, will the Minister give a commitment that this will be new money and that it will reach mental health trusts, to provide the workforce growth, and Health Education England, to provide the workforce training essential for delivering the aims of the White Paper?

Lord Bethell (Con): The noble Lord is right; the numbers are inappropriate. Fifty-one thousand detentions under the Act in 2019-20 seems far too many. Detentions

under the Act rose by 40% in the 10 years to 2015, and we thought of this Act to try to address that injustice. The £2.3 billion is new money, and it will make a huge impact on the mental health trusts he describes.

Baroness Sheehan (LD) [V]: My Lords, sadly, I have personal experience of having to invoke the Mental Health Act. It is a dreadful process. It concerns me that one of the reforms proposed is to tighten the criteria for civil patients' detention by raising the threshold for risk of harm. Does the Minister agree that this reform risks increasing harm to the person who is ill and their family?

Lord Bethell (Con): My Lords, that is not the intention of the report, and I confess to struggling to understand how that would be the case. I would welcome correspondence from the noble Baroness to detail her concerns so that they can be taken on board.

The Deputy Speaker (Lord Bates) (Con): I call the noble Lord, Lord Singh of Wimbledon. No? Lord Boateng.

Lord Boateng (Lab) [V]: My Lords, the Minister is to be commended for calling out racism, because that is what many black and south Asian patients experience. Will he ensure that commissioners in the field, with this new money given to them, fund local, community-based advocacy groups? And will he ensure the health review tribunals reflect the communities on which they are adjudicating and recognise racism in the mental health service?

Lord Bethell (Con): My Lords, the role of health review tribunals is critical, and more needs to be done to ensure that they reflect the communities they represent. I am not sure it is the role of mental health trusts to finance local advocacy groups, but he is right that they make a difference and hold the system to account. The broader issue of racism in the NHS is a cross-institutional challenge that must be addressed by all parts of the NHS, and we are committed to doing so.

Lord Dodds of Duncairn (DUP) [V]: My Lords, I warmly welcome the Government's proposals. A key area of concern for me is the length of time people spend waiting in emergency departments for assessment, even after being referred by their GPs. Will the Government guarantee, as others have mentioned, that sufficient resources in staffing will be made available to ensure that these warmly welcomed reforms are carried out and the quality of care increases?

Lord Bethell (Con): My Lords, I can reassure the noble Lord only by saying we have put an ambitious report on the table. We will follow it up with a detailed consultation process that will engage Parliament in due course and lead to an ambitious Bill. That will be backed by substantial financial investment; thereby, we hope to make a major impact on the issues he describes, which I recognise and acknowledge.

Lord Adonis (Lab): My Lords, Sir Simon's report makes no reference to international best practice and gives no internationally comparative statistics—for example, on sectioning. I gave the noble Lord notice

of a question I would like to ask about what international best practice the Government have in mind. Will he be able to make available to me, perhaps in correspondence, internationally comparative, population-adjusted statistics for sectioning? This will be important for putting the reforms he suggested in context before we proceed to legislation.

Lord Bethell (Con): I am enormously grateful to the noble Lord for sending me his question, but I am embarrassed to say that I did not receive the correspondence. I would love to have the figures to hand, but I will write to him with details. If I could gently push back: this is not an easy issue to make international comparisons on, and we are not necessarily led by what other countries do in this area. We have to own this problem ourselves and find an approach that fits the NHS and people in Britain, and we have to be accountable to the people of Britain for our performance.

Non-Domestic Rating (Lists) (No. 2) Bill *Second Reading*

4.06 pm

Moved by Lord Greenhalgh

That the Bill be now read a second time.

The Minister of State, Home Office and Ministry of Housing, Communities and Local Government (Lord Greenhalgh) (Con): My Lords, with the leave of the House, I will speak to both Bills on the Order Paper. I declare my relevant interests in commercial and residential property, as set out in the register.

Both Bills both provide targeted relief for ratepayers and support the reform of the business rates system, delivering on this Government's commitments. I am pleased that, with the agreement of noble Lords on the Benches opposite, I am able to bring both Bills to this House today in a joint session. I will first set out the purpose of the lists—or revaluation—Bill, before moving on to the Non-Domestic Rating (Public Lavatories) Bill. I look forward to hearing the views of this House on both.

I know that as we tentatively begin to consider what our local economies will look like on the other side of the pandemic, it is important to recognise the concerns about the current business rates system held by the ratepayers who make up our commercial areas and high streets. It is with this in mind that I move the Non-Domestic Rating (Lists) (No.2) Bill. The Bill delivers on the Government's commitment to set in law the date of the next business rates revaluation at 1 April 2023. This will ensure that future rates bills will better reflect the exceptional impact of the pandemic on the commercial property market.

The basis of a property's business rates bill is its rateable value, which broadly represents its annual rental value. This is assessed independently of Ministers by the Valuation Office Agency. The agency has carried out regular revaluations of rateable values since the introduction of business rates in their current form in 1990. These ensure that the responsibility of paying the rates, which fund important local services, is fairly distributed among all ratepayers.

[LORD GREENHALGH]

At each revaluation, all rateable values are based on the rental property market at a set date. This is known as the valuation date. A revaluation is an extensive exercise requiring many months of collecting and analysing rents, then the preparation of 2 million valuations. To give the Valuation Office Agency time to prepare these valuations, the valuation date is set two years before the revaluation.

Prior to the pandemic, we had wanted the next revaluation to take effect from 1 April 2021 and reflect a valuation date of 1 April 2019, but the impact of the pandemic on the commercial property market since 2019 means it would now not be right to continue with the 2021 revaluation. I hope noble Lords will agree that we could not have a revaluation that resulted in bills which did not reflect the impact of the pandemic. The Non-Domestic Rating (Lists) (No.2) Bill therefore sets the date for the implementation of the next revaluation in England at Wales at 1 April 2023. This revaluation will be based on rents at 1 April 2021, a date which has already been set in secondary legislation.

The Bill will also make a change to when the Valuation Office Agency must publish draft rateable values to support the smooth transition of the revaluation. This date will change from no later than 30 September to no later than 31 December in the preceding year. Doing this will allow us to align the publication of these draft rateable values with the timing of decisions relating to the multipliers and transitional arrangements—decisions which are normally made at the autumn fiscal event. Ratepayers will still be given several months' notice of their bills for the following April onwards.

While policy on business rates is a devolved area, the Welsh Government have agreed that the application of the Bill should include Wales. This means that, as in England, the next revaluation in Wales will be implemented on 1 April 2023 and the latest date for publication of Welsh draft rateable values will also be changed to 31 December. Entirely different legislation applied in Scotland, where the Scottish Government have also committed to implementing their next revaluation on 1 April 2023, and Northern Ireland, which has only recently implemented a revaluation on 1 April 2020. There is therefore recognition across this country that moving the date of the next business rates revaluation to better reflect the impact of the pandemic is the right thing to do. I hope that this agreement is also shared in this House.

As I have said, this is an exceptional step, taken in exceptional circumstances, and the Government remain committed to implementing more frequent business rates revaluations. The fundamental review of business rates will look at the frequency of revaluations alongside how they are carried out. It will report on these aspects of the business rates system in the spring. However, this is a step we can now take to provide greater fairness and certainty to ratepayers.

Turning to the Non-Domestic Rating (Public Lavatories) Bill, this Government recognise the importance of public lavatories. That is why at Budget 2020 the Government recommitted to introducing a business rates relief for public lavatories. This small but important Bill delivers on that commitment and responds to calls

from local councils. It would ensure that eligible public lavatories receive a 100% reduction on their business rates. It will cut the operating costs of public lavatories, particularly in cases where rates bills are a significant proportion of their running costs, and help to keep these important facilities open. The relief will apply to eligible public lavatories run by the private and public sectors, including those operated by parish councils.

Even now, when we are minimising the use of our public spaces and of public transport, the availability of appropriate toilet facilities to those essential workers who continue to keep our country running, such as taxi and delivery drivers, is of particular importance. Given how vital these facilities are, it is understandable that there has been public concern around the potential reduction in the number of available lavatories. I know that the sentiments of these concerns have previously been reflected in the contributions of many noble Lords in this House. Removing the business rates on public lavatories will make it easier for them to remain open. Furthermore, to ensure this measure is implemented quickly and support provided as soon as it can be, I am pleased to say that, subject to Royal Assent, this Bill will apply retrospectively from April 2020. This means that, for eligible properties, the relief will be backdated to the start of the financial year.

I hope your Lordships will allow me the opportunity to pay tribute to councils, and to the National Association of Local Councils, for their support for this Bill. Let me also thank the private organisations and businesses which, through their launching of innovative local initiatives, have formed the vanguard in the campaign to extend the provision of public lavatories. In particular, I would highlight the community toilets scheme, which has now been adopted by local authorities across the country. This scheme allows the public, in less restricted times, to make use of toilets provided by local businesses and councils without making a purchase. I would also highlight the support that the British Toilet Association has given to this scheme through its "Use Our Loos" campaign and the launch of the *Great British Public Toilet Map*.

Of course, for people who cannot use standard accessible toilets, it is about not just the number of facilities available but ensuring that the right facilities are available. This is why the Government have delivered in providing more "Changing Places" lavatories to ensure that everyone in this country, including those with special lavatory requirements, can be confident in using our public spaces. At the Budget last year, the Chancellor announced £30 million to fund "Changing Places" toilets in existing buildings and accelerate the provision of these vital facilities. We will announce the details of this funding in due course. The ability of people to enjoy our public spaces, and to support our economy, should not be determined by their disability or personal circumstances. I am proud of the commitments that the Government have already made on this important issue. I hope that the measures included in the public lavatories Bill will help to give people the confidence to get out in our public spaces and support our high streets, once it is safe to do so.

The provisions of both Bills before this House today act only to supplement the extensive support that the Government have already provided to ratepayers

since the start of the coronavirus pandemic. In response to it, we have ensured that eligible businesses in the retail, hospitality and leisure sectors will pay no business rates at all in 2020-21. This is a relief worth £10 billion which, when considered alongside small business rate relief, means that more than half of ratepayers in England are paying no rates at all this year. Both Bills before the House form part of the critical package of support for ratepayers and reform to the system that this Government have committed to delivering. I commend both Bills to the House.

4.16 pm

Baroness Andrews (Lab) [V]: My Lords, I want to focus my remarks on the Non-Domestic Rating (Public Lavatories) Bill. I was unable to speak on this Bill when it was first introduced—what seems like a lifetime ago—and I welcome it now with a particular interest.

In 2008, when I was standing where the Minister is now, I was pleased to introduce the then first-ever guidance on public lavatories, designed to prevent further closures, improve access and quality and, in general, to make the point that public lavatories should not be a national joke—let alone a national disgrace—but a local asset, which local people can rely on and take as much pride in as any other local provision. The case made then is the same as made now eloquently by the Minister: that everyone of all ages and conditions should be able to count as of right and dignity on there being a decent public loo accessible. We wanted to expand access and encouraged private partners in retail to consider how they could make their loos more accessible. As the Minister has reflected, a great deal of good practice has been inspired at local level: for example, by encouraging the use of S106 to build more loos and in notable innovations and changes.

However, that was not a national strategy, which was at that time beyond my reach. Sadly, however welcome, neither is this Bill a national strategy. That alone would ensure that there were minimum mandatory standards of access, provision and quality tailored for special needs, particularly those of the elderly and disabled, and the many people who suffer from medical conditions and require frequent access. This is therefore a reactive Bill; it is long overdue and reflects decades of pressure from the British Toilet Association. It has worked with successive Governments to achieve it and we should be very grateful to it, but I think it would agree that a national strategy would be welcome now.

The statistics suggest that in the last decade almost 700 loos have been closed, accelerated, I have no doubt, by the vast cuts in local authority spending. In addition to the loss of public lavatories, we also need to face—as sadly the Bill does not—the degraded and frankly disgusting nature of so many of them. Even in the most beautiful towns such as the one I live in, Lewes in Sussex, our local loos are frankly a disgrace. Other local authorities—Ceredigion in Wales is an exemplar—take huge and award-winning pride in what they offer their local community and tourists. If it can make it an important priority, every local authority can. I should add here how glad I am that Wales is also sharing in this measure.

As with everything else, Covid has exposed the importance of things we took for granted. The awful impacts following closures of public loos revealed that only too graphically. We have also become more aware, as shops and buildings close, that public loos become the only option for people who are still working in the outdoors.

This Bill, which provides business rates relief, is long overdue. It is a modest proposal but it has, in effect, removed what was, frankly, always a historic anomaly. The exam question is: what sort and what scale of difference will it make? In principle, it will certainly incentivise better local provision and free up resources, and it might stop the closure of some local lavatories. However, it is impossible to tell whether it will have a real impact, given that current estimates are that there is a black hole of about £10 billion in local authority finance. It goes without saying that the funding deficit makes it simply impossible for local authorities to provide the services which are so badly needed. As we approach post-Covid better community building, that has to be at the heart of it.

The Bill can be improved in this House. For example, I would like to see more emphasis on how loos in public buildings such as museums, town halls and libraries could be involved. However, I have some real questions for the Minister, primarily regarding how far this small amount of extra funding will go to address the extent of the loss of provisions. My questions are these. What estimates have been made for the public loos that will now be saved? How will this be monitored or reviewed? What guarantees are there that this money will be spent on what it is intended for, rather than lost in the other huge demands of local authorities? What incentives are there that this money will also provide for caring for public loos and providing extra facilities, such as changing places? Finally, does the Minister agree with me that the essential thing now is to build on this Bill, and to recognise that public health—as we know acutely at the moment—needs constant vigilance and constant investment, and local agency and partnership? I ask our Minister to take the lead in pressing for a national strategy.

Public lavatories were a sign of public dignity, of high standards and municipal confidence. They were constructed with care and beauty by our Victorian ancestors. They should also be a fundamental part not only of our public health strategy but of our strategies for equality, ensuring that children can be cared for and comforted when they are out and that parents do not have to search in desperation for a friendly pub, and ensuring that people of all ages, and people with medical conditions, are free to leave their homes without a battle plan for finding a loo and living constantly in fear of embarrassment. This is not a trivial or facetious issue. It is far more profound than we give it credit for because, to take it seriously, if we do not prioritise it, it is discriminatory and dangerous. I really hope that the expectations held for this small but important Bill are fulfilled.

4.22 pm

Lord Shipley (LD) [V]: I remind the House that I am a vice-president of the Local Government Association.

[LORD SHIPLEY]

First, I want to agree with the concerns expressed by the noble Baroness, Lady Andrews, on the Non-Domestic Rating (Public Lavatories) Bill. I welcome the decision to combine the two Bills for Second Reading, given that there has already been a Second Reading of the Non-Domestic Rating (Public Lavatories) Bill. However, it is also appropriate to consider the two Bills separately as they progress through the House, because they cover different issues.

I shall not say much about the Non-Domestic Rating (Public Lavatories) Bill, as other colleagues on my Benches will cover those issues fully. From my perspective, I welcome the Bill and it is right that the Government have agreed to backdate its implementation to April 2020.

I want to speak on business rates and the need for urgent reform of the system. In his introduction, I think I heard the Minister say on the review of business rates that the Government will be reporting in the spring. I had assumed that the Budget at the beginning of March might be the appropriate time for that to be announced, but it sounds now as though it might actually be early summer. I would be grateful if, when he responds to the Second Reading, the Minister might clarify that.

I accept that a delay in revaluation to 2023 is inevitable, given the coronavirus pandemic. However, revaluation must ensure that local government does not end up being underresourced and that councils are enabled to widen their sources of income. Revaluation, when it comes, will be effective only if there is a root and branch reform of the system, so that it is much fairer to high streets and city and town centres, and raises much more from online retail companies and their warehouses. Valuations in much of retail, hospitality and leisure have become very out of date. We should bear in mind that retailers currently pay over one-quarter of business rates across England and Wales.

I hope the Government will avoid the temptation for further temporary fixes to the system. The system was in great difficulty before the Covid-19 pandemic, but it is now broken. One reason for this is that the current system treats companies in the same way, whether they are making a profit or a loss. This is the consequence of levying taxes on the value of a property as opposed to the value of a business itself. This problem can be made more acute by the need of national and local government to raise broadly the same amount each year from business rates, even if turnover and profits of businesses plummet. Another reason is that the current system does not address the lower business rates paid by companies retailing online and based in out-of-town warehouses. Revaluation must take this into account. I have concluded that we should consider the retail sector as a whole and divide up the tax burden differently, so that online retailers pay their fair share of the total tax bill.

There is a lot of pressure to move to an annual system of revaluation. I can understand the arguments for that, but, instinctively, I think that three years would be better. It would reduce administration and allow trends to be more certain.

Finally, there is a very strong case for extending the business rates holiday from April this year. In the current year, the Treasury has written off some £10 billion

in business rates, fully exempting around 358,000 properties in retail, leisure and hospitality. The case for continuing the current scheme is strong, probably for another full year, although some selective phasing might be appropriate. That said, the Government should be careful not to give a business rates holiday to companies which do not need it. As an example, large supermarkets—whose profit levels have been rising during the pandemic, as evidenced by their recent results—did not need the help they were given in the current year and so were right to pay it back. The Government should not be borrowing money on behalf of the taxpayer to give it to retailers whose profits are rising. That said, smaller high street retailers, including convenience stores, will certainly justify extra help, well into next year.

4.28 pm

The Earl of Lytton (CB) [V]: My Lords, I welcome the opportunity to debate these two Bills, which I support. I thank the Minister for an online meeting last week. I refer to my professional involvement with non-domestic ratings, my membership of the RICS and other bodies, and my interests as a vice-president of the LGA and the NALC, and as a business property owner.

My own experiences started in the Inland Revenue valuation office in 1975. At that time, residential and commercial properties shared a common valuation approach based on an assumed rent between a hypothetical landlord and a hypothetical tenant. I observed both the Layfield report and the Lyons report, which looked at local government finance and central government grant. My maiden speech here was on the Local Government Finance Act 1988, enacting the ill-fated community charge and setting domestic and non-domestic systems on different trajectories. I was in private practice when the poll tax was replaced with council tax, or CT, based on bands of capital value as at 1991. Business rates remained rent based. Subsequently, there was a capping on limited CT increases, but original value bandings for England remained. Business rates, by contrast, were subject to inflation-plus annual increments to uniform business rates, with periodic revaluations. This divergence has changed the tax burdens.

Things sharpened up when the Labour Government curtailed empty property relief, but nothing matched the later financial shock of the 2010 revaluation, based as it was on 2008 peak-of-market rents, by which time of course values had fallen, with insolvencies and rent voids soaring. I saw demands for a fairer approach, reliefs and more frequent revaluations grow, and the effects of the Treasury principle of fiscal neutrality meaning that changes could not of themselves adversely affect tax yield. Welcome exemptions and reliefs for the very smallest premises were thus funded by larger ratepayers. I benefit from that.

Transitional relief for large changes in the rates burden balanced gainers and losers, but the way in which downward transition now operates means that, in the example of a shop in Canterbury, the 2021-22 rates bill will still be 80% more than it would have been without the relief. That seems intrinsically unjust. More frequent revaluations would reduce or eliminate the need for transitional relief but lack delivery. Ideally,

we should have annual revaluations but, like the noble Lord, Lord Shipley, I suspect that that may be impractical, although it is proposed for Scotland. Meanwhile, too many rates bills are still coloured by the never-repeated 2008 rental values.

A surge in rating appeals of course followed the 2010 revaluation—many thousands on that list are still outstanding—in response to which the Government introduced a check, challenge, appeal, or CCA, system. It was designed to weed out frivolous cases and reduce administrative burdens, but it also put significant barriers in the way of genuine cases, perceived by appellants as protecting the Valuation Office Agency, the VOA, from the inevitable results of poorly resourced, researched and compiled valuation lists. Avoidance, needless to say, has become more prevalent.

Criticism continues. Largely because of the inflation-proofed and fiscally protected yield, the uniform business rate has risen to over 50p. Some businesses pay more in business rate than rent; reliefs apart, all pay much more on any measure than their services-hungry residential counterparts or businesses under any comparable European tax. The Minister may well wish to reflect on this legacy. The pandemic measures have been very welcome, but even they do not alter the underlying landscape.

I turn to what I call the “lists Bill”. It puts back the next revaluation to 2023 and cuts to three months the deposit of the rating list before it comes into force. The Minister has said how the antecedent valuation date works, but a 2023 revaluation means a 2021 AVD. Although I am assured that the Valuation Office Agency is confident of the evidence base—despite lockdown, furlough, forced closures, pop-up rent deals and rate holidays—other experts think that market rental evidence this April will be thin and unreliable. For bars, clubs and property valued on fair maintainable trade, current evidence will be largely absent. Delaying the AVD to, say, September or December is possible, but apparently not in contemplation due to VOA operational timeframes. I am not entirely convinced on that but am keeping an open mind.

The reduced three-month list deposit period was originally linked to three-yearly valuations—on which the Bill is silent, so it is a little asymmetric. Checking an assessment and pointing up errors in January is one thing; getting the VOA at a busy time of year to make corrections in time for dispatching rate bills in March is another. Bear in mind that rate demands are payable in full until the rateable value is amended. I note that the LGA says it is altogether too short a lead-in period for its members. So this “lists Bill” has consequences.

On public lavatories, I welcome the overdue and long-promised exemption. I thank the Minister for writing to me last October and for confirming backdating. What the Bill sets out is reasonable and appropriate, but it highlights the need to examine public facility exemptions more generally.

Rental values still afford an excellent market-derived business tax base, but problems with the business rates system remain and, as the noble Lord, Lord Shipley, said, major reform is certainly needed. On this, professionals, local government, businesses, the CBI, Revo and trade organisations are united. I commend

the Government for commissioning their fundamental review and thank the Minister for his reassurance, but can he confirm that Parliament will have a chance to debate it?

I hope the review will be bold and will look at the overall business rates system and its fairness within local government finance, alongside the appropriateness of exemptions and reliefs and issues of avoidance. I hope that alternative revenue streams, such as those related to online trading and opportunities for locally managed and levied revenues, will be included. It is not before time; critically threatened physical retailing, as well as many investments, pension schemes and jobs may depend on getting this right.

4.34 pm

Lord Moynihan (Con): My Lords, I intend to make only a short intervention today.

Covid-19 has had a massive impact on the sport and recreation sectors. While the arts lobby successfully negotiated a £1.57 billion package of support for the art, culture and heritage sectors as long ago as July 2020, the sports sector has not been so fortunate. Some £300 million in emergency funding was agreed to help sports clubs in England survive the ongoing Covid-19 restrictions during the recent winter. Rugby league, rugby union, horseracing and the lower tiers of national league football were all beneficiaries of the support, but in the world of sport the funding gap exists most prominently—and the pain is most acutely felt—among community sports clubs, local authority sports facilities and the smaller local amateur sports clubs, many of which have been the lifeblood of communities the length and breadth of this country throughout our lifetimes.

During this debate on the Non-Domestic Rating (Lists) (No. 2) Bill, I want to draw one item to my noble friend’s attention, in full anticipation that, having heard him respond to my noble friend Lord Botham when he made his impassioned plea on the subject and received such praise from the Front Bench, today in the wider context of post-Covid non-domestic rating policy, his plea and mine will not fall on deaf ears.

Sports clubs in the community provide opportunities for people from all walks of life to have a healthier and more active lifestyle. Non-domestic rate relief pre-Covid had a significant discretionary element. Charities, other not-for-profit bodies and sports clubs could apply for a percentage reduction in the business rates payable on any non-domestic property which was wholly or mainly used for charitable purposes. There were two elements to this reduction and relief: mandatory by law and discretionary—in other words, at the discretion of the council.

If you were a registered charity you were entitled to mandatory charity relief: an 80% discount on the full or transitional amount due. If you ran a community amateur sports club registered with the Inland Revenue, you were also entitled to an 80% mandatory discount on any non-domestic property that was wholly or mainly used for the purposes of the club. However, the rateable values and the cost to the clubs of going through that process—of being at the mercy of some local councils for part of the rates paid—remained a

[LORD MOYNIHAN]

major cost item at a time when many were barely surviving, and those barely surviving have gone through even tougher times now.

I congratulate the Government on the business rates holiday that is in place and on a range of initiatives they have taken, on which my noble friend the Minister has led from the Front Bench in this House. However, the critical issue for the future—I know this is passionately felt by my noble friend in sport, the noble Lord, Lord Addington—is the continued support for sports clubs. My view is that there should be 100% rate relief into the future from the Government for registered community sports clubs. I believe that the time has now come to raise that mandatory element from 80% to 100% and to remove the discretionary element. This should be a mandatory part of the package of measures to help sports and recreational clubs get back on their feet and play a pivotal part in ensuring that the population is healthier and more active as we emerge from Covid-19 and face future challenges.

In summary, I hope that rate relief for community amateur sports clubs will be made compulsory, and I very much hope we will have the opportunity to return to this in future debates. In the meantime, I appreciate the opportunity of raising this important subject in the context of the draft legislation before us.

4.38 pm

Lord Hain (Lab) [V]: My Lords, I very much agree with the noble Lord, Lord Moynihan, about the vital importance of sports clubs, and I ask the Minister to look favourably on his proposal.

Although the focus of the non-domestic rating Bill is relatively narrow—to reset the next revaluation of business rates to take account of the pandemic, which of course I welcome—I urge the Minister to get the Secretary of State, the Chancellor and the Prime Minister to think big about the future of town centres. Covid has accelerated their decline; it is now a really big crisis, on top of the online shopping phenomenon, which has also been accelerating.

The Government need to act because town centres can become the hub of local community and business life. They have been in the past, and, to some extent, they still are—but this role is rapidly shrivelling due to commercial and online pressures and changing lifestyles, which have been accelerated by the pandemic. I believe that business rates and rents have a crucial role to play here. Of course, there is a variety of complex exemptions, suspensions and reliefs, but it is now necessary to have a much more radical and comprehensive solution to this problem, or town centres will die just as we consider future policy to save them.

My own town centre in Neath is a cosy, pedestrianised area, which is very attractive to shop in, although the shops have been disappearing on all levels. There is an old market building with small stalls dating back to 1837 and renovated in 1904, and a great variety of small artisan shops—you can get your watch fixed there. Most people go into a jeweller's and are invited to exchange their watch when the battery runs out rather than replace it because it is almost cheaper to buy a new one. This issue of the throwaway society, which is ecologically damaging, of course, can be dealt

with if there are people who repair them, as they do in the Neath town centre market. A number of other small businesses and artisans offer that facility.

To keep that kind of vibrancy in town centres, they have to be supported, otherwise it is not viable. The town centre and markets are being undermined by high costs, high rents and business rates. This is not the local council's fault: it does not have the funding or the legal basis to subsidise. We lost our Crown post office, which was put into the back of the local WHSmith, but how long will WHSmith survive across town centres such as Neath's? We have bank branches closing the whole time; if local post offices assumed a post/bank role, banks could put their facilities in the back.

The Government need a completely new agenda on business rates as they apply to town centres. They should be completely scrapped for micro-businesses in town centres. Of course, there will be issues of defining what a town centre is: would this apply to large village centres, for example? At a central level, the Government have to fund local government because it cannot do this on its own. If rents are not scrapped for town centres, that has to be part of this as well. Of course, local government has had a 30% cut in the last 10 years, so it is no good the Government and Ministers passing the buck to local authorities; the Treasury must step in and take responsibility.

To reduce our carbon footprint and end the throwaway culture, where we never get computer printers repaired or watch batteries replaced because it is cheaper to just throw them away and buy a new one, we have to encourage a regeneration of these local skills and facilities, effectively through a subsidy. To do so, we have to end our society's obsession with low tax. If we want a decent quality of life in town centres, which everyone says they do, we have to be prepared to pay for it. It is not going to happen on its own—market forces and commercial pressures on their own will not resolve this problem. Treasury funding, provided through local councils, is necessary in order to regenerate and revive our town centres, and I hope that the Minister will seriously consider this option in the future review, which has to be comprehensive.

4.45 pm

Baroness Thomas of Winchester (LD) [V]: My Lords, I warmly welcome, for the second time, this Bill to scrap business rates on public lavatories. I hope this will mean that closed loos will reopen and that local authorities will now be encouraged to provide more such facilities, including well-maintained disabled loos with hand-washing facilities. It is imperative that more disabled loos are available for our ageing population because so many people with medical conditions cannot risk leaving home without knowing that there is a suitable loo for them to use.

I commend the excellent facilities provided by Changing Places, which the Minister mentioned in his speech: they have space, hoists and a changing table, and are vital for families with disabled children. I am glad that Changing Places is going from strength to strength, with a clear map of where their facilities are installed.

However, there is a problem with the centrally held database of where there are public loos in the United Kingdom. The Government gave up on collecting this

information 20 years ago, and the British Toilet Association would like to help them restart this invaluable database. It also says that local authorities would like clear guidance on cleaning and hygiene measures in these Covid times.

Nowhere in the British Isles should be far from accessible public lavatories, and this situation should be monitored. Is that asking too much?

4.47 pm

Lord Hope of Craighead (CB) [V]: My Lords, it is a pleasure to follow the noble Baroness, Lady Thomas of Winchester. My interest is in the second of the two Bills before us about the exemption from rates for public lavatories. I too am glad to see it back again, following its having been dropped at the end of the last Parliament. I was one of a very small number of speakers at Second Reading on the previous occasion. It is remarkable and very encouraging that, for whatever reason, so much more interest has been shown in the Bill this time round.

I join with others in welcoming the measure; it addresses a very real problem, which is not much talked about in public but is nevertheless very real. This is not just a matter of convenience, as these places are increasingly difficult to find; it is also a serious health issue, particularly for people with special lavatory requirements or other health problems, who need to be able to easily find such places and have them within easy reach. There are some who dare not go to places where they are not assured of such support; there are others who find taking the risk very worrying and uncomfortable. The cost of providing and maintaining such places is not inconsiderable, so something needs to be done. The help that this Bill offers, however small, is overdue and much to be commended.

The other point that interests me about it and has led me to contribute to this debate relates to my past. I spent some time, during an earlier stage in my career as an advocate, in cases about valuation for rating. I was also the joint editor of the leading textbook on this subject in Scotland. To me, it is of interest to find that public lavatories appear as separate entries in the valuation list. I did not encounter them at any time in my practice, and they are not mentioned in the list of unusual subjects to which the book refers, such as advertising hoardings and radio masts. However, there is no doubt that they should be in the list wherever they exist as separate subjects, with the consequence that, according to the ordinary rules, they will be chargeable to non-domestic rates.

This is the result of two basic rules. The first is that every hereditament or structure that is capable of separate occupation should be the subject of its own entry on the list. The other is that the annual value that must be attached to it for rating purposes is, in theory, the rent at which the hereditament might reasonably be expected to be let from year to year, assuming that the tenant undertakes to pay all the rates and to bear the cost of repairs and other expenses necessary to maintain the structure in a state to command that rent. That may seem rather fanciful in the case of public lavatories, but it is what the rule requires. Nowadays,

in practice, that figure is obtained, in cases such as this, by applying a prescribed formula which probably does not bear much relationship to actual rents but is intended to maintain some kind of balance across the entire valuation list.

In this case, we are concerned only with self-standing public lavatories that are in separate occupation, such as one might hope to find in a town centre or a public park or in or near a children's playground. The Bill is designed to deal with that situation only, as is the method that it applies to ensure that rates do not have to be paid by those who occupy them, by which I mean those who are in rateable occupation as their owners or tenants, not the people who find it convenient to use them. However well disposed their owners or tenants may be to the public need for such facilities in these places, it is unlikely that they would be able to claim relief on the ground that they are charities. The subjects cannot be taken out of the list altogether, as that would be contrary to one of the basic principles. So, the solution is to provide by statute that they are to be entered in the list at zero value, which is what this Bill seeks to do.

Like other noble Lords, I would like to see something done to encourage the more frequent provision of public lavatories in public places such shopping malls, public libraries and bus stations. However, the problem is that facilities of that kind have to be included in the value of the larger hereditament of which they form part. They cannot be extracted from it to form a separate entry, as in the case of the subjects dealt with in the Bill. That is not to say that this is not a very important issue, but the fact is that it is not easy to provide a simple solution for them such as we have in this case. Nevertheless, I hope that the Minister can assure the House that minds are not closed on that issue and that something may be done, perhaps by adjusting the relevant formula, to address it.

I support the Bill and would like it to pass into law as soon as possible.

4.52 pm

Baroness Randerson (LD) [V]: My Lords, I wish to concentrate solely on the Non-Domestic Rating (Public Lavatories) Bill and, in doing so, express my regret that these two Bills have been harnessed together. They may sound similar, but their impact is very different. I declare an interest as a member of an, as yet, informal campaign group trying to improve the quality of public toilets through the introduction of a toilet hygiene rating scheme.

I will start with a quote:

"The main results from the enquiry are 1) the quite inadequate free provision for women. This is perhaps the most outstanding defect at present existing in London in relation to this important matter."

The inquiry referred to was undertaken in 1928 by the London County Council. This inequality was made worse by the Public Health Act 1936, which allowed providers of public toilets to charge women but not men for using facilities. That particular injustice stopped in 2008, but the inequalities in provision for women continue. Indeed, official advice from the Health and Safety Executive on workplace toilets still embodies

[BARONESS RANDEKSON]

this discrimination, setting in print a recommendation for a ratio of male to female facilities which greatly favours men.

It is a biological fact that it takes a woman approximately twice as long to use a toilet as a man. In addition, an average woman has approximately 480 periods in her lifetime, each lasting three to seven days. Some 14 million people in the UK are estimated to have some kind of bladder dysfunction. Women are more prone to this than men, because of the impact of childbirth. I share with very many women a lifelong sense of injustice that we are continually disadvantaged in this way. When did you ever see a queue outside the gents' toilets? Modern changes of attitude recognise the argument for gender-neutral facilities, but sadly these are sometimes being provided only with the loss of facilities for women. Women from some faith and cultural backgrounds find it simply impossible to share facilities with men.

Of course, this is not the only shortcoming in our public toilets. There are still far too few changing places toilets, as my noble friend Lady Thomas referred to, with both the space and the high standard of hygiene required for severely disabled people and their carers. There are too few well-appointed toilets for disabled people generally. I also want to make a complaint on behalf of fathers. Far too many sets of public conveniences assume that all childcare is done by women, so baby-changing facilities are in the women's toilets. Men on their own with children often face an impossible dilemma on where to change their child's nappy.

I have campaigned on these issues since the 1980s and clearly I have failed, because the number of public toilets has dwindled. When the public complain that their cleanliness and condition are poor, local authorities facing financial problems find that the easy solution—the only solution—is to shut them down.

The Covid crisis has heightened awareness of these issues. First, we all became aware of the need for the highest standards of cleanliness. Combined with pressures on staffing, this posed a dilemma for local authorities, which too often simply shut them up completely. Over the years, as the number of council-run facilities has dwindled, we have increasingly relied on toilets in shops, pubs and cafés, but these have been shut for large parts of the last year. This led to some pretty horrifying situations, which hit the headlines when the Prime Minister suddenly decreed that we could all drive as far as we wanted for our exercise. It was midsummer and the weather was lovely. Hundreds of thousands of people set off for the coast without considering whether there were toilets for them to use during their day out. That incident revealed that good, clean public toilets are an important part of our tourist industry.

This legislation is obviously a good, sensible provision, and I support it, but it is not going to solve any of the problems I have outlined. I note that the estimated cost will be £6 million in England and £450,000 in Wales, which will hardly make up the financial deficit which has reduced the availability of good public toilets over the years. The Minister outlined other initiatives that the Government are taking to improve

public toilet provision. We clearly need many more of them. The community toilet scheme that he mentioned started in Wales well over a decade ago, so it is good to see England catching up with this excellent initiative. It is now time for stricter requirements and standards. I note that the provisions of the Bill will not apply to toilets which are part of a larger unit; for example, in a public library. Why not, if they are open for public use? My local public library has the only public toilets for at least a mile and a half in all directions. That restriction seems unnecessary.

Baroness Bloomfield of Hinton Waldrist (Con): Can the noble Baroness bring her comments to a close shortly please?

Baroness Randerson (LD) [V]: It is definitely not in the spirit of the Minister's speech, which emphasised how imaginative the Government have been in approaching this issue.

5 pm

Lord Bourne of Aberystwyth (Con) [V]: My Lords, it is a great pleasure to follow the noble Baroness, Lady Randerson. I should tell her that it is not that she has failed, just that she has not succeeded yet in some of the important aims that she has close to her heart.

I shall say a little bit about the first of the two Bills. I welcome the Non-Domestic Rating (Lists) (No. 2) Bill. I agree that the idea of postponing the date for the next revaluation to 2023, when it was originally to have been brought forward to 2021, makes sense in the context of the pandemic. I think that is the right move. The only points that I would make in relation to that are, first, to stress the importance of continuing the business rates holiday for retail during the pandemic. I welcome the fact that we have had it in this financial year but, clearly, in the next financial year it will be equally important, at least for part of that financial year, as I see it.

As my noble friend the Minister made clear, there remain long-term issues about the fair treatment of town centre retail and the proper taxation of online sales and out-of-town businesses, which we need to deal with. Clearly, that has been heightened in the pandemic. We have all welcomed online sales during the pandemic; they have performed very well. But it highlights the need to have a different tax treatment from the one that we have at present. But I certainly welcome that piece of legislation.

I turn to the second Bill. I should say that I see no problem in dealing with both Bills together at Second Reading. As I understand it, they will be separate for Committee and Report, and I welcome that, too. The second Bill is also welcome; it is virtually identical to one that your Lordships may recall I took through Second Reading in July 2019—the only difference being the retrospective nature of the tax relief that is going to be part of the scenario in this current legislation for the present financial year. That Bill fell with the prorogation and, essentially, this is the same legislation being brought forward again.

I recall from that time—and I highlight an issue that has been mentioned by the noble and learned Lord, Lord Hope of Craighead, as well as the noble

Baroness, Lady Randerson, just now—the issue of the separate assessment requirement. The problem with the legislation—and I recall looking to see whether there was a possibility of doing some apportionment—is that, unless the public lavatory is separately assessed as a single unit, the possibility of the business rate relief is not there. If it is part of a shopping centre, a museum or a library or, indeed, if it is with a council car park, the likelihood is that business rate relief will not be forthcoming, as the Bill is structured, because it has to be separate standing. That does not mean that it is not a welcome piece of legislation, but it is a defect, if what we are seeking to do is to improve the scenario demonstrably by ensuring that it is far more likely that we get a good spread of public lavatories throughout the country.

I agree with the noble Baroness, Lady Andrews, that we need to look at this as a more serious issue than is covered by this piecemeal reform, welcome as it is. There is an issue, which we can all identify with as we go around the country and go into our own towns and communities, of the need for proper provision that can be welcomed and held up as an exemplar of what we do as a country. If my noble friend the Minister could say something about the possibility of apportionment or a more widespread reform, so we can have wider relief, that would be welcome.

I agree about the welcome measures that are there—the community toilet scheme referenced by my noble friend, and the Use Our Loos campaign funded I think by Domestos, which is also worthwhile. I also very much welcome the Changing Places toilet scheme. Could my noble friend say something about the MHCLG consultation, which I think ended in 2019, on how we are going to carry that forward and do more? As the noble Baroness, Lady Thomas of Winchester, said, that again is much needed, and something that any civilised society would want to do.

Like others, I welcome the fact that Wales is signing up to both pieces of legislation. That is absolutely right and welcome. The only other issue that I will mention briefly is in relation to Network Rail. As I Minister, I talked with Network Rail about extending free entry for its managed stations, which I think the noble Lord, Lord Kennedy, was also keen on. I think that we discovered that all mainline stations in London had free entry except for Marylebone, for some reason. Does the Minister have any update on that, or could he look at it and let me know by letter and copy it to the Library, about the position there? I very much welcome these two measures and will certainly support the Bills.

5.05 pm

Lord Wallace of Saltaire (LD) [V]: My Lords, I welcome the return of the Non-Domestic Rating (Public Lavatories) Bill and hope that it will now rapidly complete its passage into law after the delays that it has suffered since its introduction. I declare a strong local interest, in that Saltaire is a village that is also a world heritage site, attracting hundreds of visitors—most often schoolchildren or retired people, both of which groups naturally ask where the toilets are as they get off the bus.

Bradford Council, faced with continuing cuts in its transfers from central government, closed most of its public toilets three years ago, including those in its three tourist destinations—Haworth, with the Brontë parsonage, Ilkley and Saltaire. I do not blame the council, which has found itself up against extremely painful choices in trying to sustain essential services. It has attempted to transfer the costs of providing these basic facilities on to the local communities, which in turn raises the question of how local councils can raise sufficient funds for services such as this when principal councils have found themselves unable to do so.

The history of local government in England is intimately connected with public health, public and private toilets and the prevention of disease. The history of Bradford and the building of Saltaire were shaped by public health concerns. Typhoid and typhus were rife in Bradford in the early 19th century, as a result of overcrowding and the contamination of water supplies. Titus Salt therefore decided to move his entire works and workers out to the countryside, specifically building clean water and the regular emptying of privies into the design of the village. But Titus Salt did not regard such provision as purely a private affair; he was also a local councillor and twice mayor of Bradford, and he raised local rates to pay for public improvements in water supply and sewage disposal.

It is a sad indication of the peculiar mix of anarchic libertarianism and authoritarianism with which the Conservative Party has now become infected that some have questioned whether the provision of toilets is a public duty. We have heard suggestions that visitors can use local shops instead for toilet breaks—not an easy option in a Victorian village such as Saltaire, where toilets were originally in back yards and are now either in basements or upstairs, meaning no access for the elderly or disabled. At a time when our country is gripped by a pandemic, with the Prime Minister regularly reminding us all to wash our hands as often as we can, the suggestion that people away from home should not have easy access to toilets and washing facilities takes the idea of the privatisation of public services to a dangerous extreme.

There are wider issues here about the future of local government finance—and the future of local government and local democracy as a whole. We have all witnessed the bias against local government that the Conservative Government display, painfully evident in the way that they turned to multinational outsourcing companies to set up the test and trace scheme for Covid-19 last spring, rather than turning to local authorities and their public health officers, who would have known how to do it. Government plans to parcel up bits of Whitehall to dispatch outside London, rather than devolving decision-making power to regional and local government, demonstrate a similar engrained authoritarian centralism.

The Prime Minister's pledge to level up the neglected communities and regions of this country will not begin to make a difference unless the funding, and the powers, of local authorities in these regions are transformed. The Treasury is now undertaking a fundamental review of business rates, as the Minister noted in his opening speech. But questions of the relationship between local and central government in

[LORD WALLACE OF SALTAIRE]

England, including the fiscal and redistributive aspects of that relationship, go much wider than those of business rates alone, of which the provision and financing of public toilets is itself only a small part. The Government have promised us a devolution White Paper. I look forward to the publication of that, and I hope that Ministers will be open to a wide debate on the future of England's local and regional government when at last it appears.

5.10 pm

Lord Reid of Cardowan (Lab) [V]: My Lords, I thank the Minister for his introductory remarks, and, like many others, I support these Bills. I will confine my remarks to the Non-Domestic Rating (Lists) (No. 2) Bill, not least because the other Bill—and the important subject it raises—has been dealt with comprehensively and succinctly by my noble friend Lady Andrews and a number of others, embellished by the hygiene history of Saltaire given by the noble Lord, Lord Wallace. It is always a pleasure to follow him.

Like other noble Lords, I fully understand the need for the measures contained in the Bill. In effect, in summary they will help ensure that future business rates will better reflect the potential effect of the Covid-19 pandemic on the commercial property market by postponing the date of the next business rates revaluation until April 2023. It seems to make sense—not least to the business community affected—to take into account the effects of changing market conditions, and that is why I will support the Bill. But perhaps the Minister could respond to one or two questions and queries that I have regarding the Bill.

First of all, it seems to me that the delay cuts both ways. Does it not mean, for instance, that some businesses badly affected by the pandemic will have to tolerate their existing burden of rates—assessed and set in perhaps much more benign circumstances some years ago—for potentially an additional two years, while their present commercial reality may be much changed for the worse precisely because of the pandemic? To address this, could not the new valuation and assessment, taking into account the effects of the pandemic, be carried out in a much shorter time than the additional two years outlined in the Bill? Perhaps the Minister could tell us.

Secondly, as we have heard on several occasions, the Government are presently undertaking a fundamental review of business rates and, as part of that exercise, they are considering the frequency of future revaluations. Can the Minister tell us what specific implications, if any, today's Bill might have on that review? Can he assure us, for instance, that the review will not be unduly delayed because of the measures we are considering today, or are we to assume, as I did from his opening remarks, that there has already been a delay on this, partly—presumably—because of the attention being given to the pandemic, including those aspects which relate to the present Bill?

Thirdly, will the additional time being allowed by this Bill permit a consideration of wider changes in market conditions outside of those directly springing from the pandemic? Is it to be exclusively centred in its consideration on the pandemic itself, or, for instance,

are the short-term effects of Brexit, which may well prove as deleterious as the pandemic itself for some businesses, to be taken into account?

Finally, in supporting these measures, I should say that, as others have stressed, while they are a common-sense response to a temporary and, I hope, unique challenge—the Covid-19 pandemic—they do not provide a long-term solution to the recurrent problems and criticisms associated with the present valuation process, with which all of us are very familiar. That will be provided only by the review and reform of the whole process mentioned by the Minister. I hope that the Minister can assure myself and all the other noble Lords who have raised this that it will be a thoroughgoing review, followed by the expeditious implementation of the necessary and appropriate reforms, and that that is the Government's prime longer-term objective.

5.15 pm

Baroness Greengross (CB) [V]: My Lords, I thank the Government for introducing the Non-Domestic Rating (Public Lavatories) Bill, which applies business rates relief to all public lavatories in England and Wales. We know that many public toilets have closed during the Covid-19 pandemic, and this Bill helps local authorities and others who provide these facilities to keep them open, cleaned and generally maintained.

As co-chair of the All-Party Parliamentary Group for Bladder and Bowel Continence Care, I cannot overstate the importance of government support to keep public lavatories open at this time. It is important to understand, however, that the decline in access to public toilets predates the current pandemic, and I will briefly highlight what I believe are the most urgent issues which need to be addressed.

First, there is no verifiable data on the total number of public lavatories in England and Wales. The British Toilet Association estimates that there has been a 60% reduction in the number of public toilets in the last decade—60%, my Lords. According to the National Association of Local Councils, business rates on public lavatories cost local councils around £8 million each year. Increasingly, local councils are picking up the management of public lavatories due to financial pressure facing principal councils. One of the reasons this is so urgent is that there are 14 million people in the UK living with bladder control issues, and 6.5 million with bowel issues. A Royal Society for Public Health survey in 2018 found that one in five people do not feel able to go out as often as they would like due to the lack of public toilets provided throughout England and Wales.

One group who have been negatively impacted by the closure of public toilets throughout the coronavirus pandemic are bus drivers, delivery drivers and others who work in the transport sector, who are increasingly helping all of us during this time. One way to support these essential workers is to ensure greater access to toilets.

Not only do we need more public lavatories but we need to ensure that these provide the support that people need; for example, there are often no bins provided for the disposal of stoma and other continence and personal care products, especially in men's toilets. Also, people with severe disabilities require toilets

with hoist systems and height-adjustable changing benches, and there are still too few public lavatories with these facilities across the country.

It is recognised that there are economic benefits of providing clean and accessible public toilets: doing so boosts tourism and supports businesses on the high street. The Bill is an important first step towards achieving this.

When the Bill was debated in the other place, it was suggested that the Government publish an assessment of the impact of this legislation and that as part of this assessment they should start collecting verifiable data on the number of public lavatories in England and Wales.

The Public Health (Wales) Act 2017 requires all local authorities in Wales to publish a local toilets strategy by 2021. The aim of this is to encourage Welsh local authorities to invest in public toilets. Local authorities in England should also be required to publish a local public toilets strategy. By collecting and publishing verifiable data on the provision of public lavatories, the Government would be supporting local authorities in delivering such essential strategies, which is surely the minimum we can demand.

I end by commenting that until public lavatories were introduced in railway stations, only women with personal maids could travel—which we sometimes forget. Public lavatories are essential, and they become more and more so as we hope we can become more and more civilised.

5.20 pm

Baroness Bakewell of Hardington Mandeville (LD)

[V]: My Lords, it is a pleasure to follow the noble Baroness, Lady Greengross. I declare my interest as a vice-president of the Local Government Association. I fully support the comments of my noble friends Lady Thomas of Winchester and Lady Randerson on the NDR (Public Lavatories) Bill. It is essential, in terms of equality, that the number of disabled lavatories and access to them should be increased, not only in town centres but in visitor attractions and beauty spots around the country. Other Peers have spoken eloquently on that issue.

Turning to the NDR (Lists) (No. 2) Bill, I have a few points to make. While I support moving the date for compiling the lists to 1 April 2023, this is an opportunity to move from a five-yearly review to one every three years. Other noble Lords have spoken to this issue. I would not support moving to a yearly revaluation as this would be too great an administrative burden on local authorities, but a three-yearly revaluation would be a good compromise.

It is important that we fully understand what is happening to our high streets. During lockdowns, most of the retail and market outlets are not able to trade. Some retail outlets have been able to move their business to online trading and delivery, but most have not. We have reached a stage where enormous warehouses have been constructed to service online business, but they do not contribute in the same proportion as high-street businesses. Now is surely the time to readjust the rating system so that the rateable value and rates paid by high-street retail outlets is radically reduced

permanently. At the same time, online warehouse operations should be taxed in proportion to their size, turnover and profitability.

While it has been enormously beneficial to people to be able to buy goods online during lockdown, especially in the run-up to Christmas, the effect on the high street has been catastrophic. Many retail outlets rely on the December trade to see them through the rest of the year. I am sure the Minister does not wish to see a return to the moribund state of our high streets during past recessions. I welcome the rate relief which the Minister has set out to alleviate hardship during Covid, but that is only short-term.

I will speak briefly on mixed hereditaments. Many, many years ago I sat on rating appeal tribunals. While a large proportion were about dates, there were a proportion of mixed hereditaments, with those living in premises above retail outlets which they ran having concerns about their rateable value. The Government have been keen to increase the housing supply by allowing developers to give notice to quit to business tenants in blocks of flats in town centres over retail outlets. These premises were then allowed to be converted into domestic dwellings. These conversions have not been subject to building controls, and in many cases have resulted in substandard accommodation with very limited space.

Can the Minister say whether these newly converted domestic dwellings were subject to reassessment of their rateable value? Were they changed from business rates to domestic rates? Did the local authorities in which the dwellings were situated receive less in rates payments than previously or more? As the Minister knows, local authorities are very dependent on the receipt of rates to help balance their budgets and to fund their vital services to the community.

While providing homes for those desperate to escape sofa-surfing with their long-suffering friends and relatives, it is important that the accommodation provided through office conversions is adequate, meets minimum standards and provides a dignified living space for their residents. I look forward to the Minister's response on this and other matters in this debate.

The Deputy Speaker (Lord Russell of Liverpool)

(CB): The noble Baroness, Lady Altmann, has withdrawn from this debate, so I call the next speaker, the noble Lord, Lord Stunell.

5.25 pm

Lord Stunell (LD) [V]: My Lords, the non-domestic rating Bill is a simple Bill but it has some important ramifications that I want the Minister to clarify in this debate.

The first point I want to explore is how the Government intend to compensate local authorities for the income lost through the current Covid-19 emergency rates rebates, particularly for retail premises. As the Minister himself said, that has cost around £10 billion in this financial year, and it is at least a possibility that there will be some extension of that rebate system into the next year. My first question to the Minister is therefore: who is carrying the burden of that shortfall? Are the Chancellor and the Treasury making up the missing income so that local authorities do not lose out on the

[LORD STUNELL]
redistribution, or is the payout to the fund being cut and the damage borne by local authorities? The Minister may feel that that is outside the scope of the Bill, but that matter is very relevant to the point I shall explore in just a minute or two.

The Bill is the end product of a yo-yo policy-making process by the Government. Plan A was to reduce the review periods to every three years with a review date in 2022. That was changed to an intention to bring the review forward to 2021, to tackle the increasing evidence that outdated valuations were producing more and more unfair burdens for some—especially high-street retailers—and unearned tax holidays for others, especially distribution centres and out-of-town warehouses.

However, we now have a Bill that is to be effective from 2023, which is one year later than the original plan A and two years later than plan B. The Bill, plan C, avoids carrying out revaluation surveys until the Covid-19 pandemic is over—we sincerely hope. That makes sense in the current circumstances; it is not an issue for me at least. But the crucial point that remains is for how long hard-pressed retailers will be left paying exorbitant rates for rapidly depreciating high-street locations. How soon will they get the relief they so desperately need? One unintended result of the switch from plan B to plan C could be that that relief will be delayed by up to two years—a point the noble Lord, Lord Reid of Cardowan, made eloquently.

One key to this may be the antecedent valuation date, or AVD. That is the baseline date from which assessing the rental values will be made. I am indebted to the Association of Convenience Stores for its briefing on that topic. The first part of the briefing welcomes a proposed AVD of 1 April this year because the ACS believes that would allow full account to be taken of the steep decline in retail values and would give its members smaller rates bills to pay. The second part makes a case for the urgent extension of the rates relief scheme into the coming year because of the continuing impact of Covid-19 on its businesses. Indeed, it says in its evidence that four out of 10 of its members would have gone out of business without that support this year, so it has been absolutely critical.

The Bill is running two years later than the Government originally intended. There must not be a two-year delay in bringing the benefits of an updated valuation to the retail sector, which has been left on its knees, not just by Covid-19 but by underlying trends in retail purchasing that were already in train but have been hugely accelerated as a result of it.

If the revaluation is done this year and comes into force only in 2023—and, even worse, if there is any kind of a transition period that delays any benefits to it—the retail industry, already struggling desperately, will be left high and dry between the end of the Chancellor's scheme and their incoming reduced rates bills. That brings me back to the working of the current retail rate relief system. If the Chancellor has acknowledged the acute pressures facing retail businesses by granting them business rates relief, and if he pays heed to what the Association of Convenience Stores and many others have had to say about extending that scheme, surely there has to be some joined-up thinking across government departments. It cannot make any

sense for there to be a critical gap of two years, possibly more, between the end of the Chancellor's scheme and the delayed implementation of the rates revaluation, given that that review is to be based on an AVD of 1 April this year.

Can the Minister confirm that the AVD will indeed be on 1 April and that he will strongly resist any idea of phasing in the reliefs granted by the revaluation beyond 2023, which would delay the benefit to the retail sector even further? Will he explore any available options for implementing at least some parts of the revaluation at an earlier date than April 2023 so that their full impact will immediately be available sooner, to the retail sector in particular? The public lavatories Bill has a backdated provision granting retrospective tax relief from 2020, so the concept will not be unfamiliar to him. Will he consider introducing a similar provision for the retail rebates in this Bill as well?

Finally, if an early start is not an option, will he work with the Chancellor to provide appropriate transitional support to that sector between the end of the Chancellor's scheme—that is, the current support package—and the new valuations taking effect? It would be folly for what is now a two-year delay in the original timetable proposed by the Government, which would lead to a near-fatal blow to our high streets—

Baroness Bloomfield of Hinton Waldrist (Con): I remind the noble Lord of the advisory speaking limit.

5.32 pm

Lord Thurlow (CB) [V]: I wish to address the Bill concerning non-domestic rates on commercial premises. The other Bill has been well discussed; I certainly support it. I declare my interests as in the register.

I cannot make these comments without some focus on reform of the system. By way of background, I spent some 40 years working in non-domestic property. I also spent a limited time—but some time, nevertheless—in the rates department of my firm, where I learned that this is a highly specialised sector lying within a specialist division of the RICS. It is a complex business.

This Bill is about moving the revaluation date forward, thus adopting values from March this year. I believe that it is flawed. In the retail sector, it will be very difficult, if not impossible, to establish estimated rental value—ERV—based on supply and demand and comparable evidence. There are probably thousands of empty shop units across England and Wales. Some will have had no offers for many months, let alone competition—an unheard-of blight in my 40 years of market practice. Many landlords have given up the premises for temporary charity use precisely to avoid the NDR obligation. There is virtually no retail letting activity from which the ERV must be assessed in only a couple of months' time.

This blight was predicted. For 10 years at least, the industry has been debating the implications of internet shopping for the traditional retail format of high streets, out-of-town shopping and shopping centres. The threat was clear, and it has arrived. Traditional retail must change dramatically if it is to survive the low-rent, low-rates model of internet shopping.

Of course, the body blow to traditional retail is Covid. For many retailers, it is the death knell of their businesses. Every day, the newspapers remind us of high street retailers folding. A few will be bought out of administration but many will disappear, with jobs lost, debts, personal guarantees and tragedy. However, if you are Amazon or any internet retailer, Covid has played into your hands, with low rent, low rates and collapsing competition.

With the Government turning something of a blind eye to the soft rates regime for these internet businesses, the high street carnage comes as no surprise. Yet this could swiftly be corrected if the rating value rules recognised internet warehouses as the engine room of internet shopping. The burden of rates should follow the money and the profits. We should treat these warehouses as the retail properties they have become. The Government have provided Covid rates relief—huge relief—but to the high street, this is a stay of execution, not a cure. Retail patterns are not changing; they have changed.

Moving the valuation date will require valuers to assess ERV at the trough of a dead market. There will be little evidence. The problem will arrive with an appeals process of huge proportions. There will be a tsunami of claims. Without internet shopping, this would not be a problem.

The fundamental review that we expect in the spring, as mentioned by the Minister, is welcome but I fear that these events are occurring in the wrong order. The definitions of “internet shopping” and “distribution centres” must be rewritten to acknowledge their role. Following that event, the valuation process could unfold. High street retail could settle down. Rates would be at an economically justified level. Post-Covid markets would be able to return to a balance between supply and demand.

I fear for those in the VOA who, I believe, will be overwhelmed by the appeals process. I am afraid that the NDR, as applied to retail, is a broken system. There has been a simple transfer of retail trade away from shops to the internet without the corresponding and necessary transfer of rateable obligation. Can the Minister tell the House how long we must wait, following the review, for legislation to reform fundamentally the non-domestic rating system?

5.37 pm

Baroness Jones of Moulsecoomb (GP) [V]: My Lords, I welcome both these pieces of legislation. They seem an odd coupling, though, so I hope that the Minister will manage to separate out all the comments on the two. I declare my interest as a vice-president of the Local Government Association.

First, I want to talk about taxing online businesses. They were already outdoing physical businesses before the pandemic, but now, our rapid transition to a digital life over the past 12 months has concentrated commerce into a very small number of online businesses while small high street businesses are really struggling—much more than they did before. It is obvious that we need some sort of online sales tax so that online businesses do not have unfair tax advantages relative to physical businesses. The revenue should go to the local authority of the delivery address. It is a real pity

that the Bill does not include such a measure, because this is an opportunity not to moan but to encourage local businesses, which is what we should be doing.

It is good that the Government are finally delivering on their promise to scrap business rates for public toilets. Public toilets are important for everyone but they are especially important for people who might need to use the bathroom more due to age, illness, disability and a whole host of other reasons. Should we be doing more to support their provision? Rather than just scrapping business rates, we could employ a negative rate so that public toilets could earn a rebate based on their rateable value. Businesses and premises that allow the public to use their toilet for free—that is, without needing to buy anything—would therefore benefit. The Explanatory Notes give the example of a toilet in a library premises not being eligible for the zero rate. This is a missed opportunity to encourage more premises to make their toilets readily available to the public. Of course, if, like the Victorians, we were prepared to build new public toilets—or even open the Victorian ones—we would not need to do this.

Finally, I shall talk more broadly about the old system of land taxation. It is a long-standing and fundamental policy for the Green Party that all land should be subject to a land value tax, which would share the unearned value of land use among the community. A policy of taxing land value would act as an incentive to encourage good stewardship and to reduce corporate land ownership—and, of course, the practice of land banking. It would encourage the best use of all land, compatible with the agreed permitted use, encouraging urban land to be used to its full extent and discouraging land ownership for investment purposes only.

A policy of taxing land value would bring many benefits to a large majority of the population, whether urban or rural, including owner-occupiers in small or medium plots and those who do not own land. Taxing land value thus contributes to the creation of a decentralised and sustainable society. Eliminating speculation in land and stabilising prices should make land more available at cheaper prices, enabling more workers’ co-operatives, small-scale enterprises and other community ventures to flourish.

The key difference of a land value tax compared to business rates and council tax is that the tax is levied on the unimproved value of the land itself, not the rentable value of the buildings placed on that land. The level at which the tax would be levied would be based on the full value of the current permitted use of the land, so permitted use would mean, for example, that the taxable value of land deemed by the community to have special amenity or habitat value would inhibit use for a possible greater financial return. When it is considered desirable to change the use through the land use planning framework, this new permitted use would then form the basis of the assessment, so communities would be able to keep what they see as valuable land, which might be open space or habitat for animals, without incurring huge costs.

I would love to hear the Minister’s views on land value tax and for him to take the issue away to explore further with officials. We should be taking a much

[BARONESS JONES OF MOULSECOOMB]
deeper, longer-term look at reforming the whole of land taxes in this country. This is perhaps not the moment—but if not now, when?

5.42 pm

Lord Naseby (Con) [V]: My Lords, I wish to address the Non-Domestic Rating (Lists) (No. 2) Bill, and much of my comments will reflect the speeches of the noble Lords, Lord Stunell and Lord Thurlow. Although this is a short and, I suppose, on the surface relatively uncontroversial Bill, amending the date of the next revaluation for business rates to 1 April 2023, it presents a key opportunity to raise the Government's awareness of the need for a complete overhaul of the business rates system—and, in particular at this time, to save shops by giving them a lower and simpler cost base from which to operate in future.

The Minister will know that retail is a sector that generates about £20 billion in taxes and contributes about £7.5 billion in business rates each year, largely from the high streets and town centres, with further tax contributions made throughout the supply chain. The burden of business rates has risen extremely high in the past 30 years, up from an average of 35p in the pound of rateable value in 1990 to more than 51p, causing business failures, store closures and job losses. The problem for physical retail is accentuated by the rise of online retail and is most acute in the north and the Midlands, adding to the business pressures on those communities.

Frankly, in my judgment, the system is broken. From my past activities in the Commons—that is why I took 1990 as a reference point—and before that as leader of the London Borough of Islington, I believe that business rates have always been a challenge. Now we have a pressing need for a fair system of taxation for business. We need an urgent plan to keep rates at manageable levels to save jobs and retain the character of our shopping places, town centres and high streets. I have done some consultation with the industry, and there are three points it would have me make, which I now make—and agree with. First, we should reduce and fix the uniform business rate from the current 51p-plus rate back to somewhere near 30p, so that it more closely reflects physical retail's share of sales in the 2020s. Secondly, we should introduce annual business rates revaluation from 2023, to ensure that business rates are fair and accurately reflect market conditions. Thirdly, we should abolish downwards transitional phasing to further support the recovery of the retail sector.

In the immediate term, the Government need urgently to commit to continuing the Covid-19 business rate holiday for retail. The industry itself has accepted that at the end of the current system, a 50% rate would seem appropriate. However, we now have a somewhat different situation because of a significant rise in Covid-19 cases, which has led to the current lockdown. We now see it as vital for the Government to sustain the current relief at 100% until the end of the pandemic to enable retailers and businesses to make the decisions needed now to ensure their survival and recovery next year.

I understand that the industry supports April 2023 as the next revaluation date, but has real concerns about the antecedent valuation date—the AVD—set

for 1 April 2021. This would mean that the new rating assessments and rate bills in 2023 would be based on the state of the economy and property rental value at 1 April this year. Given the current lockdown and the prognosis for it to be lifted not before Easter, retail will not have recovered from the economic losses experienced by successive lockdowns for this now to be the appropriate date for revaluation.

Reliable market retail data, which is the basis of AVD, will not be available until at least April 2021 and maybe not until the following January. I therefore urge my Government to defer the AVD, which is specified in secondary legislation, so that it will not affect the primary legislation. I conclude by saying once again that this debate on this Bill provides a unique opportunity to highlight the need for fundamental business review.

5.48 pm

Lord Truscott (Ind Lab) [V]: My Lords, I refer to the Non-Domestic Rating (Lists) (No. 2) Bill, and agree with much of what the noble Lord, Lord Naseby, just said. Although I welcome that the Bill postpones the revaluation of business rates until April 2023 to help firms affected by the pandemic, I cannot but think, as a number of noble Lords have expressed, that this is a missed opportunity for root-and-branch overhaul of the rating system, despite the Minister having pledged that there will be a review of the current system.

The economy is facing a double-dip recession and many businesses are under extreme financial pressure, as several noble Lords have said. Spending patterns are changing as more goods are bought online. High business rates are killing off our high street and, in these circumstances, a further hike in rates, even two years down the road, will sound the final death knell for many struggling businesses. The noble Lord, Lord Hain, described his experience with his local high street and the independent traders there that are under threat.

As the CBI pointed out in a recent report, the uniform business rate has risen by 44% over the last 30 years. The UBR would be lower if it had risen only in line with inflation. If the switch in indexation from RPI to CPI had happened earlier, it would have saved businesses £13 billion over a nine-year period. The UBR makes up a significant proportion of fixed costs for businesses—another reason any further increase should be delayed beyond 2023. The Government should look at rebasing the UBR, which would boost business investment and fuel economic growth at a crucial time for the UK's economic recovery from Covid-19.

The CBI has made a number of recommendations and I hope the Minister will take them on board, particularly when the review gets fully under way. For example, for the remainder of the 2017 revaluation period, the Government should freeze the UBR. As a number of noble Lords have said, relief should continue to be targeted to support the most vulnerable businesses, so badly hit by the pandemic.

The Minister should ask himself, “Do we want to save our high streets and many smaller businesses, or not?” Currently, any business that can operate remotely will continue to do so, with implications for the economic

health of our city and town centres. The incentives to cut staff and operate from smaller or with no office space will continue. Remote working can bring many benefits, especially if linked to more flexible working, but it should not lead to the shrinkage of our vibrant business sector and have the effect of turning our urban centres into ghost towns.

5.51 pm

Lord Addington (LD): My Lords, my taking part in this Bill is totally down to the presence of two other names on the list. The first is that of my noble friend Lady Thomas, because of the points she made when one of these Bills was first presented to the House. When I heard her speech, I said, “I should have been there to back her up.” The second is the noble Lord, Lord Moynihan, because when he puts his name down you can reckon there will probably be something about sport. There was not a big jump from rating to small sports clubs—it was not down, but it was something that was going through.

To deal with them in that order, the provision of public toilets, particularly for giving some support to those who are disabled and need access to them, is something a civilised society should do. If you think about it, what you are trying to avoid is a disabled person being fundamentally humiliated—or risking that—when they go out in public. To be perfectly honest, if someone fouls themselves, it is not only unpleasant and unsightly, but that person has been marked down as “other”—as being beneath you in public. That is what it effectively amounts to. You have to bear that in mind. You have to actually put that down and say, “That will restrict that person; that fear will restrict them more than just about anything else.” Anybody with them does not want to go through that either.

In coffee shop culture, if we ever get back to it, where cafés have a loo, there is also that little sign that we used to see only in pubs: “Customers’ use only”. It is not a public facility; you are not sure if it is there. You have to go into the place and find it. Is it upstairs or down? We do not know. Many of the suggestions we have heard today, about making available the knowledge of where toilets are and so on, are things that, as a civilised society, we should take on board fundamentally.

To turn my attention to the points about the rating value and the amateur sports groups or smaller sports clubs, we have agreed the principle; let us get the practice down so that it is easy to administer. Let us help these groups. In our society we have a huge bonus in our small sports clubs because, due to historical accident, they are usually self-funded. Local government is not required to provide the stade municipale, as it would be in France. Small clubs have financed themselves. They have given us an infrastructure that will implement government policy—and has been seen as something to implement public policy—for many years. Give them this little bit of help. The principle has been accepted; just say, “Go and get on with it.”

I do not know how many times I have said this, but we have institutions funded either by people taking part and paying a match fee—or whatever you call it—or by the bar. Neither of those income streams is coming in. The Government will have to look at this

and are probably keeping an eye on making sure that these institutions stay there, but the higher echelons of most of these sports are not generating the money that used to trickle down. We have a major problem there to keep something that we need and use—to implement the rest of government policy—functioning, or at least functioning at the rate it should. You will not get more people being more active without the use of these things. Even in later-life activity, if you have never moved till the age of 50, and then someone says, “Why don’t you go for a walk with everybody else?” it will be like climbing the Eiger to go up a small hill, to be perfectly honest. We have to make sure that the facilities are there.

I will leave my remarks there, but unless we address these fundamental problems, by making sure that somebody feels safe and has their personal dignity intact when they go out, they will not go out. Let us make sure that we have public toilets you can get to. When it comes to sports clubs, if you have something for free, provided by the general public, that implements government policy, it is insane not to make sure that they can continue to function in the future, especially after the experience of Covid.

5.56 pm

Lord Cormack (Con) [V]: My Lords, I am glad to follow the noble Lord and I very much endorse what he said on those subjects. I begin by declaring my relevant interests as set out in the register.

I wholly endorse the powerful and often moving points made by the noble Baronesses, Lady Andrews, Lady Thomas of Winchester and Lady Randerson, the noble and learned Lord, Lord Hope of Craighead, and the noble Lord, Lord Wallace of Saltaire: we cannot, in a civilised society, allow squalor to prevail when we should have dignified surroundings. If anything underlined the need for decent public facilities in the form of public lavatories, it was the series of repulsive scenes in the summer when people flocked to tourist areas and defiled them—in some cases wantonly, but in others because there was no adequate facility.

I want to concentrate my remarks on the Non-Domestic Rating (Lists) (No. 2) Bill because it is absolutely essential that we concentrate, as many noble Lords have this afternoon, on the dire future facing the retail trade—in particular the entertainment sector, including hotels, restaurants, cafés et cetera. I congratulate the Government and thank them warmly for the rescue action they took last year in giving the business rate holiday. They were right to defer the revaluation.

I want to concentrate my remarks on our town, city and, indeed, village centres, and on our high streets. The noble Lord, Lord Hain, in particular, made some extremely important points: if you want to sustain the throwaway society, all you need to do is depopulate our town and city centres. What has to be addressed in the review—it is vital that it is thorough and that we have it soon—is the disparity of treatment between town centre and high-street shops and the vast warehouses, which we have all drawn on during periods of lockdown. They perform a valuable service but they are getting away, if not scot free, then with very little to pay for it. We have to readjust the balance; we have to means test business rates in a way that means the Amazons of

[LORD CORMACK]

this world pay what they properly should, and the small, specialist shops in a glorious town such as Ludlow in Shropshire, or Louth here in Lincolnshire, are not penalised to the point of extinction.

Let us concentrate on this specific issue, and let us also remember that while we have to nurture the smaller shops so that they survive, we have to recognise that the supermarkets have prospered wonderfully over this last year. After all, they are virtually the only large shops allowed to be open at the moment. I thank them for their service. We all depend upon them. They were right to pay back some of what they had been given, but they must be treated differently from the smaller shops.

We have to remember in this context that one of our greatest industries, on which we will depend considerably in the future, is tourism. If we rip the heart out of towns such as Ludlow and Louth by, in effect, closing their restaurants, pubs, et cetera, and their smaller specialist shops, we will certainly decrease the attractiveness of our towns and cities to tourists.

I implore my noble friend to do all he can to bring on the review, but he must make sure that it is thorough and realistic. We all remember the poll tax; I do, as one who never cast a single vote in its favour, even when it was introduced in Scotland. We do not want to have a review that leads to anything like that. We must reform our non-domestic rating system to allow prosperity to return to our towns and cities. If we do not, we will have missed an opportunity. The business rates holiday must continue throughout this next year; otherwise, we will destroy that which we proclaim we wish to preserve.

6.02 pm

Lord Bhatia (Non-Aff) [V]: My Lords, this government Bill will introduce 100% mandatory business rates relief for public lavatories in England and Wales. In recent years, organisations such as the Royal Society for Public Health have expressed concerns about the rate at which public lavatories have closed. According to data obtained by the BBC in 2018, local councils have stopped maintaining at least 673 public lavatories across the UK since 2010. Local councils have also reduced the number of lavatories they maintain over the past few years.

In the March 2020 Budget, the Chancellor recommitted to reintroduce business rates relief measures for public lavatories. He said that it would apply retrospectively from 1 April 2020. In September 2020, the Bill was passed in the House of Commons with cross-party support. The Minister, Simon Clarke, said that the Bill will help reduce running costs and

“keep these vital facilities open.”—[*Official Report*, Commons, 3/9/20; col. 334.]

The coronavirus pandemic has also led to local authorities temporarily closing some public lavatories to help reduce the spread of the virus. The closure of such facilities has had a massive impact on those who require access to them, including those with medical needs and pregnant women. The closure of such facilities could push people further into the shadows and heighten their isolation.

While the rates reduction is a good measure by the Government, coronavirus has once again created further difficulties. Only the scientists can find a solution, with the full co-operation of local authorities.

6.04 pm

Baroness Thornhill (LD) [V]: I remind the House that I am a vice-president of the Local Government Association. As my noble friend Lord Shipley and others have so ably stated, we have few issues around the specifics of the Bill and the most pertinent points have already had a good airing during this excellent debate. Like many others speaking today, I believe that the time for tinkering with and tweaking the business rates system has long passed. I eagerly await the outcome of the review and urge the Government to be both bold and radical.

During my years as the elected Mayor of Watford, in any discussion with businesses in the town, business rates would crop up. I had a set patten about how we, the local authority, did not set business rates, nor did we get all the money into our coffers; we were merely the collector. Interestingly, that fact was always greeted with incredulity. The first complaint was that the rates were too high, of course, and the next that the system of exemptions and reliefs was too complicated; it is. Then, a matter of which I knew nothing at first was the long gap between valuations and the real problems that led to. They clearly felt that such valuations were out of kilter with local economic realities and should be more frequent. In previous iterations of the Bill, as was mentioned by the noble Lord, Lord Bourne, a period of three years was proposed, but it has now gone back to five years, while many groups press for annual valuations. Perhaps the Minister could explain the thinking behind that.

There is no doubt that the Bill, in kicking back the revaluation by a further year, will give businesses some stability, which has been broadly welcomed. But I fully agree with the noble Lord, Lord Naseby, on the AVD, and I too would like the Minister to explain the rationale for the next valuation to be based on April 2021 costs and rentals. That is surely too early for the full impact of the pandemic to hit, and yet it will not be implemented until April 2023. As my noble friend Lord Stunell said, businesses that get a valuation downwards have to pay more rates for a further two years, at an already difficult time.

If I really wanted to see sparks fly in the conversations I mentioned earlier, I only had to mention transitional relief schemes. This is but one of a number of examples in which the current web of reliefs hinders the system and, more importantly, contributes to further unfairness. It needs serious reform. There was also always “Don’t get me started on appeals,” usually with a look towards the heavens. Appeals have already been mentioned by several noble Lords, as well as the backlog of 50,000 cases for the 2010 and 2017 lists. Minister, is there a closing date for the appeals from the 2017 list yet? Within the forthcoming reforms, is there consideration for a much shorter window of time following a revaluation—say, six months—in which to appeal?

It has long been recognised that the Valuation Office Agency is not agile enough to keep up with and adapt to changes in demand within sectors, such as the

shift towards online, which has been much mentioned this afternoon. The case could be made that delayed devaluations have, in fact, acted as a subsidy for online retail. While logistics space has massively increased as a result of this trend, it is not taxed anywhere near as heavily as retail shop space. Are the Government looking to address this particular unfairness in their upcoming reforms? The VOA has been criticised for being difficult to deal with and cumbersome, and its valuations as often opaque and inconsistent. Minister, will any consideration be given to local government being the responsible authority for valuations, working in genuine partnership with local experts who know their patch and can respond to change more quickly? This happens successfully in some other countries, often alongside annual revaluations. It can be done.

The principle behind the local retention of business rates is good but, unfortunately, in reality it has meant that local authorities are now competing with each other, not only to attract inward investment, but even to outbid each other in the now controversial commercial entrepreneurial investments. I feel that, particularly in a two-tier system, economic areas are just too small to be really effective and local enterprise partnerships lack the powers and finance to make a difference.

Combined authorities, however, are showing what can be done to drive improvement across larger economic areas. Minister, to encourage and incentivise councils to work together on economic development, which is surely needed, would the Government consider allowing areas that agree to work in this pooling system to keep 100% of their business rates? Finally, can the Minister at least hint at whether it is the Government's intention, eventually, to transfer the powers and freedoms around businesses rates that are currently available to elected mayors in combined authorities to all local authorities?

6.10 pm

Baroness Ritchie of Downpatrick (Non-Aff) [V]: My Lords, it is a pleasure to follow the noble Baroness, Lady Thornhill. I will address the Non-Domestic Rating (Lists) (No. 2) Bill. I happen to agree with the noble Lords, Lord Hain and Lord Cormack, that there is a fundamental direct correlation between business rates and the prosperity of our towns and cities, and there is a clear need for business rate reform. In his opening address, the Minister referred to a report on this being forthcoming in early spring. I have to say that that will be challenging, because this fundamental review will have to reflect what has happened as a result of the pandemic, that existing evaluations or revaluations have taken a considerable time and that there are about 50,000 appeals with the VOA. So what will be the constituent parts of that review, when will it be published and when will it be implemented? Will it mean further legislation?

Initially, I referred to the fact that there is a direct correlation between the prosperity of our towns and cities—as already referred to by the noble Lord, Lord Cormack—and business rates and revaluations. There is a need to protect, boost and regenerate high streets. An opportunity must be given during this pandemic to rebuild businesses and their revenue-creating potential. Many of them have been forced to close because they are considered non-essential. Some were

never able to open following the first lockdown, including many in the hospitality and retail sector, and they have lost a lot of important revenue. That must be reflected in the Government's root-and-branch review of business rates. They have also had to compete with large out-of-town supermarkets and the online trade from companies such as Amazon. Therefore, those retail businesses and general businesses have found themselves undermined in every sector. This must be addressed.

Will the Minister have a conversation with ministerial colleagues in BEIS and in the Treasury about a revamp of our towns and cities, putting the heart back into our towns and cities with a freeze on commercial rents for at least one year, a business rate and business taxation reform—which has already been referred to by myself and other noble Lords—a possible rethink or lifting of Sunday trading restrictions, a rethink on the extension of permitted development rights, extension of the towns fund beyond the 101 locations, the expansion of business improvement districts and the expansion of city deals, working with local government, and for all those to happen and be constituent parts of any plan?

This requires a total regeneration plan for our high streets, coupled with that root-and-branch review of the business rates system that reflects what has happened to our businesses as a result of the pandemic. Measures need to be put in place to protect the independent retailers that are having to compete with the large supermarkets which are busy trading when many of them are closed. So can the Minister indicate what action will be taken to address those areas and ensure that a fairer, more equitable business rating system is implemented that reflects the challenges, difficulties and problems faced by all businesses as a result of the pandemic? I have talked to the Booksellers Association, which has no particular issue with 2021 as a base year for 2023 but would like to see some form of transitional relief.

6.16 pm

Baroness Bowles of Berkhamsted (LD) [V]: My Lords, I declare my interest as set out in the register as an owner of a small commercial office building from which I ran my business for many years.

There is an inherent unfairness in a tax based on the nature of the property that it is necessary to occupy to conduct a particular type of business rather than based on profitability. Maybe they once marched in step, when retail margins were high and out-of-town and internet selling were not prevalent. Now retail pays 25% of the tax for 10% of gross added value to the economy, and it constitutes 42% of their taxes. These distinctions are broadening further with the expansion of office work from home and more online shopping. If commercial space dwindles, the remainder will inevitably be on the treadmill of ever higher rates to satisfy the tax need. The truth is that the tax base has to be broadened and based on commercial activity and profit. It should be based on known fact, not supposition. I hope the consultation will have that scope.

Why are we sticking with the general design of the present system? It is broken. It does not properly track rents, which are far from the stable or routinely upward rent reviews that were once the story. Added to that background is the ongoing effect of forced closures

[BARONESS BOWLES OF BERKHAMSTED]
and staying at home, whether from legislation or from caution. Is that going to be taken into account? Like others, I welcome the rate holiday that has already been given. Will the Government consider further reliefs for the most affected businesses, both in terms of compensation for what they could not do and as a mechanism to aid recovery?

The Non-Domestic Rating (Lists) (No. 2) Bill postpones a review that had been brought forward, which will disappoint many who had been hoping for an earlier lowering of rateable values. Given that the Government are fixed on a delay, I still wonder about the base date for revaluation being April this year, which is likely still to be a time of uncertainty and flux, with relocations out of cities and working from home escalating, shop closures and growing numbers of empty properties of all kinds. How do those empty properties feed into the analysis? Surely their emptiness shows a lack of takers, so how is the market price found?

Unfortunately, delaying a review further would also cause disappointment, but why is it not possible to sample rents for the purpose of adjustment in the same way that a basket of products is monitored for the cost of living? That is a genuine question, as well as perhaps another consultation point. Will the next review be brought forward in sectors or areas where there have been significant changes since April 2021?

Turning to the Bill concerning the removal of rates for stand-alone public lavatories, again I confess to wondering how market rents for public lavatories are assessed, but the measure is welcome. “Stand-alone” means a building that is “wholly or mainly” a public lavatory, so does the Minister have any more guidance about what constitutes “mainly”? What about a combined public lavatory and bus stop? I have seen such an arrangement in car park and rides. Does “mainly” have to mean more than 50% of the footprint of the building, or is it related to purpose? An example given in the Explanatory Memorandum is that lavatories in a public library would not qualify, presumably because the facilities would be provided anyway, even though they also serve those nipping in in passing. What would be the situation if the lavatories were accessed through an independent entrance from the street?

More generally, should not more buildings serve the public need and the owners be recompensed? I can think of other buildings, such as old town halls, that rent out rooms that stay open for the public to access lavatories, even when there are no events. Should those types of facilities be given encouragement to stay open rather than being locked up, which is the usual trend?

I am glad that this Bill is before us, but I hope for more generosity in how it is applied.

6.20 pm

Lord Lucas (Con) [V]: My Lords, I welcome both Bills. I completely support the noble Lord, Lord Thurlow, in what he said. When we are reforming the rating system, we absolutely need to follow the money and move in the wake of Amazon, and make sure that, at least where we can bite it, which is its distribution centres, it is paying a proper rate of tax. It is important that we look at the effect our tax system has on our

businesses and that we do not disadvantage native UK businesses and advantage overseas ones, as we have been doing for years in our VAT system.

It is also important that, when it comes to rate relief measures, we look at exactly who needs the relief. As the noble Lord may know, I am saddened that the Government have excluded a category of businesses from the Covid rate relief, specifically those such as suppliers to exhibitions, which have to maintain large premises so that they can have a business when exhibitions resume again—maybe this year, but maybe not—but which are still subject to the full business rates arrangements.

I want to spend my time today on the lavatories Bill and support what the noble and learned Lord, Lord Hope of Craighead, and the noble Baroness, Lady Randerson, said. Indeed, I was cheering through the noble Baroness’s speech. We need public lavatories in town centres. Think of what life would be like if there were none. It ought to be one of the Government’s underlying objectives to encourage their provision.

That the Government are relieving the rates on separate buildings that are just lavatories is good, but the most effective way of providing a public lavatory is in conjunction with a business. The loos in Victoria Station are there because the railway wants to look after its customers, and it is the same for the loos in John Lewis, restaurants, hotels and anywhere else that one might make use of them. These are the provisions that we ought to be encouraging. That the intricacies of the current rating system do not seem to offer any obvious way of saying that the value added to a building by including a public lavatory should not affect the rateable value of the building is no reason why we should not do our best, conversationally in Committee on the Bill, to get real legislation when we get rating reform to make sure that the provision of this public service is not something that we then tax.

Also, if we are giving rate relief to public lavatories, we should do so with some conditions, and there should be something in the Bill that allows the Government to impose those conditions.

Coming back specifically to what the noble Baroness, Lady Randerson, said, a proper quantity of provision of separate women’s toilet facilities is absolutely crucial. She demonstrated in great detail why that is true, and I support everything she said. I shall be introducing an amendment in Committee to enable the Government, should they so wish, to impose conditions to say that a toilet would be zero-rated for rates only if it matched the conditions required by the Government.

6.25 pm

Lord Greaves (LD) [V]: My Lords, coming last after so many people speaking, astonishingly, about public lavatories, which has delighted me, there is nothing substantially new that I can say. I will just talk about one or two things that have happened in my part of the world and about how things need remedying. Before doing so, I declare an interest as a member of Pendle Borough Council. I am not a vice-president of the Local Government Association; I used to be but I resigned in order not to have to declare an interest all the time—I am still sent the briefings. Like other speakers, I commend the National Association of

Local Councils, which has provided so much good evidence and, in many ways, run this campaign. In a sense, I am not surprised that there have been so many speakers in this debate in the House of Lords. When you think about it, the demographic of the House suggests that more people here might be concerned about public lavatories than perhaps a younger generation might be.

As the noble Baroness, Lady Andrews, said, almost at the beginning, the important thing is that there is a need everywhere. There has to be a sufficient number of lavatories in the right places, and many, unfortunately, are not of a sufficient quality; they are what she described as “a disgrace”. The noble Baroness said that there is a need for a national strategy. What worries me is that, if it is too much of a national strategy, when national finances get into trouble and there are big cuts, it will be too easy to cut something such as public lavatories. I remind everybody that it was the nationalised railways that closed down a third of the network. I believe that local care and resilience are vital in very local services such as this.

I want briefly to tell a tale of two towns: one is Colne, my own town, and the other is Barnoldswick, next door. Both are on the Yorkshire border. Back in Mrs Thatcher’s time, there was government pressure for what we thought then were massive cuts—little did we know. The council officers thought that public lavatories were an easy thing to cut. They did not have to provide them and thought they were an anachronism in the modern age: people had cars, it was an old-fashioned service and the lavatories were expensive to maintain. They put a lot of pressure on councillors to close them down. In Colne, where I was chairman of the Colne and District area committee, we resisted this as far as we possibly could. Then I took a council holiday and another party took over in Colne and closed down almost all the public lavatories.

Then came austerity, and the cuts to our budgets that we never dreamed would happen did happen. The council as a whole decided that it could not continue to provide a public lavatory service; it simply had to stop doing some things because its budget over 10 years had been cut by half in real terms—I am not exaggerating. So we offered the remaining public lavatories to town and parish councils. Some were taken over, in particular by the very local parish councils, which have looked after their public lavatories—sometimes with volunteers and sometimes using the local odd-job person—and they have been very successful. They have looked after them much better than Pendle council ever did.

Barnoldswick Town Council, on the other hand—I give the plug that it was under the control of my party, the Liberal Democrats—took over the three public toilets in Barnoldswick and significantly increased the council tax precept, because that was the only way we could get extra money. Since then, the public toilets have been looked after by a local contractor from the town, with local care and maintenance. The service has been well received and successful, despite the fact that people are paying more money locally for it.

In Colne, where we have been denuded of almost all our public lavatories, the town council set up a community toilet scheme, which people have been talking about. It got going quite well and had some success, but

unfortunately another party then took over the town council and lost interest in the scheme. As I said, it was quite successful but we learned the problems: if you rely on private premises to provide public facilities, they are not open on half-day closing, and quite a few people, for various reasons, are not happy about going into town-centre pubs to go to the toilet or for any other reason. It is not a perfect solution at all. The perfect solution has to be new provision where there is not any. In order to provide that—I think Colne Town Council would be willing to do that and to run it—money is needed to invest in new facilities.

This comes back to one of my beefs: that there is no conventional, easy way for town and parish councils to get capital funding from the Government. Capital grants for town and parish councils are needed if we are really serious about them taking over and providing new facilities. Indeed, when they take over facilities from the principal councils, improving and upgrading them, they have to have sources of money over and above the council tax, because there is a limit to how far people will pay extra council tax for their town and parish councils.

6.31 pm

Baroness Pinnock (LD) [V]: My Lords, I draw Members’ attention to my relevant interests as set out in the register: as a councillor in Kirklees and as a vice-president of the Local Government Association. I thank the Minister for providing time last week for a discussion about these Bills.

We have had a wide-ranging and well-informed debate on both the Bills being considered. Both have in-principle support from Members on my Benches. As many noble Lords have said, the provision of publicly accessible public toilets is essential for many people, but my noble friend Lady Thomas has made a powerful case for the need for more accessible toilets to serve the specific needs of those with disabilities. I hope that the Minister will be able to provide an answer to her question about a government database of public needs. That would be of immense value, especially to those with particular needs.

That is amplified by a report from the Royal Society for Public Health published in 2019. It made a very strong case for a review of the number of accessible public toilets. The royal society investigated public toilets and discovered the number that have been closed by local authorities as a consequence of the severe cuts to public funding, the potential health impact of a lack of public toilets, as others have referenced, and the fact that many people plan their days out according to the accessibility, or not, of public loos.

My noble friend Lady Randerson spoke strongly and firmly in favour of equality of provision for women and talked about the long queues that we women have all experienced on a regular basis. Perhaps the Minister will be able to provide a positive response to her plea.

The same Royal Society for Public Health report also said that in 2018 there were no public toilets at all funded and maintained by local authorities in 37 council areas. That is of course a consequence of the years of

[BARONESS PINNOCK]

significant cuts to local government funding, and this Bill is a bit like shutting the stable door after the horse has bolted.

My noble friend Lord Wallace has raised the difficulties faced by tour groups visiting the world heritage site of Saltaire in the Bradford City Council area, where there are currently no public toilets for the coachloads that arrive. If only the Government could address the lack of public toilets and enable councils, through specific grants, to build them once more.

If the Government believe that public toilets are so important that they deserve special treatment in the form of this rate relief to help ensure their future, they should consider how the provision of publicly maintained toilets can be incentivised. For example, public toilets in town halls and libraries should be offered the same business rates relief, as the noble Lord, Lord Bourne, argued. I hope the Minister will be able to show how a system of apportionment can be devised that will achieve this end.

All speakers today have accepted the need for the provision of publicly funded, publicly owned toilets. I hope the Minister will be willing to consider extending the Bill to encompass more public toilets and, in particular, more fully accessible public toilets.

The headline of the Non-Domestic Rating (Lists) (No. 2) Bill, which concerns the timing of the revaluation of rates to be paid by businesses, is the introduction of new rates from April 2023. However, that means that the revaluation will be based on rental values as of April 2021. The noble Earl, Lord Lytton, who is an expert in this field, has helpfully exposed considerable failings in the current system. Can the Minister confirm that the assessment date for rateable values is subject to decision by a statutory instrument? If so, can he give the House any idea of the timing of such a statutory instrument?

A delay in assessing and then introducing new rateable values is understandable. However, this is tinkering at the edges, while our town centres are in deep trouble. As my noble friends, Lord Shipley, Lady Thornhill and Lady Bowles have pointed out, there is a desperate and urgent need for wholesale reform of the business rates system. There are two fundamental reasons for radical reform, as many noble Lords have referenced during this debate. First, the current system is based on an out-of-date concept of business being dependent on well-located property. In the retail sector, Amazon and hundreds of other such businesses have blown that idea out of the water. The growth of digital-only businesses adds to that argument. Secondly, income from business rates forms a large part of the spending of local government. Loss of business rates income, due to the move away from the high street, has a consequence for the funding available for local council services. Fewer shops means less income from business rates, and this is at a time when there is a growing demand for services due to the pandemic.

Businesses are naturally deeply concerned about the outcome of the next revaluation. My noble friend Lord Stunell made a strong case for the extension of the Covid rate relief, as there is a huge danger for retailers that there will be a gap between the ending of

the Covid rate relief and the introduction of the new rateable values. I hope that the Minister can respond to this threat. I urge him to have particular concern for those towns across the country that were struggling even prior to the pandemic.

We on these Benches support these Bills in principle, but we know that there is scope for improvements, which we will bring as amendments in Committee on both Bills.

6.40 pm

Lord Kennedy of Southwark (Lab Co-op): My Lords, first, I declare an interest as a vice-president of the Local Government Association. Secondly, I am very happy to support both Bills before us today, but I will want to explore options for improving both Bills in Committee.

On the public lavatories Bill, the noble Lord, Lord Greenhalgh, set out what the Bill will achieve: 100% mandatory business rate relief for public lavatories in England and Wales, whether publicly or privately owned. The closure of public toilets over many years is a matter of concern for the general population, particularly those with specific needs—they could be medical needs but not exclusively so. I agree with my noble friend Lady Andrews that this is a long-overdue Bill—of course, it was lost previously due to the general election of 2019. As my noble friend said, Covid-19 has exposed deficiencies in matters that previously we probably all took for granted. I am sure that we will want to deal with them in this Bill.

An increasing number of people are affected by the state of Britain's public toilets. These include those with disabilities, carers, the infirm, the elderly or people with babies and young children. As I said earlier, people of all ages who are coping with a range of issues and/or medical conditions are not finding adequate provision when they are out and about.

With the closure of bars, cafés and public buildings during the Covid-19 pandemic, we have also seen a reduction in the number of places where people can ask to use the toilet. Although these closures may be only temporary, they have highlighted a real issue for delivery drivers and others who work long shifts on the road getting food to the shops and delivering other essential supplies. Multi-drop goods delivery has always been very hard work. Let us pay tribute to those drivers, who have been outstanding in delivering in these difficult times and ensuring that food is on the shelves. They are struggling to find places where they can go to the toilet when working long hours.

When we are through the worst of this pandemic, we should keep washing our hands with the same increased frequency as we have all been doing in recent months. It would keep us all safer and help prevent the spread of all sorts of infections in the future. We need to be conscious of the age profile of our population and the needs of its older members.

In the past, Britain has—and will do so again in the future—welcomed many millions of tourists to this wonderful country. It is something that we all want to increase and build on. However, it will place further pressure on our existing facilities. Sometimes, these facilities do not give the best impression; for example, when you visit a tourist area and find that facilities are

non-existent or, if you find them, they are not in a particularly good condition and do not have a proper cleaning rota.

I am, however, pleased with the progress that has been made in making toilets free at all the mainline railway stations. London Bridge is a station that I use frequently. I have been impressed with the work that has been going on there to make the toilets safe to use during the pandemic. I have not been through Marylebone station recently—the noble Lord, Lord Bourne of Aberystwyth, mentioned it, as he did in our debate in 2019—but I hope that they have now taken away the charge there.

We should all be concerned about public health, hygiene and environmental standards in toilet facilities. I very much agree with the British Toilet Association, which has been mentioned many times in this debate, in its campaign to improve these essential facilities. Good access to toilets that the public can use is all about health and well-being, quality, social inclusion, privacy and public decency.

I agree with the noble Lord, Lord Wallace of Saltaire, in his comments on Bradford and Saltaire; I know the area fairly well, although not as well as him, and I thought the points he made were very valid.

Public toilets must comply with parts 1 and 4 of British Standard 6465, BS 8300, parts M and R of the building regulations and other requirements. It is all about keeping us safe and well.

The British Toilet Association has done some excellent work with the Changing Places consortium, mentioned by the noble Lord, Lord Greenhalgh, and others. The campaign is about the ability of the quarter of a million people in need of Changing Places toilets to get out and about and enjoy the day, which many of us have taken for granted in the past. It is important that, when we go out—when we move on from the pandemic—we can use toilets safely and in comfort. For many that will require a Changing Places toilet, with the adjustable bench, hoist and so on; we need to ensure people with profound disabilities can go out and use them with dignity.

I congratulate Tesco, which has just opened its 100th Changing Places toilet. The Tower of London also has its first Changing Places toilet, put in by Historic Royal Palaces. Again, many congratulations—it is probably the oldest public building in Britain with a Changing Places toilet.

We are in a lockdown, but that will come to an end. When life returns to something like we knew before, we need to ensure that we have legislation in place—possibly with amendments—to ensure that people can enjoy their time outside without any concerns or worries about adequate toilet facilities.

Why cannot any organisation that installs a Changing Places or other disabled toilet facility in its premises, which is available to the public, make use of some sort of business rate relief? Maybe it could be a double relief or revert to 100% relief? I very much agree with the noble Baroness, Lady Jones of Moulsecoomb, who asked why organisations that let people come in and use their toilets cannot have the benefit of some sort of relief. We will want to explore those issues in Committee and expand this Bill to make things better.

As I have said, this is a public health issue, which we might not have taken as much notice of before the pandemic. We need to take notice of it today. Will the Minister set out how this measure will increase the provision of facilities for women and user groups such as wheelchair users, the elderly and people with young children and families with medical conditions? The way in which this Bill is designed does not do that at this stage, but perhaps we can ensure in Committee that it does.

The noble Baroness, Lady Thomas of Winchester, made a powerful case for highlighting the needs of disabled people. What problem would there be in saying that, by investing in facilities for disabled people, young children and families could not actually attract extra relief?

The noble Baroness, Lady Randerson, made the very valid point about the issues facing women and men with children and the general problem we have seen, particularly during the pandemic, about the availability of toilets. I mentioned additional reliefs; that would be one way of encouraging provision for disabled people, for example. I intend to bring these issues back in Committee.

A number of noble Lords made points about lavatories in town halls, libraries and other public sites. Again, we should look at those in Committee.

The “Can’t Wait” card is a very good initiative. It always annoys me to see places that have signs up telling you that “You’re not welcome—you can’t use the toilet”. We need the situation to be much friendlier and to recognise that some people cannot wait; they do need to use the toilets. I remember trying to find the public toilet in Stratford-upon-Avon in the summer of 2019. There were signs up pointing to it but I could not find the thing—it was literally impossible—so I went into the theatre and they let me use the toilet there. A place such as Stratford-upon-Avon relies on tourism. There were coaches of people and tourists everywhere, but it seemed that the council had got to the point where it relied on people going to use toilets in bars, restaurants and cafés. Many let them in, but I did not think that is right. If people are letting them in, why can they not have a benefit from providing that public service?

I also very much support the calls from the noble Lords, Lord Moynihan and Lord Addington, about support for local sports clubs. Thinking about where I live, a place such as the Francis Drake Bowls Club is that sort of organisation, as is Lewisham Borough Football Club, which plays on Ladywell Arena—I think the noble Lord, Lord Moynihan, will know it from his time as a Member of Parliament for that area. There is also Fisher Athletic football club. I must also mention Millwall Community Trust, which I am delighted to be a trustee of, and the work we are doing down at Surrey Docks stadium and the facilities next to the Den.

I support the Bill but, as I have outlined, I will table some amendments in Committee where we can improve it. The Bill is narrow in scope but very welcome. We will see if we can improve it, particularly to reflect on how life going forward after the lockdown may have things in it that we did not all focus on before.

[LORD KENNEDY OF SOUTHWARK]

Moving on to the Non-Domestic Rating (Lists) (No. 2) Bill, I am very supportive of the points made by the Local Government Association. As we have heard, this will move the revaluation date to 1 April 2023, based on property values on 1 April 2021. The legislation keeps the period between future valuations at five years although previous Bills, which were of course lost, sought to reduce it to three years. When the Minister responds to the debate, can he tell us whether that proposal has been dropped for good? The noble Baroness, Lady Thornhill, and others raised this in their contributions.

Closer working with the valuation office and local authorities is very much needed, as is reducing the backlog of appeals. As we have heard, according to the latest Valuation Tribunal for England statistics, there are 40,000 unresolved appeals from 2010—I repeat, 40,000. Councils are having to hold money to one side as these have not yet been determined, and this cannot carry on. I support the calls from the noble Baroness, Lady Thornhill, and others: this matter really must be dealt with sooner rather than later.

I support the call from the LGA to see reforms to ensure that appeals can be received no later than six months after a new rating list has come into force. The noble Lord, Lord Shipley, was right to say that we need root-and-branch reform of the business rate system. Our high streets are in crisis and we need a sustainable, long-term solution to the problem. We should make sure that companies all pay their fair share. I endorse my noble friend Lord Hain's comments urging the Government to think big. My noble friend Lord Reid of Cardowan also drew the attention of the House to the wider issues that this welcome measure will address but which the Government do need to deal with.

Many noble Lords mentioned the contribution of the noble Lord, Lord Thurlow. He made that very valid point about high streets and ensuring that online businesses pay their fair share, as did the noble Baroness, Lady Jones of Moulsecoomb. The noble Lord, Lord Cormack, made some excellent points about support for the high street, small shops and towns such as Louth in Lincolnshire, which I know well. As I said earlier, tourism will once again be an important part of our economy. We have to have the shops for tourists, as well as local people, to visit. As I said, the big online businesses—the Amazons—have to pay their fair share, and the Government need to ensure that they do so.

Finally, my noble friend Lady Ritchie of Downpatrick made a point about the correlation between business rates and the prosperity of our towns—their revenue-creating potential. As my noble friend said, we need root and branch reform.

This has been an excellent debate. I am delighted that there were many more speakers than when the House looked at the public lavatories Bill in 2019. Noble Lords have made fantastic contributions—we are clearly going to have a very interesting Committee stage for both Bills. I look forward to the Minister's response.

6.55 pm

Lord Greenhalgh (Con): My Lords, I thank noble Lords for their contributions to today's debate. I shall do my best to respond to the nearly 30 speeches

that preceded this final one, in relation to both Bills, starting with the Non-Domestic Rating (Lists) (No. 2) Bill.

What we have heard today reflects what the Government have already been hearing from ratepayers: that frequent revaluations are of great importance to the fairness of the business rate system. It is therefore only in the face of exceptional circumstances that this Government have taken steps to postpone the implementation of the next revaluation. As I have said, we remain fully committed to frequent revaluations, and considerations of the timings of these form part of the Treasury's ongoing fundamental review of business rates.

As I set out earlier, the Non-Domestic Rating (Lists) (No. 2) Bill will also change the date by which draft rateable values must be published, ahead of the revaluation, from 30 September to 31 December in the preceding year. I recognise that there are concerns that this change will reduce the notice that ratepayers have of their business rate bills for the following year. However, rateable values are only one of a number of factors needed to estimate a rates bill, alongside the new multiplier and details of any transitional arrangements. Historically, these have been confirmed at the time of the autumn fiscal event and, as such, the measures included in the Bill allow for the publication of draft rateable values to be made alongside these decisions.

Of course, moving the date of the draft rating list also has implications for local government, which has a share in business rates income through the business rates retention scheme. On this point, I assure the House that we intend to make any necessary adjustments within the business rates retention system to ensure that locally retained income is, as far as is practicable, unaffected by the revaluation. My department has held discussions with local government representatives and will continue to do so to ensure that the sector has what it needs in order to issue new bills in a timely manner.

I will now address some specific comments. I credit the noble Earl, Lord Lytton, who gave a tour d'horizon of local government finance reform, starting with the Layfield review, which took place over 40 years ago—I was still at primary school at the time—and moving on to the Lyons review. This helped explain the long history of local government finance and how the reform of business rates has been approached since their inception in 1990.

I assure my noble friend Lord Moynihan and the noble Lord, Lord Addington, that the fundamental review of business rates will look specifically at reliefs. They made strong points about community and grass-roots sports. The provision has not cost the Exchequer anything. We are not talking about a stade municipal, but they need support at this difficult time. The noble Lords made their points very eloquently. I will make sure that I take their case to the Treasury and do my best for them.

I also point out that the fundamental review of business rates has not shifted; it was always due to end in spring of this year. It will also look at alternative ways of taxation. A number of noble Lords raised the move to online sales and mentioned specific retailers

that seem to be making a whole lot of money. I am sure that the fundamental review will look at alternative taxes to capture the shift in our shopping habits.

I will do my very best on some of the other points raised. My noble friend Lord Bourne and the noble Lords, Lord Shipley and Lord Reid of Cardowan, mentioned frequency. We need frequent valuations to ensure that business rates bills are up to date, but we recognise that doing a revaluation is quite an undertaking. Balance is important. We remain committed to frequent revaluations, but this is a hiccup in the road because of quite extraordinary events.

The noble Baroness, Lady Thornhill, and the noble Lord, Lord Stunell, mentioned transitional relief and, under the current business rates system, we are required by law to provide transitional arrangements after each revaluation. The next scheme to apply following the 2023 revaluation will be designed once revaluation data is available, so it has not yet been designed.

The noble Lord, Lord Stunell, and my noble friend Lord Naseby raised the specific issue of the antecedent valuation date, or the AVD. I think the noble Lord, Lord Stunell, mentioned it on behalf of the Association of Convenience Stores. We recognise that business groups such as the ACS have asked us to consider reducing the gap between the valuation date for the revaluation, the so-called AVD and the date that revaluation takes effect. This would ensure that rateable values follow the rental property market more closely. The revaluation is an extensive exercise, requiring assessment by the VOA of 2 million valuations and this takes time. We have to balance the need for up-to-date valuations against the need to prepare accurate valuations. This is all about ensuring that balance.

To respond to the noble Baroness, Lady Pinnock, 1 April 2021 has already been set by statutory instrument, which I believe was laid before Parliament on 6 August 2020. The noble Earl, Lord Lytton, mentioned the VOA's difficulties in dealing with the appeals case load. I think the figure of 40,000 appeals was mentioned by the noble Lord, Lord Kennedy. The Treasury continues to provide the VOA with the resources required to successfully deliver the valuations and property advice needed to support taxation and benefits. The Treasury is working closely with the VOA and its sponsor department, HMRC, to understand the VOA's resource requirements. Funding requirements to deliver the appeals case load and the next revaluation will be considered as part of those ongoing discussions.

I will make one point of clarification on the £10 billion of business rates relief mentioned. That is over half of business rate payers not paying any business rates at all. Will that fall on local government? Absolutely not. These costs fall on the Treasury and are not borne by local government at all. In fact, the new burdens doctrine means that the administration of reliefs is also captured and borne by the Treasury, so it will not affect local council finances in that regard.

The noble Baroness, Lady Thornhill, and the noble Lord, Lord Kennedy, asked about when the Valuation Office Agency can clear the appeals it has received because of Covid. We are aware that the Valuation Office Agency has received a large number of checks and challenges from rate payers who believe that their

rateable value in the current rating list should be reduced to reflect the impact of the pandemic. I understand that the VOA is currently considering these cases, but no decisions have been taken yet.

A number of noble Lords raised fundamental reform. It is fair to say that that is not part of this narrow Bill, but there is no doubt that the fundamental review in spring could be a springboard to the reform mentioned by a number of noble Lords. Only time will tell, however, and I do not want to give a sense of direction until we have had the benefit of that review in the spring.

The second Bill before the House today may be small but it is also crucial to the local authorities and private organisations providing public lavatories up and down the country. I am aware of concerns that the Bill applies only to those public toilets that are separately assessed for business rates.

The Government's policy aims have been clear: this Bill is focused on providing targeted support specifically in circumstances where there are unlikely to be other publicly available facilities and where removing the cost of business rates could help keep facilities open. That narrowness of scope is entirely designed to ensure that we stop seeing more closures of public facilities. Widening the relief to cover all public toilets would significantly increase the cost of the relief and be less likely to target resources efficiently.

Subject to Royal Assent, the Bill will provide a mandatory 100% relief on all separately assessed toilets, including accessible lavatories, whether publicly or privately run, effectively removing business rates altogether for these properties. In meeting the commitment made in the 2020 Budget, the relief will be applied retrospectively from 1 April 2020, ensuring that benefits apply as soon as possible. Local authorities will be responsible for implementing the relief and will be fully compensated in the usual way.

I will now comment on the specific points raised by noble Lords. I thank the noble Baroness, Lady Randerson, for her extraordinarily detailed history of public toilet provision; the noble Lord, Lord Kennedy, for the virtual tour of public toilets in our stations; and the noble Lord, Lord Wallace, for his hygiene history of Saltaire. Much could be gleaned from those contributions.

I point out to the noble Baroness, Lady Andrews, that I am not sure that the answer to this question is a national strategy authored in Whitehall, and I share some of the scepticism of the noble Lord, Lord Greaves, partly because there is such a difference in public toilet provision throughout the country. The answer lies closer to the town hall than to Whitehall—respectfully, that is my view on the matter, notwithstanding the importance of this as a public policy point.

Turning to the issues raised by the noble Baroness, Lady Thomas of Winchester, nobly backed up by the noble Lord, Lord Addington, it is incredibly important that we have fully accessible public toilets. It is something you expect in an advanced western democracy such as ours; it ensures the full participation of all members of our community, which is particularly important in our town centres, which thrive on footfall. We need to make sure that they are accessible to all. That is the basis on which the Changing Places funding was committed in the Budget. I will be able to provide

[LORD GREENHALGH]

noble Lords with more detail on how the £30 million has been committed—the details of this funding will be made available in due course. This is incredibly important.

The vibrancy of our town centres and high streets is a personal concern of mine. Anyone who spends any time travelling from Fulham, say—we could have said Southwark, but I will take the example of Fulham—to the central activities zone knows the huge impact that this pandemic has had not just on our town centres throughout the country, but particularly on this great global city. I note the points made by the noble Lords, Lord Hain and Lord Reid of Cardowan, the noble Baroness, Lady Bakewell, and others—and the point about high streets made by my noble friend Lord Naseby and others. It is incredibly important that we think about how our high streets and town centres throughout the country can bounce back once this wretched pandemic allows us to be a little freer to move and enjoy life as we once did.

The answer lies not just in business rates but in supporting our high streets. We have a high streets fund and we need to think about flexibility in planning permissions. There are a number of policy tweaks

that, I am sure, will make a difference; it is not just about this Bill. However, the point made by noble Lords is incredibly important.

Finally, I have noted the many helpful points raised by my fellow Peers, and I anticipate a plethora of amendments to keep us busy at the next stage. As always, I appreciate the knowledge and expertise in this House, and I am sure that we can all agree that we welcome and support the aims of these Bills. I commend both Bills to the House.

Bill read a second time and committed to a Grand Committee.

**Non-Domestic Rating
(Public Lavatories) Bill**
Second Reading

7.09 pm

Moved by Lord Greenhalgh

That the Bill be now read a second time.

Bill read a second time and committed to a Grand Committee.

House adjourned at 7.11 pm.