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OFFICIAL REPORT

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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 SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
Lab Co-op	Labour and Co-operative Party
LD	Liberal Democrat
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Thursday 14 October 2021

11 am

Prayers—read by the Lord Bishop of Oxford.

Introduction: Lord Offord of Garvel

11.07 am

Malcolm Ian Offord, having been created Baron Offord of Garvel, of Greenock in the County of Renfrewshire, was introduced and took the oath, supported by Lord Forsyth of Drumlean and Lord Kirkham, and signed an undertaking to abide by the Code of Conduct.

Iraqi Interpreters Question

11.12 am

Asked by *Baroness Coussins*

To ask Her Majesty's Government what plans they have to grant visas to Iraqi interpreters who worked with British armed forces in Iraq.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the Government owe a debt of gratitude to interpreters who have risked their lives working alongside UK Armed Forces. Iraqi interpreters were supported through the locally employed staff assistance scheme, which was established in 2007 and closed in 2016, during which time over 1,300 people were resettled here. Anyone now wishing to relocate to the UK may make use of the relevant routes in the wider immigration system, provided that they meet the requirements.

Baroness Coussins (CB): My Lords, eight of our Iraqi interpreters had their personal data breached some months ago, making them more vulnerable than ever to the hostility of the Iraqi Government and Iranian-backed militia. I know that the MoD is certain that we were not responsible for any breach but, nevertheless, the interpreters have no access to our embassy and the online visa application form takes them to a message saying, "Page not found". Will the noble Baroness agree that, with the US set to withdraw by the end of this year, and with the lessons of relocating Afghan interpreters so fresh in our minds, now is the time to be proactive, to upgrade the risk assessment and to allow these eight interpreters to come to safety in the UK?

Baroness Williams of Trafford (Con): I agree wholeheartedly with the sentiment of the noble Baroness's question, which is that anyone who helps us should in turn be afforded the right for us to help them. Obviously, Iraq and Afghanistan were two entirely different situations but, nevertheless, people can come through a number

of routes. I know that the noble Baroness is in frequent contact with my noble friend Lady Goldie, from an MoD point of view.

Lord Cormack (Con): My Lords, the whole House is in debt to the noble Baroness, Lady Coussins, for the persistence with which she has fought for interpreters over some years. It would be appalling if the eight, whose predicament she has outlined so forcefully, were not admitted and if their case were not dealt with as a matter of urgency. Can I have my noble friend's assurance that that will happen?

Baroness Williams of Trafford (Con): My Lords, I gave that in my first response to the noble Baroness. I was also indebted to her and the whole House during the Afghanistan evacuation. I had all sorts of cases. Of course, we will do everything for those who gave their time and, sometimes, their lives for us.

Lord Ramsbotham (CB): My Lords, does the Minister agree that we have forfeited any right to have our word taken as our bond, through our shameful treatment of those whom we employed as interpreters in Iraq and Afghanistan?

Baroness Williams of Trafford (Con): My Lords, I would not use the word "shameful". In total, from Iraq, we relocated, with their families, 1,328 people. Of course, 7,000 Afghan nationals have now been resettled in the UK under the Afghan relocations and assistance policy, otherwise known as ARAP.

Baroness Chakrabarti (Lab): My Lords, given the circumstances, surely the eight in question could be granted visas today or tomorrow. More generally, it would seem that successive Governments have been quicker to assert human rights violations as justification for war over there than as justification for refuge over here. Might this not be a moment to legislate to give clearer statutory obligations on future Governments in relation to those foreign nationals who put themselves in harm's way in support of the British state and its military operations?

Baroness Williams of Trafford (Con): As I say, I agreed with the premise of the question of the noble Baroness, Lady Coussins. We must also guard against the people whom we settle here not being thoroughly vetted, because, clearly, we have a security obligation to this country as well, but the premise in relation to those who have given their lives and time for us in war-torn countries is absolutely right.

Baroness Smith of Newnham (LD): My Lords, during the Recess, I was in Bosnia-Herzegovina on a trip led by Colonel Bob Stewart. During the Bosnian war, one of his interpreters was killed, he believes, for uttering the words that he was speaking. That demonstrates clearly how vulnerable interpreters are, whether in Iraq or Afghanistan. ARAP might be a great scheme, but it is too slow, and the communication between the Home Office, the MoD and the FCDO has been extremely protracted. What can the Minister say about

[BARONESS SMITH OF NEWNHAM]
speeding up the processes and ensuring that the Iraqi eight and any Afghan interpreters can be dealt with more swiftly so that their lives are not put in further jeopardy?

Baroness Williams of Trafford (Con): My Lords, due to the very nature of a war-torn country, these processes are not swift. We have gone above and beyond what is necessary to try to get as many people out as quickly as possible. I, too, have been to Bosnia and I recognise the points that the noble Baroness makes.

Lord Coaker (Lab): The Minister has just told this Chamber that we owe the people who have helped us a debt of gratitude and that this country will not abandon those who have helped us in areas such as Iraq, so why are these eight translators still trapped in Iraq, despite the fact that this has been raised in numerous Questions and debates? Why are they still there, if we owe them a debt of gratitude and will help those who have helped us? This Chamber wants to know when those eight and their families will be given safe routes to this country and repaid the debt that we owe them.

Baroness Williams of Trafford (Con): As I say, anyone from Iraq now wanting to come to the UK can apply for a visa through the wider immigration system and applications can be made through the UK's resettlement schemes, which offer a route for UNHCR-recognised refugees in need of our protection who have fled their country of origin.

Lord Flight (Con): Does the Minister agree that, where an overseas individual has worked for the British Armed Forces, they should in principle enjoy the protection of the British Armed Forces, particularly where they have worked as an interpreter?

Baroness Williams of Trafford (Con): The ARAP scheme and the locally employed staff assistance scheme in Iraq were set up for precisely that purpose.

Viscount Waverley (CB): My Lords, the situation goes beyond just the military theatres. We have a debt of gratitude to locally employed specialists, particularly when services beyond the call of duty are called on in extreme and hostile environments. Would the Minister concede that the UK has too many instances of regrettable form, whereby we benefit but then, too often, hang them out to dry? What assessment has been made of the impact of perception and engagement on recruitment? Should official status be upped, whereby the protection of the state is afforded from the outset, commensurate with people's services to the UK? This would be a drop in the oceanic moral obligation.

Baroness Williams of Trafford (Con): My Lords, I have just given the figures for both ARAP and the LESAS in Iraq. I do not think it could be said that we hang out to dry those people who help this country; I think we are very generous. It is true that in the theatre

of war and the aftermath things often do not go as smoothly as they could, but we have done all we can and more.

Lord Garnier (Con): My Lords, the fate of the Afghan interpreters and other people who have assisted us there has already fallen off the news agenda and our front pages. That applies with greater force, I suspect, to those from Iraq. Do Her Majesty's Government have a policy of actively looking for people who need our help, or is a passive approach taken to this question?

Baroness Williams of Trafford (Con): My Lords, we have communication lines for people to access. Clearly, Afghanistan is a far more difficult environment than Iraq at this time, but, yes, we reach out to people.

Lord McConnell of Glenscorrodale (Lab): My Lords, it has been reported in the past 24 hours that Afghan special intelligence unit officers who were trained, funded and supervised by United Kingdom officials in Afghanistan have been abandoned following the end of the airlift at the beginning of September. Will the Government look into this as a matter of urgency and ensure that these people, who are in significant danger in Afghanistan today, have the opportunity to come either to the United Kingdom or to another safe place as soon as possible?

Baroness Williams of Trafford (Con): The noble Lord is talking about Afghan citizens. Clearly, Afghanistan is an incredibly difficult environment at this point in time, but, as I have reiterated in previous answers, we are doing all we can to help those people who need our ongoing assistance.

The Lord Speaker (Lord McFall of Alcluth): My Lords, all supplementary questions have been asked. We now move to the next Question.

Royal Navy: Ships and Frigates

Question

11.23 am

Asked by **Lord West of Spithead**

To ask Her Majesty's Government when they expect to place orders for (1) the remaining five Type 26 frigates, (2) the three Fleet Solid Support Ships, (3) the new flagship, (4) the underwater research vessel, and (5) the Type 32 frigates.

The Minister of State, Ministry of Defence (Baroness Goldie) (Con): My Lords, the Ministry of Defence expects to place an order for the Batch 2 Type 26 frigates in the early 2020s and to award a manufacturer contract for the fleet solid support ships within two years from May 2021. The Defence Secretary has said that he aims to have the national flagship in the water by 2024 or 2025. No decisions have yet been taken on order dates for the multi-role ocean surveillance ship or for the Type 32 frigates.

Lord West of Spithead (Lab): I thank the Minister for her Answer. Indeed, it sounds marvellous. Having a Prime Minister who says that nothing does more for the security of our nation than building a warship for the Royal Navy obviously cheers up a sailor like me, but the reality is that he made these statements 12 months ago and not a single order has been placed since then. I am scarred by 56 years on the active list of hearing numerous things told about ships coming and their never joining the fleet. The Government said that we would have and keep a minimum of 13 frigates, which is, after all, pretty damning for a maritime nation like us. When one looks at the order rate for frigates and the possibility of the rolling programme which so many shipyards need, one has to say that we are not going to have 13 frigates as we move into this decade. Can the Minister confirm that that is the case? I do not expect her to say how many, but as somebody with an intelligence background I would think it will be considerably less.

Baroness Goldie (Con): I have outlined what is currently happening. With construction of the Type 26 progressing on the Clyde and the Type 31 progressing on the Forth at Rosyth, we have, for the first time in 30 years, two classes of frigate simultaneously under construction in UK shipyards. That means that several classes of Royal Naval ships will be in build this decade. I would have thought that, to an old seadog such as the noble Lord opposite, that would bring a beaming smile to his naval face.

Lord Walney (CB): I endorse everything that the noble Lord—I shall call him Lord and seadog—has just said, but I want to ask the Minister about interoperability. We all want to see the AUKUS partnership embedded as far as possible. Is further thought being given to new orders for full interoperability now that the partnership has been formalised?

Baroness Goldie (Con): Yes. It is an important collaboration and partnership. We and our fellow partners in that grouping will work closely together. As for interoperability, I guess that can take two forms: the normal conjunction of minds about strategy and approach, particularly in the Indo-Pacific; it is also to do with having the right kit available. The noble Lord will be aware that part of the new shipbuilding strategy has been to ensure that, when we build naval ships, they have an export potential. Indeed, British Aerospace has agreed an export order to Australia.

Lord Trefgarne (Con): My Lords, the Question asked by the noble Lord, Lord West, seems to include every possible kind of naval vessel except submarines. Can the Minister say how many submarines are on order and when she expects them to be delivered? Can she also say how the national shipbuilding strategy is now working in practice?

Baroness Goldie (Con): The programme for Dreadnought is already public. These ships are being commissioned and the potential delivery dates are in the public domain. The shipbuilding strategy has played

an important role in the approach to shipbuilding in this country, not least making possible the more flexible design and export potential of ships being built, as well as having regard to the need to sustain skills. We are seeing that at first hand. I have visited Babcock on the Forth and British Aerospace on the Clyde, and I visited Leonardo in Edinburgh just last week. All of them are benefiting from a new approach to skills and playing their part in maximising them—Leonardo, of course, more so in electronics than in shipbuilding.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, when we get these extra frigates, Admiral West should maybe be re-enlisted.

Does the Minister agree that there is a startling contrast when it comes to frigates being built at Rosyth and on the Clyde, showing the value of the union to Scotland, while at the same time ferries cannot be built by the Scottish Government-owned shipyard at Port Glasgow and instead they are having to go to the rest of Europe or the Far East to get ferries that are vital for the Western Isles?

Baroness Goldie (Con): I know that the noble Lord and I can have our civilised and courteous differences of opinion, but I am absolutely at one with the sentiments which he expresses. I see at first hand exactly what the MoD means to the union, not least Scotland. I also see the significant contribution made by the union to the MoD. It is a mutually beneficial relationship. The security of the United Kingdom would be gravely prejudiced if Scotland were to leave and that union were fractured. I hope it never will be.

Baroness Smith of Newnham (LD): My Lords, also coming from Benches where we support the union, I ask the Minister: how many jobs does she think might be secured in shipbuilding as a result of AUKUS? Does the Minister think there will be sufficient members of the Navy to man the new ships, if and when they are built? I assume the noble Lord, Lord West, will not be available to captain them.

Baroness Goldie (Con): If I may answer the last part of the noble Baroness's question first: yes, there will be. That is a logistical calculation that we constantly make and review. We are going to have people to man these ships—disappointed though I shall be not to see the heroic form of the noble Lord, Lord West, at the helm of something that is floating.

Baroness Jones of Moulsecoomb (GP): My Lords, defence of the realm is obviously incredibly important, but so is defence of the planet. Yet the MoD is exempt from the duties that all the rest of us have to fulfil of cutting carbon emissions. These vessels will be highly polluting. Does the Ministry of Defence know that there is a climate emergency?

Baroness Goldie (Con): Of course everyone in the United Kingdom knows that there is a climate emergency, not least the Ministers of this Government. It is evident from the measures being brought forward how seriously we take that challenge. Modern engineering

[BARONESS GOLDIE]

technology is greatly contributing to more efficient use of fuel and reducing emissions. In relation to the defence estate, which is massive, I have seen at first hand some of the excellent measures now being taken to optimise our contribution to improving the environment.

Viscount Trenchard (Con): My Lords, it is very good to see that the Government are investing in national shipbuilding infrastructure, but we know that it will still be important to ensure best value for money through the highest levels of productivity. Does my noble friend see value in aligning these programmes with those of allies and partners who have similar shipbuilding ambitions? In addition to Canada and Australia, which have bought the Type 26 design, Japan's naval shipbuilding programme has many similarities to the UK's. Are the Government looking to build such synergies?

Baroness Goldie (Con): We always keep a weather eye on what our friends and allies are doing. Our first responsibility in securing this nation is to ensure that we have these capabilities for production within the UK. My noble friend makes an important point, and it is one that we are alert to.

Lord Coaker (Lab): When we talk about the future of the Navy, any proposal should be put through a test to ensure that ships are built in Britain. I was therefore surprised to see the Defence Secretary recently saying that it was only his intention that the new national flagship would be built in the UK. I was even more surprised to see that less than 30% of the steel used so far to construct Type 26 frigates had been sourced from our own country. What specific measures will the National Shipbuilding Office deploy to ensure that British naval ships are built with British steel?

Baroness Goldie (Con): The noble Lord will be aware that responsibility for sourcing steel for government-procured vessels rests with prime contractors; it should be in line with Cabinet Office procurement policy. It will be for the prime contractors to make their steel requirements known to the UK steel industry in order that firms may consider bidding.

Lord Singh of Wimbledon (CB): My Lords, the less money we spend on ships, the more we have to spend on social care. Does the Minister agree that, despite what we hear on the last night of the Proms, Britain has no God-given right to rule the waves? Strutting our importance across the world was questionable, but understandable in the 19th century. Today, it simply encourages others to do the same, with an increasing risk of serious conflict.

Baroness Goldie (Con): This Government have a fundamental democratic responsibility to keep this nation secure and safe and to work with our allies and partners globally to contribute to a safer world. I have to say to the noble Lord, with the greatest respect, that it is very difficult to do that with an inadequate

defence capability. We have seen over decades what happens when our defence capabilities drop below what is needed, frankly. I think it is a matter of great commendation for the United Kingdom, and the very skilled people in the shipyards throughout it, that we are forging ahead with this imaginative, innovative, constructive and effective shipbuilding programme. Many people in communities across the whole United Kingdom—or, as the noble Lord, Lord Foulkes, said, the union, which is so precious to us all—are being supported by that endeavour.

The Lord Speaker (Lord McFall of Alcluith): My Lords, the time allowed for this Question has elapsed.

Metal Theft Question

11.34 am

Asked by **Lord Faulkner of Worcester**

To ask Her Majesty's Government what additional funding they will provide to the National Infrastructure Crime Reduction Partnership to combat the incidence of metal theft.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the Home Office provided £177,000 of seed-corn funding in the last financial year to establish the National Infrastructure Crime Reduction Partnership. The partnership is going strong in its second year and is seeking funding from several sources. Ultimately, it intends to become self-funding through subscriptions from member organisations. Home Office officials continue to work closely with the partnership to tackle metal theft and other crimes that affect infrastructure companies.

Lord Faulkner of Worcester (Lab): My Lords, does the Minister agree that the incidence of this crime can be reduced only by effective enforcement action? That worked really well when we had a dedicated metal theft task force and the British Transport Police-led Operation Tornado, supported by excellent police forces around the country, including West Mercia Police. Now the numbers are shooting up again and the national police database shows that the number of thefts rose from under 21,000 in 2019 to 36,000 in 2020. Unlicensed operators are no longer being prosecuted and we are again seeing loads of advertisements illegally offering cash for scrap. Can she assure me that there will be a new and determined effort to stamp out this wholly undesirable and anti-social crime?

Baroness Williams of Trafford (Con): The noble Lord is right in one sense: metal theft overall has decreased by 74%, but the amount of infrastructure-related metal theft has increased by 21% in the year ending March 2020. The National Infrastructure Crime Reduction Partnership is extremely effective, in that it brings together agencies that can both share intelligence methodologies and help to drive down types of metal theft, which change over time, depending on the market in question. This is a very good thing.

Lord Snape (Lab): Does the Minister accept that her response to my noble friend's Question reeks of complacency? It is not someone else's problem; it ought to be dealt with by the Government. Is she aware that those high figures that he mentioned do not include the 850 cases of cable theft on our railway system in the last year? What action will the Government take to properly enforce the 2013 law to ban cash payments for scrap metal and to see that scrap metal dealers seek identification, as laid down by the law?

Baroness Williams of Trafford (Con): We talked about cash payments being outlawed some years ago, and in fact they have been. Some of the innovations like marking and tracing are now in place to make theft of things like railway tracks much more difficult. It is in working together through the various agencies that the various industries will help to beat this type of crime.

Lord Paddick (LD): My Lords, I am glad that the Minister mentioned marking. From over 30 years' experience in the police service, I can tell the House that longer prison sentences rarely deter criminals, whereas the higher chance of being caught does. Why do the Government not invest in technologies such as SmartWater, rather than building more prisons?

Baroness Williams of Trafford (Con): The British Transport Police has plans whereby SmartWater would cover any shortfall in the funding required to stamp out this theft. There are a number of different innovations that are helping, and clearly the overall driving-down of theft is very helpful.

Lord Rosser (Lab): The newly launched National Infrastructure Crime Reduction Partnership is looking to pick up where the National Metal Theft Taskforce left off when it was prematurely disbanded in 2014, following what the Minister, speaking on behalf of the Government, told this House on 26 June 2019 was the "successful implementation" of the Scrap Metal Dealers Act 2014. In light of the figures that my noble friend Lord Faulkner of Worcester gave, which I do not intend to repeat, do the Government stand by their view that the Scrap Metal Dealers Act is being successfully implemented?

Baroness Williams of Trafford (Con): We at the Home Office carried out a review of the Act in 2017 and found that it had been effective in addressing metal theft and should be retained, but now on top of this we have the NICRP, and I hope that the combination of the two will help drive down what is in many cases the very dangerous activity of metal theft, given the types of metal that they target.

Baroness McIntosh of Pickering (Con): I declare an interest as I sit on the rural affairs group of the Church of England. Does my noble friend share my concern that the theft of lead from church roofs has literally gone through the roof? I know this is a matter that she takes incredibly seriously. Lead has a special significance on church roofs, as it protects many historic buildings, and the cost of the damage in rural areas of restoring and repairing the building is great. Will my

noble friend use all the resources available to her to ensure that we can find out at what point this metal is entering the market? The Act, as the noble Lord said, is simply not fit for purpose at the moment.

Baroness Williams of Trafford (Con): I say to my noble friend that the various measures I have outlined today have helped to tackle these types of thefts, but also the sentencing guidelines on theft highlight that, where theft is of a heritage asset or causes disruption to infrastructure, this should be taken into account when assessing the level of harm. I say to my noble friend, as I said at the beginning, that the market for different types of metal is changing and therefore theft patterns are changing. That is why catalytic converters in particular, which contain precious and rare metals, are being targeted at this time.

Lord Khan of Burnley (Lab): What long-term strategies are the Government adopting to move to the prevention of metal theft crime, rather than responding to crime as it happens? In relation to the £170,000 invested in the National Infrastructure Crime Reduction Partnership, what is the social return on the investment? In relation to local councils, there is a clear loss of funding to them: does the Minister agree that that is hampering the fight against metal theft crime?

Baroness Williams of Trafford (Con): In terms of the monitoring by local councils of cash payments by scrap metal yards, the picture has improved. On prevention, that is precisely why we have seed-corn funded the NICRP—it is the agencies working together that will help drive down these types of crimes. On catalytic converters in particular, we are working closely with the police and motor manufacturers through the national vehicle crime working group, established by ACC Jenny Sims, the National Police Chiefs' Council lead on vehicle crime. In addition, a comprehensive and co-ordinated programme of work to reduce catalytic converter theft is being undertaken by an expert subgroup.

Lord Birt (CB): My Lords, metal theft is organised crime on a national scale. As the noble Baroness, Lady McIntosh, just reminded us, lead theft from village churches in particular can have a devastating impact on local communities. Yet the APPG which the noble Lord, Lord Faulkner, jointly chairs, and of which I am a member, has heard from police officers directing the national strategy that they struggle to access data from multiple forces, that they cannot segment categories of theft or identify trends and that they seriously lack intelligence about how metal theft is monetised—a very different picture from the one we just heard from the Minister. Will she undertake to convene a meeting of all interested parties and create a timetable and a set of deliverables for meaningful co-operation to counter this pernicious crime?

Baroness Williams of Trafford (Con): I am very happy to convene a meeting, but I would say that the NICRP does share intelligence between forces and utility companies, which does help with crime prevention and investigation. It helps with information, good news and developing best practice. It manages a central industry and police intelligence database of metal

[BARONESS WILLIAMS OF TRAFFORD]
theft, to track trends and to link crimes and intelligence on offenders. It also has a RAG rating database of scrap metal dealers—going back to the noble Lord's point earlier—in order to focus enforcement on those known to be involved in crime.

Baroness Chakrabarti (Lab): My Lords, since when is self-financing by industry or any other victims of crime a constitutionally appropriate approach to the enforcement of the criminal law? I give the Minister another opportunity to answer the principal question: what additional funding will the Government provide for the enforcement of this crime that is costing hundreds of millions of pounds to our economy?

Baroness Williams of Trafford (Con): Seed-corn funding is generally pump-prime funding, which is then intended to be self-financing ongoing, and the agencies and organisations involved are actually supportive of this model of funding.

The Lord Speaker (Lord McFall of Alcluth): My Lords, the time allowed for this Question has elapsed.

Culling of Pigs *Question*

11.46 am

Asked by Baroness Jones of Whitchurch

To ask Her Majesty's Government what steps they are taking to prevent the culling of pigs resulting from the shortage of workers in meat processing plants.

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Benyon) (Con): My Lords, we are working closely with the pig sector in response to the backlog of pigs, to both minimise on-farm culling and tackle the shortage of butchers in the processing sector. We are working with processors to increase processing throughput and the recruitment of domestic workers. We continue to engage in discussions with retailers and the food service sector and are working with the AHDB to reactivate the Chinese market and to identify other export markets.

Baroness Jones of Whitchurch (Lab): I thank the Minister, but I wonder whether he has read the editorial in *Pig World* that landed on my desk this morning. It says:

“The pig industry is deep in crisis and the government doesn't care. So we are on our own, although given the arrogance and incompetence of this administration, led by a complete fool who has no right to be anywhere near that office, or indeed any office for that matter, that is probably not a bad thing.”

The fact is that 150,000 pigs are unable to be slaughtered for consumption, and already farmers have had to cull and destroy more than 6,000 healthy pigs. So, talking is great, but when will the Government provide those temporary visas and the lower language requirements for skilled butchers which lie at the root of this crisis?

Lord Benyon (Con): I can tell the noble Baroness that we care deeply about this sector, the people who work in it and the welfare of the animals concerned, and we want nothing more than to smooth out the perfect storm of a variety of different issues that have brought this to a head at this particular time. I had hoped to be able to come to the House with an announcement: it is imminent and I think the noble Baroness will be pleased with the hard work that Ministers and officials have put in to show that we do care and we want this industry to get back on its feet.

Lord McNicol of West Kilbride (Lab): My Lords, this is another post-Brexit immigration failure, as abattoirs face financial and staffing difficulties alongside producers looking to leave the sector altogether. If the Government do not step in, British pig farming could cease altogether. To prevent abattoirs from closure and to protect the long-term future of the British pig farming industry, the Government must act. So, will the Minister guarantee that everyone who wants their pigs in blankets this Christmas will be able to get them? If he cannot guarantee it, will he come in January and apologise to those who have not received them?

Lord Benyon (Con): I can assure the noble Lord that we are taking action on a range of issues, which we hope will resolve the problem in the coming weeks. We are working with AHDB to identify export markets to fill the gap of the 21% of exports that are no longer available to the Chinese market because they withdrew licences because of Covid. He is right to point to the labour issues. These are principally because, at the end of the Covid restrictions, many overseas workers returned home and we are seeking to find ways to bring large numbers of them back. There is a deficit of between 800 and 1,000 butchers which we want to fill. There are many other things we are working on to ensure the mainstream supply of pigmeat, including, of course, for Christmas.

Baroness Bakewell of Hardington Mandeville (LD): My Lords, it is heartbreaking to raise stock from piglets to fully grown pigs ready for slaughter and the supermarket shelves, only to have to cull them on farm and waste their meat. An influx of skilled workers from abroad could alleviate this situation. What is the Minister doing to lower the English language requirement for meat processing workers, who clearly do not need the same level of fluency as a GP?

Lord Benyon (Con): That is a very valid point. Part of our discussions and the announcement that I hope we will be able to make imminently reflects what is also done in the poultry industry, where those changes were made to encourage more workers to come over and operate in that sector. We hope that this will alleviate the labour problems in this sector.

Lord Berkeley (Lab): My Lords, will the Minister consider inviting the Prime Minister and other Ministers who perhaps do not understand the difference between the culling business and the slaughtering business to

go and work for a week in a slaughterhouse, with a slaughterhouse worker's pay, to try to understand the differences between them?

Lord Benyon (Con): It is really important that we address the worker shortage right across the supply chain. The Agriculture Act allows us to intervene where we feel that retailers or any part in the supply chain are acting unfairly. This is another area we are looking at. It is important that we have the right people working in abattoirs, and indeed the processing industry, and that they are well rewarded for doing so. This is a vibrant marketplace for a type of meat that people want to eat and, as I say, it is suffering from a perfect storm of three or four different issues. We are trying to resolve this, including the very important point the noble Lord raised.

Lord Trees (CB): My Lords, the presence of official veterinarians is essential for the proper working of abattoirs. Historically, approximately 95% of our official veterinarians have come from outwith the UK, mainly from the EU. To what extent are our current problems in meat processing plants due to a shortage of official veterinarians, and what are Her Majesty's Government doing to avert such a shortage now or in the future?

Lord Benyon (Con): The noble Lord is very experienced in this field, and he was himself involved in the development of a new veterinary school with Harper Adams. That is just part of what this Government are doing to increase capacity in this sector. I talk almost daily with the FSA on this and related issues. It has not specifically raised the issue of a shortage of official vets in the abattoir sector. Nevertheless, as we get through the Covid crisis and the impact it has had on overseas workers, it is important that we address this sector as well.

Baroness Hayman of Ullock (Lab): I am very pleased to hear that there will be an imminent announcement, because the Government's response—including the Prime Minister's—to this crisis has been pretty hopeless so far, to put it mildly. Unfortunately, it has been catastrophic to many pig farmers already because the Government have taken so long to act. What are the Government's projections as to the impact on the pig industry? How many farmers will go down because of this crisis? Will this lead to foreign imports bred to lower animal standards?

Lord Benyon (Con): Roughly 30% of the pigmeat eaten in this country is imported. Most of what we export are cuts not eaten in this country, and there is a complex supply chain to service both of those things. We want to increase the amount of pigmeat produced and eaten here, and there is a lot of work going on on that front. But I assure the noble Baroness that we are talking daily to the National Pig Association, the British Meat Processors Association and the Association of Independent Meat Suppliers to make sure that the current difficulties are ironed out and that many working in this sector can remain in it and be supported through a variety of other encouragements that we are using to improve and give them a long-term future in the agricultural sector.

Lord Rogan (UUP): My Lords, over recent days, a succession of government Ministers have told us how much they value Northern Ireland's place within the United Kingdom. As a unionist, I warmly welcome that. However, almost a month ago, Mr Victor Chestnutt, the president of the Ulster Farmers' Union, warned publicly that the Province's pig farmers may have to start culling their animals because of labour shortages. What contacts have the Minister or his officials had in the intervening weeks with the Department of Agriculture in Northern Ireland and the Ulster Farmers' Union to help address this perilous situation in Northern Ireland?

Lord Benyon (Con): I know that my colleague Victoria Prentis, the Minister responsible for this area, has had frequent conversations with all the devolved Governments on these issues. I am not certain when she last spoke to the individual the noble Lord mentioned, but it is vital that we look at this problem not just within the constituent parts of the United Kingdom. This is an issue that runs right across the union, and we want to make sure that we are protecting pig farmers everywhere.

Baroness Blake of Leeds (Lab): It was good to hear the Minister acknowledge the distressing situation, however predictable it is, and I hope that his colleagues in government will follow suit and acknowledge the sheer stress that has been caused. As we have heard, thousands of healthy pigs have already been culled as a result of overcrowding on farms due to the lack of skilled labour—I stress the skilled element of that—in our abattoirs and meat processing plants. Let us be clear: these animals have been taken out of the food chain. Healthy animals and meat are going into the bin, causing huge emotional and economic damage to our farmers. I pay tribute to the eloquent and dignified ways in which pig farmers have responded, particularly those from East Yorkshire, where one farm has seen the number of pigs leaving for processing drop by 25%, and probably more, in 11 weeks. Picking up on rumours in the media today about more temporary visas being offered, do the Government expect a better response than we have seen so far in the HGV sector?

Lord Benyon (Con): As somebody who has been involved in stock farming and the agricultural community all my life, I entirely endorse what the noble Baroness says about the distressing situation of seeing animals that farmers have reared for a quality product being put into the rendering market. That is a tragedy for those concerned, and we want to make sure that it stops. That is why we are looking at a range of issues, one of which absolutely addresses the point she raises about the need to bring in skilled workers to the butchery industry and to work in abattoirs.

The Lord Speaker (Lord McFall of Alcluth): My Lords, that concludes Oral Questions for today.

Business of the House

Motion on Standing Orders

11.57 am

Moved by Lord Ashton of Hyde

That Standing Order 44 (*No two stages of a Bill to be taken on one day*) be dispensed with on Tuesday 19 October to allow the Compensation (London

Capital & Finance plc and Fraud Compensation Fund) Bill to be taken through its remaining stages that day.

Lord Ashton of Hyde (Con): My Lords, I start by gently reminding all noble Lords that the recommendation for questions is that they should be about 30 seconds long. That will allow more noble Lords to get in. I will also do my best to prevent Ministers speaking for too long.

On behalf of my noble friend the Leader of the House, I beg to move the Motion standing in her name on the Order Paper.

Motion agreed.

Social Care in England

Motion to Take Note

11.58 am

Moved by Baroness Pitkeathley

To move that (1) this House takes note of the challenges facing Social Care in England following the pandemic, and (2) further notes the effect that (a) the Health and Social Care Levy, and (b) Her Majesty's Government's Social Care plans, may have.

Baroness Pitkeathley (Lab): Well, my Lords, here we are again. In the 24 years I have been in your Lordships' House, I have lost count of the number of debates on social care in which I have participated, joined by the intrepid band to whom I usually refer as the "usual suspects". In fact, at times we have found it difficult to fill a debate, so unpopular was the topic. I am glad to note that it is very different this time; many want to speak. Of course, the Minister is very much not a usual suspect, so we welcome him and hope he will be accommodating and bold in answering this debate, as I have always asked Ministers from all sides to be.

The debate, like Gaul, is in three parts and reflects the new situation in which we find ourselves since our last debate in April 2020. We have come through a pandemic and at long last—at very long last, many of us would say—have some government proposals addressing the crisis in social care which in the past we all agreed—the degree of consensus on this was remarkable—was bad for everyone concerned.

The Public Services Committee, of which I am a member, concluded that while the crisis in acute care during the pandemic was dealt with relatively successfully it was followed by a devastating crisis in adult social care. Older people and working-age disabled people with care needs were left particularly vulnerable. The large number of deaths in this group may have been the most significant public service failing in the pandemic. These were due to the pre-existing weaknesses to which we have been pointing for years, including the lack of integration between health and social care, and successive Governments prioritising the NHS while neglecting to fund social care adequately.

These problems are far from new. Many inquiries, including parliamentary inquiries such as that by the Economic Affairs Committee, have focused on the need to fund adult social care properly, put more focus on prevention and address the poor integration between health and care services. The Covid crisis highlighted the effects of all these long-standing problems between health and social care and, as Age UK put it, "laid bare" the stark inequalities of the current social care system and

"revealed the true extent of the impact underfunding, structural issues and market instability have had on the system's ability to respond and protect ... people at a time of crisis."

The initial pandemic response made protection of the NHS a priority, which had a detrimental effect on social care. The rapid clearing of hospital beds revealed too little consideration of the fragility of care settings and resulted in too many deaths.

Inevitably, I must focus on the effect on unpaid carers—as your Lordships know, I always emphasise them—who are propping up whatever system of care we have. Let us be clear about the numbers, which are provided by Carers UK. There were 9 million unpaid carers across the UK before the Covid pandemic, providing everything from a few hours of support a week to intensive and complex round-the-clock care. The pandemic has resulted in about 4.5 million new carers, 2.5 million of whom are trying to juggle paid work with caring. This takes the estimated total number of carers to 13.5 million and the annual value of what they contribute is now estimated to be £193 billion every year.

Carers have been particularly hard-hit by Covid and many have had to make extremely difficult decisions about work and family. Some 81% say they are providing more care because services were closed or not available due to lack of PPE and care staff self-isolating or having caring responsibilities themselves. Yet the Build Back Better plan hardly mentions unpaid carers or how they will be supported. The Government have assured us that the forthcoming White Paper will address this, but when the Secretary of State for Health and Social Care said in his speech to the Conservative Party conference that care "begins at home" and people should turn to family first, it was hard to believe that the Government understand that this is precisely why there are 13.5 million carers. They do turn to their families first. His remarks were seen as uncaring and disrespectful to the millions of carers who never questioned their duty to their family.

Let us try to be positive and thankful that at least the pandemic has made us focus on social care more than ever before. The government proposals for which we have been calling for years have now come out, so I will turn to those.

That the social care sector needs more money and that this money should be found from taxation is never in doubt. However, there is puzzlement, even bewilderment, in most agencies about the Government's chosen method of raising these taxes, using a levy on national insurance. Let us face the stark fact that not a single penny of the money raised by this method will go to front-line social care. We know that it will initially go to the NHS, for at least two years. I do not

begrudge the NHS the money. Having just been told that I have to wait 42 weeks for a telephone conversation with a consultant, of course I do not begrudge it. I just do not want anyone to be conned into thinking that the tax raised by the levy will solve social care problems.

Even after social care—endlessly the poor relation whenever reforms are discussed—gets any of the money, it will go to helping a small number of families be relieved of care costs and the need to sell their houses. How will this stop the 15-minute visits by overworked and underpaid care staff, or give them even slightly better pay? Indeed, those overworked and underpaid staff will be paying towards this levy in their wage packet, as will their employers, largely in the private sector, whose profits—the only thing which keeps them in business—will be further eroded.

It is now 10 years since this House passed the legislation for the Dilnot review. Many of us spoke in favour of it at the time. However, the cap has been set so much higher than recommended that it is far from clear whether many people will actually benefit. I must point out—few people understand this—that the cap applies to the cost of nursing in residential homes only and does not include the so-called hotel costs. It will help a few better-off families, leaving most to pick up the bill, or subject to the vagaries of local authority funding.

In addition, it will add to the complexities of an already far too complicated funding system and add to the danger that any money coming to social care will be spent on bureaucracy, making assessments, testing eligibility and explaining to bewildered families why care costs so much, and why the picture in the social care sector is very different from that in the health care sector. Moreover, it will do nothing to improve the standards of care received by older people or those working-age adults with disabilities who make up at least one-third of those needing care, a fact which often seems to be overlooked in the emphasis on older people.

The debate in your Lordships' House on 11 October makes interesting reading regarding how the levy proposals are viewed. It is hard to find any support for the proposals and there is great disappointment in the failure to address the promises which have been made about “fixing” social care. Surely fixing requires two things above all: enough money and better integration.

As to the former, the Institute for Fiscal Studies, quoted by my noble friend Lord Eatwell in Monday's debate, says that

“it is clear that the extra funding will not be sufficient to reverse the cuts in the numbers receiving care seen during the 2010s.”

The IFS also points out that

“many people with care needs not considered severe enough will continue to miss out.”

Moreover, the latest IFS report published this week says that the £12 billion which will be raised annually by the tax rise is sufficient only to fix the immediate shortfall faced by the NHS and would need to double by 2025 to have any hope of keeping up with NHS, let alone social care, needs.

Integration with the NHS is seen as a vital need. There has always been political agreement across the board on this, yet I am mystified as to how these

proposals will address it. At a time when waiting lists for the NHS are growing longer by the minute, should it not be a priority to ensure that no one stays in hospital longer than they have to by having discharge procedures which provide a seamless transition and making sure that the all too frequent readmission because of inadequate co-operation between the NHS and local authorities is guarded against?

We heard again only yesterday that care jobs are unfilled and requests for care are being turned down because of staff shortages. Local authorities are struggling terribly to recruit enough workers to meet increasing demands. That is no wonder when you can earn far more by filling shelves in Sainsbury's.

The minute someone is admitted to hospital, health services, social care and the often ignored but very significant voluntary services should plan between them for what will happen on discharge. Sadly, the usual pattern is for a conflict to emerge, on a Friday afternoon, between a hospital ward desperate to empty beds and social care services inadequately prepared or even informed. The Government's plans should include commitment to such planning and co-operation. Thus far, they do not.

As I turn to the third part of the Motion, the effect that Her Majesty's Government's plan for social care will have, I feel more regret than anger, because these proposals represent such a failed opportunity and once again see social care as the poor relation—the Cinderella, as some have called it. Social care could be at the heart of a levelling-up agenda, if we had a vision for its workforce and for the impact it has on the health of a community in its broadest sense. Care providers could be encouraged to diversify their businesses and to reach out creatively into the community by providing tax incentives, for example, or a reduction in business rates.

If we want a high-skill, high-wage economy, as we are increasingly told we do, what better place to start than social care, with its huge workforce, badly paid but certainly not unskilled? Those skills could be developed by providing training, and retention could be dealt with by better career progression and recognition of qualifications. If you provide more support to unpaid carers, you get the very best out of that huge but unrecognised workforce, and if you help them combine paid work with caring responsibilities, you not only help them financially now but save them from poverty in future. Surely that makes good economic sense, as well as being morally imperative.

It is possible that the Government intend to address those issues in the forthcoming White Paper, and I hope that the Minister can assure us about that. I also hope that he can assure the House that integration between health and social care will be seen as a priority, as there is a sad lack of any such incentive in the current proposals. Has he considered an integrated workforce with cross-discipline skills? How about integrated budgets and data sharing? Will all those failed opportunities be addressed in future policies? If they were, I really do not think it would be difficult to get the cross-party agreement and support that Ministers say they are aiming for.

[BARONESS PITKEATHLEY]

Above all, I regret that there seems to be no attempt anywhere to address the causes of the difficulty in both health and social care, leaving the Government open to the charge of a sticking-plaster solution. Levelling up must surely include addressing the health inequalities which are the result of poverty and inadequate services, and which, sadly, have increased after a decade of public spending cuts.

The most efficient way to ensure that our health and social care services are not overwhelmed by demand is to make sure people do not need them as much. As Sir Michael Marmot has said:

“We need to adopt a health and social care system which prioritises not just the treatment of illness but how it can be prevented in the first place. The pandemic has made it crystal clear over the last 18 months why public health and ... the social determinants of health, are so important. The health and social care agenda must be re-balanced ... towards prevention”.

That, surely, is the sort of vision we should have for social care.

We eagerly await the White Paper, but I must tell your Lordships that the current proposals, with their inadequacies and lack of understanding and vision, do not fill me with hope. I beg to move.

12.13 pm

Baroness Tyler of Enfield (LD): My Lords, I congratulate the noble Baroness, Lady Pitkeathley, on her excellent opening speech. It is a privilege to follow her.

We debate social care today at a time when, after years in the shadows, the crisis that is social care is no longer hidden from view but at last has come into stark public and political focus. What has changed?

First, as we have heard, the pandemic has cruelly exposed the plight of those dependent on social care. Nothing illustrates this more than the number of deaths of care home residents due to Covid: in England, it was estimated at 40,000 in the year ending this March, unlikely to be an underestimate. As the journalist Robert Peston wrote after reading the damning report published this week by the two Commons Select Committees on the lessons to be learned, the section on care home deaths

“will probably make your blood boil.”

It remains a national scandal.

Secondly, we now have the bare bones of the health and care levy, which many of us debated on Monday. I shall not repeat what I said then, but if the Prime Minister and the Health Secretary read that debate, it would have been a salutary experience. Speaker after speaker—from all Benches—made plain that the much-vaunted fix for social care was, frankly, anything but, with only a small portion of the £12 billion raised likely to go into social care in the next three years. Most of the money will be sucked into existing acute NHS pressures—much needed, of course, but with no guarantee of sustainable funding beyond that.

The cost of decades of inaction has fallen particularly hard on the shoulders of the estimated 11.5 million unpaid carers in the UK, some of them aged 80 and above, whose contribution to the current system is almost completely ignored, despite the fact that they

are the only thing stopping it from complete collapse. Carers UK has estimated that unpaid carers save the Treasury some £193 billion a year.

Part of the problem has been the way in which the debate is invariably framed, particularly by the Prime Minister, as being all about avoiding making people sell their homes to pay for care. In reality, it is about so much more than that, and it is not just the elderly who are affected. Younger disabled adults make up half the cost of adult social care budgets.

The social care sector is complex and little understood, and the challenges facing it myriad, but, briefly, despite spiralling demand, particularly due to an ageing population, spending is lower than 10 years ago. Government funding for local authorities fell by 55% in the decade between 2010 and 2020, and the existing means-tested system, with its high threshold for care, has resulted in many people who needed care being unable to qualify for support, either in their own home or in a care home.

The King’s Fund has described the pandemic as having a devastating effect on the quality of care, despite some short-term additional government funding via local authorities and infection control. The costs of Covid and the fall in care home occupancy put many providers at risk of failing or simply handing contracts back. Fees vary considerably, depending on geography, and people who do not qualify for free care—self-funders, in the jargon—end up cross-subsidising local authority-funded residents. Again, they are essentially propping up the whole system.

Perhaps most fundamentally, a vastly underpaid and undervalued workforce receives little or no training or professional development, resulting in high levels of turnover and vacancies. Care companies are facing acute problems in retaining and recruiting staff, including according to a report published this week by Skills for Care, which suggests that there are now more unfilled care jobs than before the pandemic. The Public Accounts Committee has described the pandemic as having

“a devastating impact on the care sector.”

Those recent injections of cash, while welcome, and the local authority precept, provided some short-term relief, but the capacity to raise money is neither sufficient nor evenly spread, leading to reduced local services, particularly in deprived areas, and minimal care packages.

Against that backdrop, can the Minister, who I welcome to his new role, tell us what plans the Government have to bring forward a sector workforce plan, similar to that of the NHS, with proposals on career progression and pay, as called for by both the NAO and Care England?

All the above, of course, causes knock-on problems for the NHS, in both increased admissions for those unable to look after themselves at home without care and long delays in discharge from much-needed hospital beds due to the lack of social care in the community. The post-pandemic NHS backlog will not be solved without an immediate injection of cash for the social care sector. Urgent action is needed to shore up a fragile and highly fragmented sector reeling from the impact of the pandemic, with some care homes, often debt-laden and with unsustainable business models, becoming increasingly financially unviable.

Immediate funding is needed for the quality of care, to introduce minimum standards for care homes and to provide respite for unpaid carers. Above all, we urgently need a new deal for the care workforce, including action on pay, training and development, career progression and recognition. As I have said before, care staff, who have given so much during this pandemic, deserve to be paid well above the minimum wage.

To conclude, social care cannot wait until 2023 for additional funding, so can the Minister tell us what plans the Government have to provide an immediate and significant cash injection to local authorities as we head into the winter months for the delivery of adult social care services, including support for unpaid carers, in the spending review in a couple of weeks' time?

12.19 pm

Lord Astor of Hever (Con): My Lords, I also welcome my noble friend the Minister to the Dispatch Box and wish him all the best with his new responsibilities. I congratulate the noble Baroness, Lady Pitkeathley, on securing this debate. The issue of carers is very important.

The Prime Minister set out his plans for health and social care reform in his excellent policy document last month. On the one hand, he said, it would add up to the biggest catch-up programme in the history of the National Health Service, and at the same time would address the

“long-term problems ... that have been so cruelly exposed by Covid.”—[*Official Report*, Commons, 7/9/21; col. 153.]

These long-term problems, let us not deceive ourselves, affect each and every one of us.

One of the most challenging problems has been revealed to be the chronic shortage of care staff, a situation that endangers the well-being of the most vulnerable among the population. Also the proper management, training and deployment of care providers needs addressing. Sadly, Brexit, wholly justifiable vaccination requirements, post-Covid fatigue and the prospects of higher pay in other sectors have not helped the situation.

Covid began a nationwide debate, a tumultuous vox pop, that made people sit up, listen and respond with their own accounts of suffering. It drew people together and showed our dependence on each other in the community. Through the media, individuals and family groups up and down the country were able to share personal experiences, often shocking and heartbreaking, which revealed a range of avoidable shortcomings in the health and social care system. I can only hope that, as the past has shown us time and again, out of crises great advancements can be made. This is especially true in health and social care, and I am confident that the Government are capable of setting in motion a bold programme of reform, although it will require a great deal of organisation and commitment, in addition to funding.

Greater integration of social care provided by the National Health Service through local clinical commissioning groups and that provided by local councils is one area that is under considerable pressure; and I should like the Government to focus on that. I understand that radical plans for such integration are

being actively considered by the Health Secretary. I am sure that the Minister will address that in his wind-up speech.

The experiences of a family that I know living in the West Country with two severely disabled adult sons suggest that healthcare support across the nation is patchy and variable according to postcode. They have experienced profound ignorance at junior levels as to the delivery of an effective social care service, and believe that the protective territorialism and empire-building that they have witnessed need urgent addressing, with integration managed from the top and implemented locally.

Adopting a holistic *modus operandi*, with an emphasis on common sense and compassion, must be the best way in which to tackle the complex and multilevel needs of the population. All of us, with our lives being extended through access to modern medicines and diagnostics, will need greater recourse to treatment and support from the National Health Service.

Health and social care reform requires the support of a complete mindset reform to enable these improvements to happen: a recalibration of the imbalance between rights and responsibilities, and the recapturing of the spirit of working together for the greater good that was present at the very inception of the National Health Service.

12.25 pm

Baroness Finlay of Llandaff (CB): My Lords, I congratulate the noble Baroness, Lady Pitkeathley, on obtaining this debate, her important opening speech and her constructive suggestions. I welcome the Minister to his crucial role in the future well-being of the nation. I must declare that I chair the National Mental Capacity Forum and am vice-president of Marie Curie, which provides a great deal of care to people in the community as they are approaching the end of life.

Looking forward, we must fix social care properly. I have worked for decades with social carers in an integrated way through the hospice movement, where it is evident that those providing social care are an essential support to people with severe and life-limiting illness, and to their families. Without input from social care, families would break. Where there is a young parent who is ill, their children need to know the person who is coming to provide support to their parent—a person to whom they often look for emotional support also. Where a child or young person has learning difficulties compounded by physical problems, their social care is literally a lifeline for all in the family. Let us not forget the underage carers in so many families.

No one should think that social care is simply about washing, dressing and eating. It plays a vital role to enable the carers of people at home to cope with their own lives, go to work, go to school and study, and manage all aspects of the home. For the person, social care can make all the difference between feeling a burden, worried that one's family is being worn down, and being able to function still in one's role within the family and society. Where good social care is in place, people with profound disabilities are often still able to work with the support of different

[BARONESS FINLAY OF LLANDAFF]

aids and adaptations, and I have been struck over the years by the number who have run businesses, written papers and even books. It is their carers who they praise as the person enabling them to do this.

Sadly, Marie Curie found that, during the pandemic, 61% of carers said that the person who had died had not had all the help that they needed with personal care before dying at home. More than three-quarters of carers said they did not receive all the care and support that they needed. It is the carers who spot when somebody is less well and when things are deteriorating, and is often the person who triggers the call to the GP or district nurse to come in and diagnose what has changed, alter medication and review the way in which an illness is managed. No one should think that these carers are unskilled or low skilled; they are not. They are very skilled and often have a wealth of experience.

When I was medical director of the hospice in Cardiff, I often looked to the care assistants just as much as the trained staff for important information on patients and families. They spotted whether families were behaving oddly. They would alert me to changes in a person's condition because, when they took them to the bathroom or helped them with the meal, they spotted changes early. Patients talk to carers because they are not part of the power differential between professionals and patients. Patients often tell doctors and nurses what they think they want to hear, but will be much more open and frank with carers about worries and concerns that they may feel are too trivial to trouble trained staff with but are crucial.

Social care is essential to free up places in hospital. Carers should be there when somebody comes home; that transition from hospital to home is a vulnerable time both physically and psychologically, particularly for those who live alone. If hospital discharges do not happen, the backlog right through the system to the ambulance at the front door of A&E only worsens. It has been estimated that NHS bed days lost to delayed hospital discharges rose by 50% between 2015 and 2017—before the pandemic—when the number of beds available was decreasing in the hospital sector. This, of course, produced greater pressure.

Social care work is hard work. There is a workforce turnover of more than 30% and we must be able to retain skilled and experienced care workers by making sure that this is an important, high-status job, and that the travelling time between clients' homes is recognised. For those who are unpaid family carers, we should consider carers' leave, particularly when they are caring for someone who is dying at home.

As we move forwards, the reforms set out in the Health and Care Bill should ensure that every part of England is covered in an integrated care system, with close collaboration between the NHS, local government and other partners. However, it is deeply concerning for people living with terminal illness that there is no requirement on integrated care systems to ensure that they commission palliative care services. I therefore give notice that I will be bringing forward an amendment to the relevant Bill and I hope that the Minister will be able to assure me that the Government will consider

carefully amending the Health and Care Bill to include a requirement for every integrated care system to arrange for the provision of specialist palliative care services to meet the needs of the population. Everything must be integrated for the benefit of all.

12.30 pm

The Lord Bishop of Oxford: My Lords, it is an honour to contribute to this key debate. Like others, I am grateful to the noble Baroness, Lady Pitkeathley, for her excellent introduction. I welcome the Minister to his new responsibilities. It is a privilege to follow the noble Baroness, Lady Finlay.

One of the key texts on which so much of our human civilisation is based contains these lines:

“Honour your father and mother, so that your days may be long in the land that the Lord your God is giving you.”

The care offered by one generation to another is fundamental to human flourishing and a good society. As we have heard, that care is offered in families generously and unstintingly, but it needs to be supported by the wider community, through creative partnerships with the third sector, and by the state. These principles have led to our current system of social care, which now stands in urgent need of fresh vision and reform.

Honour is critical to both the fifth commandment and the social care system. Our vision and aspiration need to rest on giving honour and dignity to each person—regardless of age, illness or disability—and to all those who offer care, whether volunteers or paid workers. Social care is under strain and goes badly wrong when we lose this concept of the dignity of those who need and offer care.

As has been said, the initiatives taken by the Government in September and the increases in funding are modest. Caveats have been articulated, including by the right reverend Prelate the Bishop of Carlisle in Monday's debate. Much more is needed. As has been said, the NAO called in March 2021 for nothing less than a

“cross-government, long-term, funded vision for care.”

I hope that this could build on a foundation of human dignity and honour, with a proper emphasis on prevention and equality. The same report calls for a workforce strategy, which, as others have argued, is urgently needed and needs to be built on the same foundation.

In the coming years, the world will face a fundamental revolution in the nature of work, with a massive increase in automation in many industries. The social care sector can benefit from the fourth industrial revolution in many ways, particularly in better systems and the use of data. It is the Government's responsibility to offer leadership and frameworks for this. However, person-to-person care can never be delegated to machines or systems. Such delegation diminishes dignity and honour. When members of my family have needed social care, the real gift has not been the practical support, vital though that it is, but the caring touch, warm smile, sharp humour and repartee that restores the dignity of the person, even in extremes of suffering. To give this honour and dignity to others, those who work in social care and offer care voluntarily themselves need dignity, recognition and honour.

Increasing that sense of honour demands practical actions that neither public applause nor rhetorical promises alone can fully fulfil. Over the past year, on average, more than 100,000 care sector vacancies have been advertised every day. As has been said, the vacancy rate today is higher than it was before the pandemic. In the coming years, the Government will have an opportunity to develop a new social contract for social care, framed by dignity and which invests in the social caring professions in terms of standards, training, recruitment, pay and conditions. This sector will need to expand, even as jobs are lost to automation in other sectors, and will be a growing part of our economy. That social contract will need to embrace better support for voluntary carers and deeper co-ordination between the NHS and local government, as has been said.

I ask the Minister to comment in his answer to the debate on the values that will need to shape the long-term vision for social care and the place of human dignity and honour within them.

12.35 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I congratulate my noble friend Lady Pitkeathley on her devastating opening speech, which set out vividly the challenges facing social care and the inadequacies in the Government's proposed response. I am glad to join in noble Lords' welcome to the Minister.

This is, I think, the fourth time in the last month that this House has expressed its concerns about the Government's approach to social care. On Monday, the noble Lord, Lord Agnew of Oulton, introduced the Health and Social Care Levy Bill, when speakers from all sides of the House expressed real anxieties that the Government's proposals will not address the key issue: that too few people are getting the level and quality of care that they need. Given that this is the Government's flagship Bill to resolve one of the biggest challenges facing the country, the lack of confidence in your Lordships' House and elsewhere is desperately worrying. I hope that, in replying to this debate, the Minister will seek to assure us all that the Government are listening to these concerns and that they will be reflected in the next stage of their plans for both resources and social care reform.

Successive Governments have neglected social care, and the pandemic has dramatically shown that the sector has been brought to the brink of disaster. Report after report has shown that many vulnerable people died in care homes because the problems of care homes simply were not part of the Government's thinking. Millions of unpaid carers were left completely unsupported as support services were withdrawn overnight and they were left to struggle alone as best as they could. The impact of that on carers and those for whom they care has clearly been devastating, although I fear that it is as yet largely undocumented. Carers UK is beginning to gather this grim evidence.

Only today, Skills for Care published its annual report, *The State of the Adult Social Care Sector and Workforce in England*, which documents the impact of the pandemic. It reports that sickness rates "nearly doubled",

"occupancy levels in care homes have fallen"

and workforce numbers started to fall from March. It states:

"As of August 2021, vacancy rates are now back above their pre-pandemic levels"

and are increasing. The report estimates that, if the workforce is to increase at the same rate as the proportion of over-65s in the population,

"by 2035 the sector may need 490,000 extra jobs".

How will they be provided?

I say all this to emphasise the urgency of providing the resources to right this terrible wrong now. It is not clear that the Government's present proposals will do this, however good their intentions. The NHS clearly needs money to tackle waiting lists; this will help families looking after relatives with worsening health conditions. However, the recent announcement does not suggest that there will be any immediate direct investment in social care. The Commons Health and Social Care Select Committee advised that £3.9 billion is needed just to deal with the sector's wage increases to the national living wage and ageing pressures. The LGA estimates that £1.5 billion is needed each year just to stabilise the care provider market—the difference between what it costs providers to deliver care and what councils pay.

Where will vulnerable patients from hospitals go if there are no care places? In all the public pronouncements and speeches in the House and elsewhere, the Government have scarcely mentioned unpaid family carers. If they are not mentioned in descriptions of how policies will be made in future, that probably means that they will be left out of the picture altogether. Carers UK is concerned that, although the Government's proposals will help some families, they will not help carers who need help now. For instance, there is no indication that the levy will secure an immediate increase in funding for breaks or respite support for carers. Nor will it help those with the lowest means who cannot afford to pay for their own services and have no other recourse but help from the state or charities.

Can the Minister tell us whether the Government plan to provide immediate and significant cash injections to local authorities for the delivery of adult social care services, including support for unpaid carers, in the forthcoming spending review on 27 October? How will the health and social care levy deliver the funding for underlying social care support so that carers can juggle care and work? Without this investment, it is unlikely that the Prime Minister will be able to deliver on his promise to fix social care.

In adding one final point on supported housing, I declare my interest as a chair of the National Housing Federation. I have stressed many times in this House the essential role of supported housing in delivering independence and well-being for many people with long-term care and support needs. Supported housing takes the pressure off public services and saves public funds. Housing associations, like care homes, are struggling to fill vacancies. The value of local authority contracts is so low that it is not possible to increase wages or reward staff financially for their dedication and the sacrifice made over the pandemic to keep residents safe. The Government have promised ring-fenced funding for the NHS and social care. Can the Minister consider reinstating the £1.6 billion ring-fenced funding for

[BARONESS WARWICK OF UNDERCLIFFE]

housing-related care and support services and use the opportunity of social care and NHS reform to prioritise preventive services, give security to people with care and support needs, guarantee funding and enable housing providers to continue responding to the impact of coronavirus?

12.41 pm

Lord Lipsey (Lab): My Lords, I declare an interest as unpaid president of the Society of Later Life Advisers.

Today I will concentrate on the cap. It was first proposed in my minority report to the 1999 commission on long-term care and carried forward in the Dilnot report a decade later. Noble Lords might be expecting me to be dancing in the aisles because this long-awaited proposal is now being bought in. Well, dancing I ain't, and nor should older people who have been deluded into thinking that their care costs and worries are over. Bluntly, this cap is a fraud perpetrated against the elderly and against their children, and one which will not deliver but will come back to haunt its progenitors.

Many elderly people will not benefit from the cap at all. Nearly half get their care for free under the means test. Of the rest, many will not qualify because they do not meet tough requirements for proving that they need care, under which substantial disability must be shown. Even if you jump those hurdles, will you get that help? Will you get back the £86,000 you have coughed up for care? No, because the £86,000 is a purely notional figure which, when analysed, turns out to be nothing like the truth. You can claim only as much as a local authority would pay if it were booking a care home place itself, so for a nursing home, the limit would be £779 per week. Yet self-funders pay much more than local authorities that place people—£1,139 per week according to the true expert, Graham Duffy, from Just. There is a gap of £360, which you will have to fill yourself since the cap does not help you. From what you can get help with, you must then deduct what are rather insultingly called hotel costs—that is, accommodation—of perhaps £200 per week. You may well get a nursing care allowance of £187 per week. That great deduction comes off what you will get back.

You are spending roughly £1,100 per week on your care, but only about £400 of that can count towards the cap. When will you start getting some cash? On my calculation, it will take about five years at £400 a week to get you above £86,000. However, the clock does not even start to tick until October 2023. Anything you pay out before then must come out of your own pocket. Therefore, in practice it will be at least seven years before anyone benefits by a penny from this cap—two years until the scheme is launched, and then five years to reach the £86,000. Here is the rub: the average person in residential care lives only for about another five years. There is a tail of robust and fortunate people who go on for a very long time. They might get some help from the cap, but if as many as one in 10 care home residents benefits from this cap, I will be extremely surprised. Also, as I said earlier, even those who benefit will not get back the money they have paid out. Under the cap, they will get back about a third of it.

Putting my cards on the table, I do not object to the few people benefiting greatly from the cap. After all, the beneficiaries are generally the better-off, who do not have to sell their homes to pay for care because they can borrow from the local authority, and the true beneficiaries are not the old people themselves but their kids, who presently get large and largely unearned windfalls. It is not the lack of generosity of the Government's scheme that appals me but its opacity—not understandable even by those with great knowledge in this field who have studied it for hours.

I am sorry to blow my own trumpet, but my minority report proposed a very much simpler scheme whereby you must pay for five years of your own care and then you get it all free. That way, you do not have to keep tabs all along on how much somebody is spending. It has the advantage of being purely a chronological qualification. Instead, we have this monstrously complex scheme that is designed for one purpose only: to con the public that the care costs problem has been fixed. It is a cap, yes, but a cap that simple is not worth the palaver.

12.47 pm

Baroness Thomas of Winchester (LD) [V]: My Lords, I declare that I receive self-funded care and disability living allowance. I thank the noble Baroness, Lady Pitkeathley, for securing this debate, and for her very powerful opening speech. I will speak very briefly about home carers. This is a growing sector whose growth has been accelerated by the pandemic.

As others have said, more money is needed right away to pay such carers a better wage, and for their travelling time in rural areas, where there are more home carers, and in towns with heavy traffic. This cannot wait until 2023. As we have heard, carers are among the lowest-paid workers, earning less than cleaners and shop workers. This is appalling as most of them are highly skilled. Demand for care from working-age adults rather than from older people is increasing, as we have heard, although as the population ages, this will change quite rapidly. Also, there are about 112,000 vacancies for carers. According to the recent King's Fund report, more experienced care workers earn only about 12 pence more than those starting their careers, which is one reason why the workforce needs more pay, training and development.

I turn very briefly to unpaid carers. The whole care system would collapse if they did not exist. As the noble Baroness, Lady Pitkeathley, said, they save the economy literally billions every year. I would like to ask the Minister what the uptake of the carer's allowance is. It is quite a complicated allowance and is not generous, so my message to the Government is to make sure that carers are better rewarded and that the carer's allowance is simplified and increased.

12.51 pm

Baroness Hodgson of Abinger (Con): My Lords, I thank the noble Baroness, Lady Pitkeathley, for introducing this vital debate today. With people living ever longer, looking after the elderly and infirm well is critical to the individuals, their families and our communities, ensuring that all receive the care they need and have a dignified and secure old age.

At the party conference last week, the Secretary of State urged people in need of social care to turn to families first and not always to look to the state. As has been said, that is already happening. Mothers look after disabled children, often on their own, and many people need care towards the end of their lives. In 2019, it was reported that, on average, women outlive men by about seven years. However, women often shoulder much of the care of their husbands at home, often without enough back-up and support from local services. Society simply does not recognise the contribution that many women already make in this way.

It is often reported that single people have poorer health and higher mortality rates and that, by the age of 85, over 75% of women who were married are widowed. Left on their own when their husbands die, often with no one to look after them, they then need care themselves. Too often, younger members of the family are working, based too far away to help daily, and may not be able to devote the time needed. These women needing care may then find themselves financially unable to stay in their own home, as the costs of full-time live-in care can exceed those of a care home, and they end up having to sell their home to fund their care. Surely people who want to stay in their own home should be able to.

The Secretary of State, in his speech, went on to talk about how we as citizens have to take responsibility for our health, too—all of which I agree with. Thus, having good and regular health checks is essential, leading to earlier identification of conditions and earlier interventions, which may enable people to stay at home and lead a fuller life for longer.

Of course, the role of the GP in all this is absolutely critical. Last week, there was an article in the *Times* about a study based on Norwegian health records, published in the *British Journal of General Practice*. This talked about the benefits of having the same GP for years. In Norway, all residents are assigned a named GP. The study found that, compared with a one-year patient/GP relationship, those who had the same doctor for between two and three years were about 13% less likely to need out-of-hours care, 12% less likely to be admitted to hospital and 8% less likely to die that year. After 15 years, the figures were 30%, 28% and 25%. A senior researcher at the National Centre for Emergency Primary Health Care, part of the NORCE research centre in Bergen, added:

“It can be lifesaving to be treated by a doctor who knows you. If you lose a general practitioner you’ve had for more than 15 years, your risk of needing acute admission to hospital or dying increases considerably the following year.”

Yet the model in the UK seems to be moving away from this. This appears to be detrimental not only to patients but to doctors. Most GPs I know found one of the most satisfying aspects of their job was getting to know their patients and looking after them over many years, but practices in the UK are becoming bigger, with more doctors and patients, and less of a relationship between the two.

Patients over 75 in the UK are also given a named GP, and I would like to ask the Minister exactly what their duties towards these patients should be. I hope he agrees with me that medicine should be patient-focused

and not administration-focused. While I understand that patients who wish to be seen urgently cannot always see their named GP that day, should the named GP have contact with patients and their families when requested and provide continuity of care? Please can my noble friend be specific about this?

I hope the House will not mind me speaking from personal experience, because my mother suffered from lack of care from her GP at the end of her life. This was just before the pandemic took place. She had had a marvellous, caring GP for 30 years who retired. In the last six months of her life, she was transferred to a larger local practice. The named GP never came to see her or even spoke to us, even when we requested him. There was a lack of continuity of care; she saw a different doctor every time. Visit requests were refused on two occasions, even when she had fallen, hit her head, was badly bruised and her carers were asking for support; and, on another occasion, when the out-of-hours doctor said she urgently needed to be seen. The only way we got the district nurses to come, two weeks before her death, was because one of her marvellous carers actually knew them and rang them, desperate.

If my mother’s experience is the same as that of others in this situation, surely ensuring that named GPs actually attend their patients would be a good place to start, not least because, according to this Norwegian survey, it would ensure that patients stay healthier for longer and would relieve an enormous burden from the care system.

12.57 pm

Lord Pendra (Lab): My Lords, I am sure we are all thankful to my noble friend Lady Pitkeathley for raising this important Motion. I am also pleased that the debate has been rescheduled for a longer period than the one hour originally allocated. Had that not happened, it would have been a nonsense for such an important debate as this. At least we now have something from the Government on the plight of social care workers, but it falls short of a meaningful response to the problems encountered by that sector for those who have to endure its working conditions, low pay and poor employment practices.

Of course, a number of promises by the Government have been jettisoned, which has caused real hardship for social care workers, including that from the Prime Minister not to put up national insurance, which is a solemn manifesto commitment broken. So many manifesto commitments have been broken. The list is endless, and going over them would take too long for this debate.

It perhaps suffices to point out that the new money the Government propose in their so-called plan is in no way at all a plan to reform social care problems. Of the £36 billion already mentioned in this debate that the Government propose for the next three years, only 15% will go to social care. The new money is designated for 2023, which will certainly not help the thousands struggling on low pay, against this background of funding cuts.

However, it is true that Covid-19 has brought to the attention of the nation the real worth of our care workers and the vital role they play in providing social

[LORD PENDRY]

care for those hit by this deadly disease. Thousands have died in care homes, including hundreds of care workers who died in the course of servicing those they cared for.

The Prime Minister, quite frankly, is in denial of the problems. He does not seem to understand the crisis affecting social care and has not responded to the leader of the Opposition, who said that, to bring in a plan

“to genuinely fix the crisis in social care ... and ... have a fair funding model”—[*Official Report*, Commons, 7/9/21; col. 157.]

we in the Opposition “will work together” to that end. Let us hope it is not too late. Perhaps when the Minister replies to the debate he might promise that, when the Prime Minister returns from his latest holiday—I hope he will be refreshed physically, but much more importantly mentally—he will remind him of that very sensible proposition and to act upon it.

If not, I conclude by reminding the House of previous debates when UNISON, my union, and others representing care workers, pressed for a national care service, which it has advocated for many times. It would provide greater security for those receiving and delivering care. Let us hope that this debate will add to those who are already trying to bring to the notice of the Government the urgency needed, as was spelled out by my noble friend in proposing this Motion. But let us not hold our breath.

1.02 pm

Lord Bichard (CB): My Lords, I am proud to count myself as one of the usual suspects that the noble Baroness, Lady Pitkeathley, referred to earlier. In that capacity, I congratulate her on winning this debate and on a quite brilliant opening speech.

As we all know, social care has been in need of urgent reform for a decade or more. When history is written, I think it will be one of the greatest failings of Parliament that so little has been done. Resources have been inadequate. Too many providers are struggling to survive, too many users are dissatisfied with the service they receive, too many unpaid carers are, quite simply, exhausted, and too few people see social care as an attractive career option. For people suffering the consequences of these failings, arguments about who is to blame and promises of future improvements feel a world away from their lived reality. Their lives cannot be put on hold; they have to be lived now. They should be, and they deserve to be lived well.

Sadly, the long-awaited White Paper has still not materialised. There was yet another promise that it will be with us in three months; I have lost count of how many of those I have seen. The recently published *Build Back Better* fails to address the real problems, focusing almost entirely on how to fund the cap on costs. Any future plan and the White Paper itself need to deal with the really big issues comprehensively.

First, we still need to deal with resources, because, as others have said, the Health and Social Care Levy Bill does nothing to increase the capacity of the sector. It is regressive, and somehow even finds a way to increase the financial burden placed on providers and on care staff themselves. The Economic Affairs Committee

of this House judged that £8 billion was needed to bring the sector back to where it was a decade ago, and many have suggested ways in which this could be found by reallocating public expenditure if there was no new money available. It needs to be done.

Any future plan needs to ensure, as others have said, that care services are better integrated, but as the noble Lord, Lord Lansley, said in Monday’s debate, that will not be done by great promises about further major institutional changes—reorganisations that often mean nothing in terms of improved services on the ground. A national care service and integrated care services will not provide immediate succour for people suffering as they are. They need us to address the real barriers to collaboration on the ground. People in residential homes do not want promises about new structures; they want free, convenient access to GP services, 24/7.

Again as others have said, we have to confront the crisis of the workforce far more convincingly than *Build Back Better* does. Social care should be seen as the noblest of professions, not as a last resort for a career. Could we encourage former clients—care leavers, for example—to use their lived experience and join the profession? Could we extend initiatives such as Teach First and Frontline? Do we know enough about why and when people leave so that we can target our workforce planning? How can we improve and make training and development more attractive to the workforce? Nothing will change or improve without a committed, skilled and valued workforce.

Something that has not been mentioned today is that we need to sort out the benefits system. At the moment, you can apply for attendance allowance, higher-level attendance allowance, domiciliary care, residential care or continuing healthcare. Some of these are administered by the DWP, some by local authorities and some by the NHS. Some are means tested and some are not. Continuing healthcare seems to vary widely in the way it is administered across the country. This is a confusing mess. It costs money, but it brings huge stress to people when they are at their most vulnerable.

We could support providers better. Education leaders have been able to access information and support online for a decade or more, but social care providers are left to their own devices, struggling to balance the books, cope with increased regulation and cater for clients with increasingly complex conditions. Why do we not establish an innovation and improvement fund to give them some support in the immediate future? Are we using digital technology as well as we could, not just to help providers but to help more people to stay independent? I do not think we are.

What is the strategy for unpaid carers, so often and rightly mentioned today—13 million of them, saving the Exchequer nearly £200 billion a year? The Secretary of State highlighted the importance of these at conference, but they cannot be taken for granted, so where is the strategy to support them?

Finally, how can we give users and their families a greater say in the way that services are provided? The time should have gone when well-intentioned central bureaucrats decide how services should be shaped and delivered. We need more influence from lived experience.

Fixing social care is about fixing all those issues, not just putting a cap on care costs. I hope the Minister can reassure us on two things today: first, that we will finally see the White Paper by Christmas, and, secondly, that it will cover this comprehensive range of issues.

1.08 pm

Baroness Donaghy (Lab): I congratulate the Minister on his appointment—or should I say commiserate? I also congratulate my noble friend Lady Pitkeathley on introducing this timely debate in her usual comprehensive and extremely impressive way.

The Government certainly took the political initiative—it was a PR triumph. However, the kindest thing the newspaper financial columns could say about it was that it was a dog's breakfast. My noble friend's speech and that of my noble friend Lord Eatwell in Monday's debate on the NIC increases provide the definitive analysis of why the Government's PR stunt will not work. I do not feel that I can add much more to those speeches, so I will concentrate on why the financial models for care homes and social housing are unsustainable in their current form.

First, on the so-called model of care home funding, we have all heard how hedge funds use them as financial vehicles, but the majority of the sector is made up of small and medium-sized businesses. The Government want banks and lenders to show them flexibility, and the banks say that they are “actively providing support for viable businesses”—a quote from UK Finance. The question is: what does “viable” mean?

The reality on the ground is that a growing number of care homes—it is estimated at about 20%—are under pressure from their banks and are in financial difficulty. They dare not tell their local authority or the Care Quality Commission because they fear losing contracts or being taken into special measures. The infection control fund, a pot of £600 million to pay for PPE for social care firms, ended on 30 September. Local authorities in England spent £3.2 billion on adult social care during the first year of the pandemic, including PPE, but they received only £1.49 billion of extra Covid funding from government. This is not a sustainable system for social care.

Social housing for the most vulnerable in our society also sits on precarious foundations, which threatens the existence of some housing associations yet allows City firms to pay out millions in dividends: in the case of one firm alone, £103 million was paid out in dividends over a five-year period. The City is attracted to the £265 million annual housing benefit bill for specialised support housing in England. Some 176,000 vulnerable adults live in these properties. Private companies are piling in with investment, buying up properties and leasing them to housing associations, often locking them in to 25-year leases, which in some cases are unsustainable because housing associations have to pay rent on empty properties and are therefore carrying the risk, while the private company can promise investors a 5% yield.

The Regulator of Social Housing has expressed concern about the business model. Who picks up the pieces when things go wrong? I somehow do not think

it will be the investors in Civitas Social Housing, which is listed on the London Stock Exchange. It owns more than 600 homes and accommodates 4,400 people with learning or physical disabilities and mental health problems. Since the near-collapse of First Priority Housing Association, the regulator has published damning evidence on the financial stability of 19 housing associations, declaring that they are non-compliant with its standards. Eight of the 19 are Civitas tenants. The regulator's view is that the lease-based model is unsustainable in its present form. Why are housing associations taking these risks? It is because they are strapped for cash and are selling off precious properties to make ends meet, due to the shortfall in government funding.

Civitas bought a company called TLC Care Homes. It paid £25.5 million for nine care homes in Essex. Civitas split it into two companies, caring for the residents and owning the properties. The caring bit was then sold to a third company in—wait for it—the Isle of Man, with the idea that the operator would rent the buildings from the property company. These deals are well known in the property sector. They are called OpCo/PropCo. The Isle of Man business was partly owned by two Civitas directors, although this was not publicised. I am not claiming, as the *Sunday Times* implied, that properties were undersold, or that shareholders were disadvantaged, or that Civitas directors were doing anything illegal by not disclosing. In fact, my problem is that it is all lawful. My criticism is that these sharks and dodgy dealers should be kept a million miles from social accommodation for the vulnerable. This is not a sustainable model. What plans do the Government have for putting care homes and specialist housing on a sustainable financial basis which prioritises the protection and care of the vulnerable?

1.14 pm

Lord Cashman (Non-Affl): My Lords, it is good to be back and to be engaged in this important debate, for which I thank the noble Baroness, Lady Pitkeathley, whom I also congratulate on her wonderful, excellent opening statement. I also welcome the Minister to his position. Of course, I know him well from our many years together in the European Parliament.

During the pandemic, I am sure that others have felt that there is a fear of growing old or of becoming frail or ill. I believe it is our duty as the fifth-largest economy and as a civilised society to remove those fears immediately. I refer to my interests as set out in the register, particularly as a trustee of the charity Neighbours in Poplar. Indeed, I have decided to focus on an April 2021 grass-roots report, of which I am one of the co-authors, which was commissioned by Neighbours in Poplar, which is led by Sister Christine Frost. The organisation serves needs across the London Borough of Tower Hamlets. The report includes input from medics, paid and unpaid carers, care recipients and volunteers. It is a report from the front line, observed, witnessed and reported. It is not a parochial approach. It is evidence-based and, I believe, a microcosm of what is happening across England and what is being experienced by many councils and agencies. Social care is broken and can be fixed only by a

[LORD CASHMAN]

holistic approach, with adequate funding. It cannot be done on the cheap. That has been tried, and it has failed catastrophically.

The report, which I will make available through the Library, along with the follow-up report, took this holistic approach across a range of topics such as nutrition, housing, quality of care, access to health services and communications. I will read from the report. Its summary dealt with meals on wheels post Covid. Sadly, the meals on wheels service in that borough had been cut just prior to Covid. Who decides whether our carers are adequate to the task? Are carers engaged or unengaged? How do people excluded from social media and without internet access find out what is going on? How do they engage? How are we meeting mental health and inappropriate housing needs? The report states:

“Please do not take this report lightly. We need you to be aware that the majority of those to whom we have brought meals and contact with the rest of humanity during the past year were vulnerable, frail individuals of all ages, evidence of which is the 50-plus clients who have passed away since we started on 17 March 2020, two of whom were single, elderly, disabled men living alone and one on the top floor of a block of flats without a lift. He had been unable to get out and meet friends for the last four years. We sent questionnaires to each meal recipient asking two questions: Is there anything you are worried about and what do you need to help? Which services do you most need or want improvements on: health, social services, meal delivery, day centres, carers and others? We have 200 people on our delivery list and we received over 100 responses from the clients and the major need mentioned is hot meal delivery.

We also asked the volunteers to give us their impression, viewpoints, perspective on the seriousness of the recipients’ needs. Many volunteers have been consistent in their deliveries and have noticed the deterioration and increasing needs in the clients and as the majority of these clients are disabled, elderly or frail, their need is increasing rather than decreasing. We ask now: whose responsibility is it to deliver meals on wheels post-Covid?

Our second major concern for the future is the quality of care being delivered to those entirely dependent on the care, expertise, sensitivity and time of those who care for them, a service the client is paying for. We have come to the conclusion that it is not so much the agency which is the issue but rather the quality, standards and suitability of the individual carer. Therefore we ask that every paid carer be required to reach agreed national standards and that registration be required. Every paid carer should be registered as are foster carers. We ask also that the commissioning of care services be far more rigorous, ensuring that what is promised is actually delivered.”

I am coming to the end of my time, so I will chase quickly towards the conclusion. The report goes on:

“Communication has appeared as a major concern. How do people who are not on the internet find out what is available? It came to our attention that many are not in receipt of pension credit simply because they do not know how to go about accessing it. Many spend hours fruitlessly on the phone to council helplines. Mental health and communication are interlinked. Funding and time need to be put into joining people up and rebuilding communities.”

Finally, it is clear that we need to be proactive where we can and help prevent people needing social care. Now is not the time to cut services; long-term negative consequences will follow. Will the Government therefore commit to end the underfunding of local authorities and ensure properly funded services and a high standard of social care for those who need it?

1.20 pm

Lord Sikka (Lab): My Lords, it appears that the noble Baroness, Lady Greengross, is not here; I am next in the queue. I begin by thanking the noble Baroness, Lady Pitkeathley, for this debate.

I will talk about the elephant in the room, which so far has attracted very little discussion: the privatisation of social care and its consequences. The noble Baroness, Lady Donaghy, briefly touched on some of the issues. Privatisation is not really being challenged by the Government or many other people in your Lordships’ House, but it has really reduced the resources for front-line services, fuelled executive pay and given us low wages, which has been talked about.

Care home staff are dedicated but really poorly paid, because the corporate model is to squeeze workers as hard as possible to improve the bottom line. There are some 1.52 million care home employees in England working in 18,500 organisations, but around 24% are on zero-hours contracts. Almost 42% of the domiciliary care workforce is on zero-hours contracts. Care workers’ median real-terms pay last year was £8.50 an hour, less than the average pay for shop workers and cleaners.

Low wages, zero-hours contracts and almost 30% staff turnover mean that personalised care is almost impossible to offer. Visiting some relatives in care homes, we saw care assistants we had never seen before; every time we went, there was a different person. One can see the huge problem of trying to offer staff training, because they are simply not around long enough. I hope the Minister can explain what changes in employment law the Government would make to address this issue.

Meanwhile, executive pay in care homes has soared to around 120 times the pay of care assistants, and record dividends are being paid by care homes owned by corporations. Until the 1980s, around 90% of care beds were in local authority control. Now around 90% are offered by profit-making and non-profit-making organisations. Corporations view care homes as investments. What they are interested in is the return and the bottom line.

Many of the owners are registered outside the UK. These include private equity, real estate investment trusts and US hedge funds. The ultimate controllers of these entities have no contact with staff, patients or the citizens of this country; they live in an elevated world somewhere else altogether. The big 26 providers of care homes are part of large corporate groups that include 2,500 companies. This provides plenty of scope for intragroup transactions to extract returns in the form of rental payments, debt payments, royalty management and anything else you can think of. The Centre for Health and the Public Interest states that some 10.83% of the money is sucked out through internal transactions, which obviously means that less is available for front-line services.

Private equity is the worst culprit. The typical business model is to load the entity with debt—usually artificial debt from an offshore affiliate—charge interest on it and charge anything else they can to inflate the costs. It is estimated that some 16% of the income of private equity care homes disappears in debt repayments, which did not happen when these care homes were

owned by local authorities. The five largest private equity owners of care homes have a debt of around £35,072 for each bed and extract interest charges of £102 per bed per week. This amounts to almost 16% of the weekly cost of a bed. Obviously, this is enriching a few people but doing nothing for the rest of us.

The financialisation of care homes has been disastrous. Southern Cross and Four Seasons were just some of the examples of corporate exploitation of care homes. In 2014 the Government responded by creating the Care Quality Commission, which has not been able to check financial engineering in this sector. Indeed, I doubt it has the know-how equivalent to that of the Prudential Regulation Authority for banks to even do the calculations.

I will briefly mention the levy and the finances. The 1.25% Johnson tax is utterly inadequate and does not really provide any basis for the long-term funding of social care. In my talk on Monday, I recommended that the Government think about raising the ceiling, abolishing the 2% rate of national insurance on incomes above £50,300 and charging the full 14% on everything to raise £14 billion, as well as taxing capital gains in the same way as earned income to raise £17 billion, plus £8 billion on national insurance. As a welcome to the new Minister, I invite him to answer why the Government do not wish to consider the financial alternatives I have just pointed out.

1.27 pm

Lord Birt (CB): My Lords, I declare an interest as the chair of a company, listed in the register, that supplies services to the care and other sectors.

The real cost of care is of the order of £700 to £900 per person per week, yet some local authorities pay as little as £500 a week and the average appears to be around £600, well below the cost of providing the service. This is a truly shameful way for the public sector to treat business suppliers. Half of our 12,000 care homes have fewer than 40 beds, and many are SMEs. Around 3,000 are significantly undercapitalised and lack en suite or wet room provision. All face significant problems over pay and recruitment. Prices for care will need to rise, not fall. I hope I have this figure right, but I say from memory to the noble Lord, Lord Sikka, that only 13% of care homes are owned by the major corporations he focused his remarks on. Many are much smaller businesses and struggle.

Will the Minister assure us that paying suppliers less than the cost of provision will end once new funding comes on stream? There has been much debate about funding and far too little about our failure to meet the significant organisational challenges of ensuring a humane and seamless experience for individuals in the last years of their lives. I expect that many of us in this Chamber have seen through our families just how chaotic, unsatisfactory and distressing this experience can be. I echo the noble Lords, Lord Astor and Lord Bichard: surely “holistic” is the critical word.

I hope the Government will create a framework of governance and regulation to ensure that the principal players—and there are many: hospitals, GPs, local authorities, social workers, district nurses and hospices—work together collaboratively with appropriate processes,

common systems and performance measurement to capture and share best practice and to identify under-performance. I suspect this can happen only if the Government set an ambitious expectation and, further, if they create some new independent leadership at local level to foster collaboration and sufficient funding to ensure effective administrative oversight. Will the Government set out a plan for transforming the effectiveness of how care is delivered as well as how it will be funded?

1.31 pm

Baroness Brinton (LD) [V]: My Lords, I declare my interest as a vice-president of the Local Government Association and a vice-chair of the All-Party Parliamentary Group on Adult Social Care. I am disabled as the result of a long-term condition and my husband is my unpaid carer.

I congratulate the noble Baroness, Lady Pitkeathley, on securing this vital and timely debate today. As she said, it is a repeated debate and, frankly, it will continue to need to be repeated until the Government tackle the issues raised in it. Her speech cogently set out both the long-standing problems and the current emergencies that are tipping the social care sector into real crisis, with our extremely vulnerable citizens now finding that it is harder to get social care support and, even more worryingly, vacant beds in homes along with homes closing meaning that some geographic areas face a real crisis.

The right reverend Prelate the Bishop of Oxford spoke movingly of the role of families in supporting their loved ones, and the dignity that this gives to both the person receiving the care and their carers. We on these Benches agree. People should be encouraged to stay in their homes and with their families for as long as is practicable.

The noble Baroness, Lady Finlay, reminded us that access to professional care is in extremely short supply. That so many people in that survey approaching the end of their lives could say that they felt they needed more help was not a criticism of the care that they received but a demonstration of how broken the system is.

My noble friend Lady Thomas of Winchester spoke from personal experience of the reality of the problems faced by the domiciliary care staff who work for her, and of how they are so low-paid yet highly skilled. This is an iniquity that needs to be remedied.

Care workers need to be paid at least at the same rate as an NHS healthcare assistant. If they were, they would receive an instant £2 per hour rise, which would cost the country £40 million. Healthcare assistants in the NHS are not particularly well paid either, but the key fact is that there is no wriggle room to pay those extra funds from the limited resources allocated to the social care sector. We should not have private beds in care homes helping to subsidise state funding; that is another iniquity.

Workforce issues are already forcing homes to refuse to take patients because they just do not have the staff to look after them safely. We know that these staff are skilled beyond measure but they are paid at the minimum wage because, shamefully, we as a society still regard

[BARONESS BRINTON]

social care as unskilled. The funding rates for residents are based on most staff being on the minimum wage, making it impossible now for employers in the sector to compete with retail, hospitality and even agriculture, where employers can charge customers more and therefore pay their staff more. Worse, these dedicated staff will be paying the increase in national insurance, which will further reduce their income at the exact same time as they face a cut in universal credit and an increase in energy costs and food and many other items.

The noble Lord, Lord Astor, spoke of the pressures on local commissioning. He spoke of staff territorialism and empire-building, but I think that is the wrong way to look at it. The current assessment system requires the NHS and local authorities to fight over whether personal care needs are caused by health issues or ageing, and this is demeaning at best. Staff with limited budgets argue over whether incontinence was caused by dementia or by a health issue, because of course in their eyes dementia is not paid for by the NHS. I think what he is referring to is not staff empire-building but staff with limited budgets desperately trying to protect their funds for the many more people who need it.

Over the last five years the public funding for social care via local authorities has not increased in line with demographic demand, so that now most councils say they are spending three-quarters of their funds on social care. Skills for Care forecasts that if the adult social care workforce grows proportionate to the projected number of people aged 65 or over in the population between now and 2035, an increase of just under 30%—around 500,000 extra jobs—will be required. That is an eye-watering number. The health and social care levy and the *Build Back Better: Our Plan for Health and Social Care* report do not even start to address that. What are the workforce plans? I understand that the specific extra amount for the next three years in workforce is about training, not for wages, let alone for pay rises.

Build Back Better: Our Plan for Health and Social Care, published last month, is not a plan for health and social care: it is a funding plan for the NHS, looking at how individuals pay for their social care and which elements will be paid for by the state. We have seen that the structures for paying the costs of these will need support beyond the proposed cap and, as others have mentioned in this debate, will not cover the accommodation and food costs laughingly called hotel costs. That means the public, who think the new arrangements that they are paying tax for mean they will not have to sell their homes, are in for a shock: they are going to have to sell their homes even if they get the health element paid for by the state.

Last week the Secretary of State for Health and Social Care told the Conservative conference that we did not need the care sectors, as families should just look after their own. It is as if he does not know that the cost of inaction and delay is already falling on the 11.5 million unpaid carers in the UK whose contribution to the current social care system is almost completely ignored. The cost of reform to the Government may seem large, but it is a fraction of the true cost to

families across the countries. Carers UK has estimated that unpaid carers save the Treasury £193 billion a year already.

What analysis have the Government made of the Dilnot reforms? How will what they are proposing help unpaid carers with the challenges that they face—for example, in securing breaks from their caring responsibilities? Are the Government planning to put in place a cross-departmental and comprehensive carers strategy or action plan to ensure that those providing unpaid care get the support that they urgently need as we emerge from this pandemic?

My noble friend Lady Tyler of Enfield movingly explained the reality of the pandemic for those in care homes, with some 40,000 deaths of residents. That is deeply shocking and, as she said, a real national scandal. It has undoubtedly made the serious crisis in the sector much worse.

We have spent decades waiting for reforms. Fifty years ago, we still had remnants of provision in former workhouses; I know that because I visited elderly residents while I was still in school. Twenty-five years ago, too many local authorities had to close their homes as they did not have the resources to upgrade their accommodation, and that is when the private sector began to blossom. Ten years ago, though, austerity cuts started, not just in social care but in all the vital ancillary services that keep people independent and managing at home: supported housing, adult day services and community nurses. So it was hopeful 10 years ago when the three major parties all came together to support the report by Andrew Dilnot's commission—but in 2014 the Conservatives walked away, and the crisis in the sector has worsened considerably.

The noble Lord, Lord Cashman, was right to highlight these services. Meals on wheels or lunches at day centres are often now a thing of the past in too many areas because the councils just do not have the resources. There are some good examples. In Cornwall, some services for school lunches for children are now combined with what was meals on wheels. In some really innovative areas, they are beginning to have lunch together. We know that it keeps people active to mix with younger people as well. Why are we not learning from good practice elsewhere? In the Netherlands, some care homes recruit students to live in and work part-time there to help fund their degree studies. That has been noted to reduce the progress of dementia. It keeps residents active and, vitally, changes the career choices of the students who take part in it.

We know that there are limits on publicly funded costs, and the position regarding privately funded beds must stop now, but this means that real rates need to be paid to reflect that cost. By the way, from these Benches we also echo the urging of the noble Lord, Lord Cashman, for real funding for local authorities to recognise their key role in commissioning services to keep people active and healthy. The Government's proposed council tax increase of 5% per annum for three years to help fund social care is also iniquitous. Council tax is even more regressive than national insurance and, frankly, for some councils that 5% will not touch the sides of their new responsibilities under the reforms for assessment and commissioning.

The worry is that the Government are doing everything upside down. On Monday, your Lordships' House debated and completed consideration of the Health and Social Care Levy Bill, but we have not yet seen the White Paper on social care that the PM promised on the steps of No. 10 Downing Street two years ago. We heard leaks over the weekend from the Government that there may also be an integrated services White Paper, streamlining health and social care. That is rich, given that the health and social care Bill is going through the House of Commons at the moment and is due in your Lordships' House before the end of the year.

What is it about this Government that means they subvert the parliamentary process and force parliamentarians to vote on proposals before the details are published for wider consultation? I am afraid that just sets the real context of this debate about social care. For decades, social care has faced a crisis. The pandemic has exacerbated that. We face a real emergency and the Government need to act now.

1.42 pm

Baroness Wheeler (Lab): My Lords, on behalf of these Benches I formally welcome the Minister to his first debate in the House. I am particularly pleased that it is on social care, so that he can focus on addressing the deep concerns across the House about the Government's social care plan, made clear during Monday's passage of the hastily thrown together Health and Social Care Levy Bill. It also ensures that he provides much-needed responses to key issues that will not go away, however many slogans and smokescreens the Government throw up.

This has been an excellent debate. Whether from Labour, the Government, other parties or Cross-Benchers, these occasions demonstrate the level of expertise, experience and scrutiny that I am sure the Minister fully realises he will get from noble Lords. This was no better demonstrated than by my noble friend Lady Pitkeathley's candid and honest appraisal in her powerful speech of the current crisis and what is needed to provide sustainable services in future. She reflects both the knowledge and experience of a lifetime of work on health and social care and of a strong campaigner and advocate on behalf of unpaid carers. We are all very grateful to her.

Like other noble Lords, I particularly pay tribute to unpaid carers because we need to get back to a proper recognition of their crucial role and doing more than just saying how wonderful they are. In 2009, before I joined your Lordships' House, I was fortunate, as a carer myself, to undertake a 12-month secondment to the Department of Health's excellent carers strategy team, which had produced the first pioneering strategy in 2008, placing carers at the heart of families and communities. Central to this was recognition and funding for vital local support and networks, regular everyday social services care support for carers and the loved ones they cared for, and ring-fenced grants via GPs and councils for regular care breaks—so crucial, given the relentless responsibility of caring for a loved one around the clock. At that time in DH, there were 10 full-time staff in the carers team. Perhaps the Minister could tell me how many staff there are now.

Today, as carers emerge worn out and exhausted from the pandemic, they have every right to expect immediate funding support. Instead, the Prime Minister's plan contains no immediate extra funding for carers and the levy does nothing for them in two years' time. The "health and social care begins at home" and "family first, then community, then the state" comments from Sajid Javid add insult to injury, as many noble Lords have said.

Carers need care workers and social care to support their families; their role complements that of paid staff but they are not substitutes for care workers, who are themselves chronically undervalued and underpaid. They already provide the vast majority of care and love to our vulnerable and disabled people, many of them having had to give up work to do so. That is why Labour's "home first" principle is so important. It means the state, families and communities working together to enable and support people to live well with dignity, in their own homes, and receive the care they need. Only with "home first" can the focus of support be effectively shifted to prevention and early intervention.

Today shows that we are still in the dark about the key funding concerns raised during Monday's debate on the Bill, such as how much of the levy will actually be spent on social care and how councils are to be funded for the care cap; ensuring that self-funded care home residents pay the same rate as council-supported residents; what guarantees social care has if the NHS's herculean task of dealing with the backlog of treatments absorbs the bulk of the levy funding; or, indeed, what funding will flow for social care unrelated to the cap. I welcome the contributions from noble Lords today that have focused on this vital aspect of social care.

However, those of us hoping for answers from the Treasury Minister on Monday to these and other searching questions were sadly disappointed. As in Monday's debate, several noble Lords cited today the excellent analysis by the independent Institute for Fiscal Studies—a reality check for the Government, if ever there was one, regarding how underfunded their spending plans for the NHS and social care are—particularly its stark warning that the £12 billion raised annually by the tax increase needs to rise to nearly £19 billion by 2025 to meet future NHS and social care demand. Will the Minister promise the House that the Government will respond in detail to the IFS findings, which reflect the serious funding concerns from across the sector?

With the health and social care Bill, currently in the Commons, dealing with the already up and functioning integrated healthcare systems, can the Minister explain how another radical plan by the Government for a health and social care integration White Paper, as reported in the media, will dovetail with that Bill, the social care plan we are discussing and the levy funding? Back-to-front planning and legislation is how many stakeholders have described it: raising the money first and deciding how it is to be spent later.

Can the Minister provide further details on the purpose and timing of the White Paper, and what it will cover? Will it deal with the really big issues, in the words of the noble Lord, Lord Bichard? Will it also address the absolute social care basics that the current

[BARONESS WHEELER]

plan ignores and that cause such suffering and despair today: the unmet social care needs of 1.5 million older people, who need help with washing and dressing that they do not currently get; the 300,000 people waiting in vain for care assessments by local councils who just do not have the resources to do them; or the needs of the disabled young people and adults of working age whose funding makes up over half of the current social care budget? I particularly look forward to the Minister's response to my noble friend Lady Donaghy's expert analysis of the funding issues for care homes and social housing.

Labour has made it crystal clear that Boris Johnson's plan is not the thought-through and fully funded long-term plan for social care that is so desperately needed. In the words of the Labour leader, Keir Starmer, an unfair tax hike that does not fix social care and does not clear the NHS backlog is not a plan. Any fix for the future of social care has to transform support for older and disabled people within the wider ambition of making Britain the best place in which to grow up and grow old. This plan does not come anywhere near that: no reforms, no guarantees and no long-term sustainability. The Minister needs to provide the clear answers to noble Lords that we did not get on Monday, in particular on fairness. How is it fair and right, at a time when low-paid workers and their families are still reeling from the impact of the pandemic and are hit with rising food, energy and fuel costs, to place the burden of paying for the social care plan on them?

On social care funding guarantees and local council support, why is it not possible now to set even an ambition as to how much of the additional funding from the levy will go to social care in 2023? Less than one in every six pounds raised will go to social care in the first three years of the plan. On local council funding, as the Local Government Association stresses, relying on the continued use of council tax, the social care precept and long-term efficiency savings does not address the current crisis or future social care demand. Councils just do not have the money. Does the Minister acknowledge that, unless the spending review recognises this, even the limited scope for reform in the Government's plan will fail?

We know that the care costs cap will not solve the huge crisis in social care, and it will not stop people having to sell their homes. We have had many searching questions from noble Lords on how it will be calculated and work, what care needs it will pay for, how much people have to pay before the £86,000 kicks in, and, of course, what rates councils will actually be able to pay that will be counted towards the cap. Why delay bringing in the cap until 2023? The legislation is in place now under the Care Act 2014. The Government have previous form on promising to introduce the cap, which was subsequently delayed twice and finally cancelled altogether. Can the Minister confirm that history will not repeat itself and the cap will not be axed again in 2023 as "unaffordable"?

On social care equality and parity with the NHS, how are the continuing inequalities and the unfairness between the systems, such as the huge financial costs involved in paying for dementia care and the often terrible injustices of who gets NHS continuing healthcare

and who does not, going to be addressed? In its "national scandal" report, the House of Lords Economic Affairs Committee set out a key package of reforms to begin to address the divide between social care and the NHS. Why has it been completely ignored?

Like all noble Lords, I pay full tribute to the work and commitment of social care staff, particularly over the last year. They have been on the front line of the pandemic in domiciliary care and in care homes. Fixing social care must mean a new deal for them and the transformation of their pay and conditions. The spending review must address this. My noble friend Lady Warwick and other noble Lords have pointed to the Skills for Care workforce report, which shows beyond doubt the scale of the social care recruitment crisis and reinforces the urgent need for this.

My noble friend Lady Pitkeathley is absolutely right to express her frustration that the Government's plan for social care is once again a missed opportunity to put social care on an equal footing with the NHS and build a post-Covid vision for social care: a plan of investment and reform, including integrated services and a well-paid, fully trained and skilled workforce. After the way social care was treated as an afterthought during the pandemic, this should have been a central part of the Government's plan for fixing social care. Sadly, it was not.

1.52 pm

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Kamall) (Con): My Lords, I thank the noble Baroness, Lady Pitkeathley, for securing a debate on such an important subject. I also thank the noble Baroness, Lady Donaghy, for her commiserations on my having this post. I pay tribute to the noble Baroness, Lady Pitkeathley, for the experience she brings to the debate today, including her contribution to carers as former chief executive of Carers UK and her work in the voluntary sector, being a founding member of the Association of Chief Executives of Voluntary Organisations and chair of the New Opportunities Fund—one of the National Lottery distributors.

I am sure we all wish to recognise and thank the social care workforce, both paid and unpaid, and many noble Lords have done so in their tributes today. We should thank them for the work they do in care homes, in people's homes and in day services, day after day, week after week and month after month.

I also thank the noble Baroness for her thoughtful comments and the well-argued case she has put before the House. We have heard many moving testimonies from across the Chamber. As noble Baronesses have said, this pandemic has provided a once-in-a-generation challenge for this country. There is no getting away from the fact that the past 18 months have been incredibly tough for social care. The challenges have been unprecedented—what Nassim Nicholas Taleb would describe as a black swan event. Many people, not only in the UK but in many other countries, have lost loved ones because of the virus. Our hearts go out to each and every one of them. It demonstrates the importance of this debate today.

I thank the noble Baroness for summing up the numbers that we should all be aware of: 9 million unpaid carers before Covid, 4.5 million new carers, totalling 13.5 million—including 2.5 million who are holding down jobs. I also thank the right reverend Prelate the Bishop of Oxford for his quote from one of the 10 commandments. I am sure he will agree that people of many other faiths and no faith also agree very strongly with the importance of parents and looking after our loved ones as they get older.

Many have said that it has been a real challenge, and we agree. As the Prime Minister said,

“we are ... committed to learning lessons”—[*Official Report*, Commons, 12/5/21; col. 138.]

from the pandemic. When the pandemic hit, the Government worked hard to ensure that the sector got the support it needed as quickly as possible. The Government published guidance tailored to care homes and care providers, domiciliary care, unpaid workers and local authorities on how to continue to safely provide care during the Covid-19 outbreak. We rolled out regular testing for the sector and have sent more than 42 million PCR swab test kits and 117 million lateral flow devices to care homes to date. We set up a massive PPE supply chain from scratch and, through the PPE portal, have provided over 3.6 billion items of free PPE for providers' Covid-19 needs, and, since April 2020, more than 478 million items through local resilience forums and local authorities.

The Government also moved as quickly as possible to provide financial support to the sector, making available almost £2.4 billion in specific funding for adult social care throughout the pandemic. This is in addition to over £6 billion that has been made available to local authorities to address pressures on their services. Many noble Lords spoke about the importance of local authority funding.

Crucially, we have provided health and care workers and older residents with vaccines. From 11 November, vaccinations will be a condition of deployment for care home staff. I know many will want to reflect on this point. It is worth noting that many staff—the vast majority of care home staff—have been vaccinated. It is our responsibility to do as much as we can to encourage others to be vaccinated to reduce the risk in our care homes. I know if I had a relative in a care home, I would feel much better if they were cared for by someone who had been vaccinated. I hope that across the House we can encourage more care workers to be vaccinated. Of course, there are some who are unable to be vaccinated for medical reasons and we should address their concerns too. Those people should call 119 to apply for a medical exemption.

As noble Lords can see, the Government have provided a huge number of resources to the sector to deliver better care. Of course there will always be a debate on whether the spending is enough. I have heard from across the House how many have responded to the numbers suggested. Looking to the future, the Government will maintain support, both in the short term to address the impact of Covid-19 and, more crucially, in the longer term through the social care reforms. In the short term, the sector will be supported by continuing to be provided with free PPE to protect

against Covid-19 until the end of March 2022. This is also extended in designated settings, backed by the extension of the designated settings indemnity support scheme, to March 2022, so that no patient who has tested positive for Covid in the past 14 days is discharged from hospital to a care home.

In addition, in September, the Government announced an additional £388 million to prevent the spread of infection in social care settings. This package includes funding for infection control measures, as some have spoken about, £25 million to support care workers to access Covid-19 and flu vaccines over the winter months, and funding for testing costs, allowing testing to continue for staff, residents and visitors, to ensure that residents can see their loved ones as safely as possible. As part of the preparations for winter, plans are being developed in conjunction with the NHS and social care sector stakeholders. This will draw on the recommendations of Sir David Pearson's review of last year's winter plan, advice from SAGE and UK HSE, and—more importantly—on the lessons learned so far in the pandemic.

Our country's social healthcare system has never been under such pressure as it has been over the past year. Many noble Lords have spoken about the pressure. The coronavirus pandemic posed unprecedented challenges to the sector, so we all agree that we must address the long-term future of social care in this country.

Many people have said that this issue has been live for a number of years. The noble Baroness, Lady Tyler, spoke of social care having been “in the shadows” for many years; the noble Baroness, Lady Warwick, said that people have been talking about this for years; the noble Lord, Lord Lipsey, spoke of the 1999 minority report. However, this debate has been going on for much longer. It has been decades—I think someone said 50 years. If we are honest about it, various experts have warned for decades that the combination of an ageing population and increased life expectancy poses a real challenge to social care. What happened? The debate continued, more think tank reports were produced, other reports were produced, and parties published suggestions in their manifestos. But in reality, all of these were placed on the shelf and just gathered dust, while successive Governments, of all colours, kicked the proverbial can down the road.

The Prime Minister decided that his Government would not shirk the responsibility and stepped up to publish a plan, *Build Back Better: Our Plan for Health and Social Care*, pledging an extra £5.4 billion over three years for social care. I also thank my noble friend Lord Astor for his comments on a bolder programme of reform. We need to make sure that, whatever additional funds are provided, there is reform, so that the public can have confidence that the additional funds will be well spent.

The Prime Minister's September announcement was an important step on the journey to reforming adult social care. Of course there will be debate—any reform or change leads to debate. I worked for many years in organisational change and know that any change always generates a large debate. There are some short-term winners and losers—many people will clearly claim

[LORD KAMALL]

that they have lost out and others will gain, but, quite often, the gainers are not as vocal as those who have lost out, and rightly so. We should address those who have genuine concerns. It is really important that we learn from many of the concerns across the House today.

The Prime Minister's announcement showed a real commitment to delivering world-leading health and social care across the whole of the UK. As we speak, details are being discussed in preparation for a White Paper on reforming adult social care, to be published later this year, as the noble Baroness, Lady Wheeler, pointed out in her intervention. We hope that the reforms will make a real difference to front-line adult social care. This includes both care users and the dedicated care workforce, who have been so brilliant throughout the pandemic.

We also know that there has been a debate over whether funding should come from general taxation or national insurance contributions. Having looked at this debate when I was head of research at a think tank, I have seen a range of views across the political spectrum—there are even some who have asked why people should not sell their homes to fund their care. So you can imagine the range of views that we have heard and read over many years. We really hope that these reforms will make a difference. While there is a range of views, I will outline some of the proposed reforms that we hope will deliver better care for adults of all ages.

First, the £86,000 cap on care costs, funded by a health and care levy, means that, for the first time, everyone will have protection from unlimited costs. There are those who have prudently saved for their old age and who have been hit hard by the unpredictable costs associated with their health and care needs; currently, one in seven faces fees of over £100,000.

Secondly, individuals with limited or no savings will be safeguarded by a more generous means test. The increase in the upper capital limit from £23,250 to £100,000, and in the lower capital limit from £14,250 to £20,000, means that the number of adults receiving some state support will increase from around half to two-thirds. In short, some people who need care, and their loved ones, will have the certainty of support when it is needed and will not have to live in fear of unpredictable costs.

In wanting to propose the fairest reforms possible, the Government decided to fund these measures with a new UK-wide health and social care levy. The Government are absolutely clear that we should not pass on the costs to future generations and increase public debt even further. There is much debate over this, but, by using national insurance contributions, the Government are ensuring that both businesses and individuals contribute. Those who are earning more will pay more. It has a clear UK-wide approach, meaning that everyone pays the same, wherever they live in the UK. In addition, by extending the levy to those working over the state pension age from April 2023—many will of course complain, and I understand that—the Government have listened to those concerns and balanced them with intergenerational justice. Many

young people have asked why they are being asked to pay for people. We need to make sure that individuals of all ages play their part.

However, we should also recognise that this is not just about the over-65s. In adult social care currently, over half of all state spending goes towards under-65s—so working-age people will also benefit from limits on what they have to pay if they need care for themselves in later life. This was considered consistent with the contributory principle for national insurance contributions, whereby working-age employees pay these NICs and this gives them access to contributory benefits when out of work, including the state pension.

I will turn to the paid social care workforce, which many of us have paid tribute to. We have listened to the sector and prioritised the adult social care workforce, recognising their tireless commitment and dedication during the pandemic. The noble Baroness, Lady Finlay, spoke movingly about the hospice movement and the work/life balance that we want to see. Many people have asked what is being done to ensure that working carers can balance their caring responsibilities with work. The Government are committed to promoting the benefits of retaining unpaid carers in the workforce, for both the carer and the employer. The Government's response to the consultation on carers' leave confirms their intention to deliver on the manifesto commitment to introduce a new entitlement to one week of leave for unpaid carers. This will be a day 1 right, available to all employees who are providing care to a dependant with long-term care needs. I will obviously send more details to any noble Lords who would like them.

The noble Baronesses, Lady Pitkeathley and Lady Finlay, and my noble friend Lord Astor and others mentioned spending. We need to make sure that the *Build Back Better* plan for health and social care sets out an intention to make care work a more rewarding vocation. Many noble Lords have spoken about this. We need to offer a career where people can develop new skills and take on new challenges as they become more experienced. The Government are committed to spending at least £500 million over three years to deliver hundreds and thousands of training places and certifications, pathways, and well-being and mental health support. This workforce package is a significant investment that will support the development and well-being of the workforce. I hope that that partly answers some of the questions of the noble Lords, Lord Bichard and Lord Sikka, and the noble Baroness, Lady Pitkeathley.

We will continue to support the social work fast-track programmes Step Up to Social Work and Think Ahead, designed to support those wanting to change specialism to become a social worker and make a real difference to people's lives. As one noble Lord said today, this is an incredibly noble profession. We will continue to introduce further reforms to improve recruiting and support for social care, with more details in the forthcoming White Paper. I am as eager as anyone in this House to see that paper, so that we can have a proper cross-party discussion on the reforms that are much needed.

Speaking as Minister for Technology, I will touch on one of the points that many have raised. I have made digitisation and data sharing one of my key

priorities, as Minister for Technology, Innovation and Life Sciences. I hope that digital technology will play a key role in helping adult social care workers to do their jobs even more effectively.

However, we should also recognise the vital role of unpaid carers, as many have said, including the noble Baronesses, Lady Warwick and Lady Tyler. We want to build a system of care to better support unpaid carers, as well as helping recipients of care to have more choice and control over their lives, what they do and how they choose to live. Throughout the pandemic, the Government have taken a number of steps to support unpaid carers, such as funding charities that support carers, producing Covid-19 guidance tailored for carers, helping carers self-identify and ensuring access to and priority for PPE and vaccinations. The Government will work with representatives across the sector, including those who represent carers, to develop more detailed plans for social care reform together, ensuring that unpaid carers receive the support, advice and respite that they need.

As the noble Baroness, Lady Wheeler, said, there is an incredible amount of expertise in this House, and that has come through in the many contributions to today's debate. I will work with noble Lords across the House as the health and social care Bill goes through it.

I am not sure how much longer I have.

Baroness Chisholm of Owlpen (Con): Three minutes.

Lord Kamall (Con): Thank you. Noble Lords will have to forgive the new boy. Now someone is saying I have two minutes—there we are.

There are many questions I wanted to go through in detail, so I hope noble Lords will accept my apologies for being too verbose in many ways and not answering the detailed issues. I will write to noble Lords on any particular points. Clearly, I do not have a realistic estimate of my speaking time—let us put it that way.

Once again, I thank the noble Baroness, Lady Pitkeathley—

Lord Birt (CB): The Minister has, understandably, focused largely on the funding issues. However, does he accept that unless there is fundamental organisational reform at the front line, we will not continue, whatever the level of funding, to deliver services in the most appropriate way?

Lord Kamall (Con): I thank the noble Lord, Lord Birt, for his question. Yes, I agree.

The Government have provided support to our fantastic social care sector; many will debate whether it is enough and what more can be done, and we recognise that. However, we want to continue to address the many challenges. We will work with stakeholders on the plans for reform that we have set out, publishing more details in a White Paper later this year, when I hope we will have more discussions and debates.

I have spoken far too slowly but, finally, I know that we are all deeply committed to supporting the social care sector. I think we would all want to join together, whatever our views on various parts of the debate, in thanking all the amazing people on the front line providing care, who go the extra mile each

day, week, month and year, some for those they love and others because it is a noble profession. As we have an ageing population, it is important that we tackle this issue, which has, as I say, been kicked down the road for many generations. Not all proposals will be perfect and any proposal will of course have its critics—that is the nature of political debate. However, I hope very much that in producing the proposals—and producing something rather more than a blank sheet of paper—that we can all debate, I will learn from the expertise and the points made in today's debate from across the House to make the forthcoming Bill a more successful and more appropriate Bill that recognises the hard work and dedication of all care workers, whether paid or unpaid.

2.13 pm

Baroness Pitkeathley (Lab): My Lords, I am sure that your Lordships' House would like me to thank the new boy on your behalf for his tour de force in answering his first debate. We do not doubt his commitment to this issue and we can promise him that this will not be the last time that he replies to a debate of this kind.

Far be it from me to try to sum up all the things that have been said today. There has been much consensus—consensus that we have reached before—that social care is a mess and does not provide to vulnerable people who need it, who work in it or who participate as carers or volunteers, services which allow them dignity or satisfactory and adequate care. Resources are completely inadequate and funding systems far too complex—we have heard quite a lot about that today.

We have heard concerns from all over about the workforce and the lack of integration between health and social care and a lack of understanding of the reality of people's experience of what it is really like on the front line. I am afraid that that consensus also extends to our opinion of the reforms proposed so far. They will not do—they are not the promised fix. However, this debate has also thrown up something else. Here I echo what others have said about your Lordships' experience. This debate has thrown up a wealth of constructive ideas about what is needed for that fix if we have not got there yet. The Minister has talked about listening, so I hope that those preparing the White Paper and the next steps in this reform will take into account the wisdom and experience expressed by your Lordships today.

Motion agreed.

Gambling-related Harms

Question for Short Debate

2.15 pm

Asked by The Lord Bishop of St Albans

To ask Her Majesty's Government what assessment they have made of the report by Public Health England *Gambling-related harms evidence review*, published on 30 September.

The Lord Bishop of St Albans: My Lords, I declare my interests as a vice-chair of Peers for Gambling Reform. I thank Public Health England and all those who worked on this review, which sheds light on the health impacts of gambling-related harms and quantifies the direct cost of gambling harms to the Government. The review concluded that 0.5% of our population were considered problem gamblers and 7% of the population of the UK are negatively affected by gambling. This is over 4 million people in England and over 5 million people across the UK as a whole, which is one in 12 people either directly or indirectly affected by gambling-related harms. This is a significant social problem.

One of the striking things are the regional discrepancies, with the north-west and north-east having the highest percentage of at-risk gamblers and the south-west having the lowest percentage. The north hosts some of England's poorest and most deprived communities and, as a 2021 study from the Standard Life Foundation found, the UK's most deprived areas have 10 times more betting shops than the more affluent parts of the country. Therefore, I hope that Her Majesty's Government will not view the current gambling review as a mechanism simply to strike a new status quo compromise between themselves and gambling operators. Instead, it needs to be built into the levelling-up agenda.

This report shows that the current status quo between the Government and gambling operators is a rotten deal for taxpayers. When the gambling review was launched in December 2020, the then Commons Minister Nigel Huddleston set the tone by mentioning the £3 billion a year tax contribution from the industry. The harms caused by gambling, however, were quietly skated over, including the financial costs and suicides. I was absolutely astonished that the Government would laud the tax contributions from the industry without any recognition that gambling was simultaneously costing the Government huge sums and creating huge social damage.

Over 20% of contributions from the gambling industry, equivalent to around £647 million, can be costed directly to the Treasury for gambling-related harms. That is on top of an estimated £619 million in intangible costs stemming from an estimated 409 gambling-related suicides every year. I therefore hope the Government will support my Private Member's Bill so that more accurate data can be collected on the number of gambling-related suicides.

Based on the polluter pays principle, the gambling industry should pay for the harms it causes. Currently, the Government rely on the good will of gambling companies in the form of a voluntary levy to help fund research, education and treatment. However, rather than the £100 million spread over five years promised by the industry, we need a mandatory levy set at 1% of gross gambling yield, which would bring in about £150 million annually according to the economic research undertaken by NERA. Furthermore, it would remove the industry's control over the disbursement of funds for research, treatment and education and break the link that makes many academics unwilling to accept funding because their research will not be taken seriously.

At a time when there are such massive calls on the public purse, efforts to reduce gambling-related harm would in turn reduce the direct costs to the Government of criminal activity, unemployment and financial harms associated with problem gambling. Public Health England identified gambling-related debt as a key factor in many other areas as well, including relationship breakdown, mental health problems, crime, bankruptcy and homelessness. Indeed, in the media hardly a week goes by without stories of people being convicted of stealing to fund an addiction. In financial harms and criminal activity, we have an associated direct cost to the Government of about £225 million a year.

Anyone who happened to catch Paul Merson's BBC documentary on gambling addiction on Monday evening will have heard not only the story of how his life has been dominated by the scourge of this addiction but the tragic story of Joshua, whose parents I met, who in the last three years of his life gambled away his salary, each time on the very day he received it. We do not know how many of those 409 gambling-related suicides, as estimated by Public Health England, were associated with financial debt, but certainly all the anecdotal evidence indicates that it was the vast majority.

A fascinating aspect of this research was the difference in approach identified by Public Health England between commercial and non-commercial stakeholders. Commercial stakeholders thought the focus should be on intervention and treatment rather than on creating a safer gambling environment. They wanted to blame a small group of weak individuals, whom we should pity and give a bit of support to, instead of acknowledging that many of these products are designed to be addictive right from the start when they are put together.

It is significant that, in many instances of gambling-related suicide, gambling operators, far from attempting to intervene on behalf of a gambler's welfare, are still actively encouraging the person to gamble right up to their death—indeed, sometimes after the person has died they receive calls and offers of free gambling. There is virtually no incentive for operator intervention. The attitude of the operators, as captured by Professor Rebecca Cassidy, highlights the ambiguity of the industry's position. When one individual attempted to set up a data-sharing network to identify customers of concern, the response was, "Why on earth should we share anything about our best customers with you?" There was not even a tacit admission that problem gamblers bring in the vast majority of income for gambling companies. Interventions need to occur before an individual reaches the point where they gamble away their entire income. Even then, the fact that current regulations allow someone to gamble all their income, bank balance or savings in one session highlights the seriousness of the problem we still face.

Public Health England admits that the evidence suggests that gambling should be considered a public health issue, which in my mind implies that we need a public health approach. This will not be achieved by relying on the good will of profit-driven gambling operators to intervene. A firm line on affordability checks is required to prevent individuals susceptible to harm from depositing unaffordable amounts, alongside a comprehensive network of intervention and treatment.

Any effective affordability mechanism will require some form of data sharing and greater co-operation between the FCA, the PRA and the Gambling Commission. I hope the Government will review the affordability recommendations made by the Centre for Social Justice in its May 2021 report *Not a Game*.

The Betting and Gaming Council often falls back on the mantra that loads of people enjoy a flutter in a safe and responsible way. There is some element of truth in that, but anyone who takes the trouble to scroll through the Gambling with Lives “Remembering” page will see countless faces of young men and women for whom a flutter became the start of something that eventually proved fatal. These are the victims of gambling-related harm. As the Government study Public Health England’s excellent evidence review, their mind should be focused on how best to prevent future tragedies, rather than on placating an industry that is complacent or, worse still, almost encourages problem gambling.

Finally, will the Minister give me an assurance that the findings of this review will be taken into account in the Government’s White Paper on gambling reform, which I gather is now to be published next year?

2.25 pm

Lord Foster of Bath (LD): My Lords, I refer to my interests as set out in the register. I congratulate the right reverend Prelate not only on securing this debate but on his very powerful speech.

The landmark evidence review by Public Health England clearly highlights the wide range of gambling-related harms, including homelessness, unemployment, imprisonment, depression and alcohol dependency—and most seriously, as we have heard, suicide. However, the review also highlights the magnitude and long-lasting impacts of these gambling harms. There are more than 400,000 problem gamblers—of whom, staggeringly, 60,000 are children—and millions of others are at risk or impacted by other people’s gambling. On average, there is more than one gambling-related suicide every day. It is a grim picture of the impact gambling has on our society.

Some argue that it is even grimmer, but, as the review acknowledges, there are clear research gaps in the evidence base, so I hope that the Minister—whom I welcome to his new role—will tell us what plans the Government have to fill them. I am sure he will acknowledge that such research requires researchers to have access to data, not least data currently held by gambling companies about their customers. I was delighted that the ICO agreed with the Gambling Commission very recently that gambling companies can share that data with each other without breaching GDPR. However, does the Minister acknowledge that gambling companies should be required also to share such data, in anonymised form, with authorised researchers? What steps will be undertaken to ensure that this happens?

Even without further research, we know that the situation is grim, not just for the individuals impacted but for society as a whole. Indeed, the PHE review estimates the annual economic burden of gambling harm to be over £1.2 billion, and possibly much higher.

When Peers for Gambling Reform, supported by over 150 Members of your Lordships’ House and which I have the honour to chair, commissioned NERA to look at the economic implications of introducing the reforms we proposed, it also considered the cost to government of gambling harm. Interestingly, our NERA figures were dismissed as fantasy by the industry, yet the PHE figures are higher than those in our NERA report. So does the Minister accept the PHE figures—which are, after all, from a government body—and will he defend them against attempts to dismiss them by the industry? Is he aware that our NERA report shows that introducing our proposed measures to tackle gambling harm would lead, among other benefits, to increased employment and increased income for the Treasury?

The Peers for Gambling Reform measures range from the introduction of a compulsory levy to fund research, education and treatment and the establishment of a gambling ombudsman to tighter regulation of online gambling and of gambling advertising, but central to the proposal is that, in considering gambling reform, the Government should adopt a cross-departmental public health approach. As the right reverend Prelate pointed out, the gambling industry constantly tells us that many people enjoy a flutter in a safe and responsible manner, yet recent TV programmes such those we have heard about and the excellent video produced by Gambling with Lives show all too clearly how that flutter can lead to something which causes great harm and can sometimes be fatal.

There is no incentive for the profit-driven industry to take serious action. A huge proportion of its profits comes from problem and at-risk gamblers. As the Lords report, *Gambling Harm—Time for Action*, states, the greater the problem, the higher the profit. The public health approach we advocate would prioritise prevention of harm for the whole population. We have seen this approach taken with drugs and alcohol addiction, where the issues are high profile and highly resourced. The comparable harms caused by gambling addiction have not received the same attention and, frankly, are often forgotten. The Government’s recently announced Operation Courage, for example, which earmarked £2.7 million for expanding services for military veterans with complex mental health issues, physical trauma and alcohol or substance misuse issues, does not provide funding for gambling addiction, despite recent research by the Forces in Mind Trust and Swansea University reporting that 43% of veterans had experienced problem gambling in the last year and were 10 times more likely than non-veterans to experience gambling harms and to gamble as a way of coping with distress. Anyone can experience harm from gambling. The characteristics of some products such as continuous, fast-paced play are well known to be highly associated with harms. Because of this, prevention needs to address the ways in which gambling products generate harms, as well as the wider social, economic and cultural factors which shape how gambling is provided and promoted in society.

That is why, just as we already do with drugs and alcohol policy, gambling policy must be based on a public health approach. The Government say that that is what they are doing, so can the Minister explain

[LORD FOSTER OF BATH]

why, based on what I have been told, there has been little or no communication between DDCMS and DHSC as work on the Government's review of gambling has progressed to date? Will he do all he can to ensure that, as the gambling White Paper is developed, there is real engagement between departments and, as proposed in the excellent PHE review, the adoption of a public health approach?

2.32 pm

Lord Sikka (Lab): My Lords, it is a pleasure to follow the noble Lord, Lord Foster, and I am grateful to the right reverend Prelate the Bishop of St Albans for facilitating this debate.

The harms caused by gambling have been raised on a number of occasions, but this review is very helpful because it brings together lots of studies and information. For example, 13 studies looked at gambling harm resulting in underperformance or poor performance in employment and education. It notes that, from the age of 17 and perhaps even lower, those engaged in gambling underperformed in their academic studies, which has a knock-on effect on their subsequent employment and related capacities. Gambling was also found to be linked to loss of concentration at work, lateness and poor work performance, resulting perhaps in loss of employment or lack of opportunities for promotion and so on.

Child gamblers had considerable difficulties in learning at school. It is illegal for children to gamble, but many websites permit it. I tried one of them and it said: "Are you above 18?" I said no. Click, and I was still in—whether I said yes or no made absolutely no difference. Although such sites say they will monitor it, the software does not care. Children of gamblers also have difficulties at school, because of the chaotic home life associated with gambling parents. Again, it would be helpful to know whether the Government have any proposals for dealing with this.

Some 31 studies mentioned in the review deal with financial harms to gamblers and their families. One study found that an increased number of electronic gambling venues in a local area increases the number of personal bankruptcies in that area, which is a catastrophe not only for the families concerned but for the local economy, because a lot of spending power vanishes. Again, it would be helpful to know how the Government want to control that. I have noted that some of these venues are quite near schools and colleges, and one can see young adults going into them. Gambling causes direct financial harms to gamblers and their close associates. A number of studies identified that gambling-related debts were a huge problem too, because they exert pressure on household budgets. I know that the Government have banned the use of credit cards for gambling. Perhaps they should consider some restraint or ban on the use of debit cards as well. Some individuals had their salary or a loan paid into a bank account and basically used a debit card to squander away their and their family's income. Such financial harm also affects the children of gamblers.

An issue on which the Government should commission further research is tax avoidance by gambling companies. The data is quite hard to collect. When I look at the

accounts of gambling companies, I often find very little information about profit shifting, about trials for pricing policies or about tax avoidance strategies. Most of the online gambling companies licensed by the UK Gambling Commission operate from offshore tax havens. The main attraction is lower tax bills, secrecy and rules avoidance—which some people like to call regulatory arbitrage; I prefer "rules avoidance". It is known that Unibet's servers are based in Malta, Alderney and Gibraltar. It is registered and licensed in Gibraltar but makes profit in the UK. Whereas the Chancellor tells us that it is government policy to persuade companies to pay tax where they are based and where their customers are, in these cases the customers are in the UK, the companies operate in the UK, but their revenue is booked in Gibraltar.

It would be helpful to know whether the Government have an estimate of how much tax is dodged. Paddy Power's owner, Flutter, bet365 and William Hill have subsidiaries in offshore locations such as Guernsey, Gibraltar and the Isle of Man. At least 55% of online gambling in the UK takes place on Gibraltar servers. Are the Government content with this leakage of tax revenues? Companies such as bet365 have been paying an effective tax rate of about 12.7%. William Hill has been paying around 12%. Others such as GVC, which is the parent company of Coral, have been paying around 3%. The Gibraltar-based 32Red is estimated to have paid just £812,000 in corporation tax over 10 years. I urge the Minister to encourage HMRC and others to publish a report on the taxes being avoided by gambling companies.

2.39 pm

Lord Smith of Hindhead (Con): My Lords, I thank the right reverend Prelate the Bishop of St Albans for initiating this important debate and declare my interests as set out in the register. I congratulate my noble friend the Minister on his recent promotion and wish him every success in his new role.

I think we all want to minimise or, better still, eradicate the harm caused by gambling, but I hope we can achieve this while not hampering those who are able to gamble happily and without harm, and without demonising an industry which, certainly in recent years, has taken the role of intervention and social responsibility a little more seriously than in the past. We know that much more than money is lost when a person is negatively affected by gambling: a person's mental health is at stake; indeed, in some cases, their life is at stake. The mental health of those around them is adversely affected and it is particularly tragic when we hear reports of children suffering from either their own gambling addictions or those of their caregivers.

I am pleased that GambleAware recently decided to widen its data-sharing pool within the research community by sharing its annual treatment and support surveys. I hope this will shed more light on the composition of those who are involved in such programmes and whether there were any steps that prevented their participation in such treatments. I hope others will follow suit—better decisions can be made when more information is available. If the Government want an evidence-based review, then clearly there must be evidence.

I note the report uses the terminology

““Estimated ... costs ... associated with gambling”,

but it is not possible to say that these costs were caused by gambling. A big part of the total estimated costs of gambling health harms in the report

“is based on the direct costs to government of treating depression, alcohol dependence and illicit drug use”

and other complex areas. Does the Minister agree that it would be good to try to get this figure of the costs of gambling harm to a position where there could be more accuracy? Does he also agree that we need to be very careful not to confuse the two issues?

The report says that the National Lottery is the most common type of gambling across all age groups, except among younger people, where scratch cards are more common. The report also points out that the proportion of children and young people who participate in gambling has been reducing, which is positive news, and that the most common forms of children’s participation are playing the lottery, including online lottery games, using scratch cards or placing private bets with friends. I have never understood why the National Lottery is always singled out from other forms of gambling, both in this report and in most others which are published, including those by the Gambling Commission. There is a reported total amount of gambling spend and then a different figure which includes National Lottery spend, giving the impression that the National Lottery is somehow removed from gambling activities. The National Lottery is gambling.

Just to be clear, I am no more anti-National Lottery than I am anti-gambling. I appreciate that the National Lottery supports many good causes and can create social cohesion but let me give one simple example of the mixed messages we have become involved with. Those of us who have an interest in this subject have been debating and considering the gambification of sport and the potential harm, mainly to young men, of gambling companies’ advertising, particularly at Premier League football. Yet earlier this year, we were bombarded with adverts giving patriotic encouragement to get behind Team GB and buy £5 and £10 scratch cards. Camelot makes around 43% of its profits from instant-win online games and scratch cards. A huge part of its business is indistinguishable from other gambling companies, yet it remains untarnished by the normalisation of gambling. There have been many reported cases where people have said that playing the National Lottery was a gateway into gambling addiction. I think this area of gambling activity deserves more research.

Finally, there were aspects of the report I was pleasantly surprised to read, such as that the proportion of young people participating in any gambling has reduced by 23%, and that, based on the 2018 data, the number of people with a problem with gambling has remained fairly constant and has not increased since 2012. It is encouraging that, even during lockdowns, there seems to have been an overall reduction and only a very slight increase in online activity. According to recent Gambling Commission reports, the proportion of gamblers assessed as being at medium risk of harm has halved from 1.4% of the adult population to 0.7% since the end of last year. I hope this shows that, in some areas, effective work is being carried out by both the gambling industry and bodies such as GamCare

to combat gambling harms. I also hope that quality, evidence-based research can continue to be pulled together as we move closer to reforming the 2005 Act and that the continuing trend to drive up standards in the regulated industry will go even further in tackling problem gambling.

2.45 pm

Lord Robathan (Con): My Lords, I pay tribute to the right reverend Prelate the Bishop of St Albans for his tireless concentration on problem gambling and for continuing to raise the issue. I do not agree with everything he says, but I think he has done extremely well, and I am delighted that we have this debate.

I shall start with a confession, or should I say a declaration of interest, in that I gamble: I bet. In April, I won on the Grand National; Rachael Blackmore, on Minella Times, was the first female jockey to win the race, and I was delighted. I won quite a lot on the Cameron leadership campaign, on the referendum result and on the 2015 election, although sadly I have not yet recouped the rather large loss—a very large loss—I made on the only spread bet I will ever take part in, which was on the 2005 election; I learned my lesson. We did not do frightfully well. My wife, I am delighted to say, has now forgiven me.

I am not opposed to what I might term traditional, social gambling—far from it—be it on the racecourse, physically in a casino or even online. However, there has always been problem gambling: one can mention, relatively recently, the case of Lord Lucan, and many Members of this House in this past gambled away huge estates—I cannot even contemplate why they did so, but they did. Now, we have a completely different scale of gambling, largely because of the internet, and public policy has yet to catch up with this.

As this report makes clear, gambling profits were £14.2 billion in 2020. To put it another way, that is £14.2 billion of losses to punters. We have heard about the harms: financial, relationship, mental, physical, suicide, self-harm, depression, employment, educational, criminal and antisocial. There are huge costs to society, estimated at a total of £1.266 billion. How anyone can arrive at that amount is anybody’s guess; nevertheless, it is huge. I noted the right reverend Prelate said that the so-called commercial stakeholders, surprisingly, were not of the view that tackling gambling-related harm required a public health approach; rather, they would like to concentrate on individuals who are problem gamblers.

If anyone wants to look up online gambling sites, as I did this morning, they will find all sorts of interesting things. The 10 best, for instance, include Bet365 and Virgin Bet. You get an up to £200 welcome offer from Admiral Casino and you will discover, if you look into it, that the owner, or half-owner, of Bet365, Denise Coates, paid £99 million in tax in 2018. Put another way, even if the noble Lord, Lord Sikka, who talked about tax avoidance, is not entirely correct, she must have made a stonking fortune if she paid £99 million in tax in one year—probably well over 100 times more than most people in this country will ever pay. The money she made, and that all companies make, is other people’s losses and other people’s money—people who gambled and lost.

[LORD ROBATHAN]

I have only one point to make. I am not in favour of banning things; I prefer to rely on individual responsibility. But I urge the Government to look very closely at online casinos and slot machine sites, where people sitting at home are pouring money down the drain—money which they can often ill afford. I particularly mention the ghastly adverts that are seen on television—and, I am sure, on social media, which I do not see so much—that encourage people, with any number of gimmicks, to lose money. The All British Casino gives you, it says, “Always 10% Cashback!”. That is interesting. Betway gives you £10 in free bets, and Paddy Power gives you £50 in free bets and 100 free spins, et cetera, et cetera. These are all financed by organisations that make £14.2 billion out of losses—losses that, very often, ill-advised punters like me have made. Will the Government please look at banning these advertisements, which can only be described as misleading and are designed to encourage people, often fairly poor people, to become poorer?

2.50 pm

Baroness Bennett of Manor Castle (GP): My Lords, I join others in welcoming the Minister to his new role and thanking the right reverend Prelate the Bishop of St Albans for securing this important debate.

I joined your Lordships’ House after speaking at a medical conference. I mentioned to a senior doctor there where I was heading next. He said, “I bet to myself that whenever I switch on the television I will see a gambling advert.” He was not just making a joke but expressing concerns about the public health aspect of the gambling industry, particularly gambling advertising, which so many noble Lords have already mentioned.

I was talking at the conference about the pharmaceutical industry, quoting a former editor of the *New England Journal of Medicine* who described it as being like an 800-pound gorilla in its political impact. That might be quite a good metaphor for the lobbying power of the gambling industry too. If we set the two against each other, it might be quite close and we would probably see quite a bit of betting on the result.

The noble Lord, Lord Smith, said that the industry is becoming a little more responsible. “Little” seems the right word when you look at the list of annual donations to GambleAware, the industry-funded addiction charity, published in April 2021. There are a number of remarkably small donations from very large groups. To pick out one, the Philippines-based W88, a shirt sponsor for a major football team, which is operating through the controversial white-label system, donated £250. That sum was succeeded by quite a large list of donations from local hospices and Red Cross groups, which had done things such as hold cake stalls to raise money to help problem gamblers. Yet here was a very large company from the industry putting in £250.

Slightly to my surprise, I find myself agreeing with what the noble Lord, Lord Robathan, said about advertising. I direct Members of your Lordships’ House to an article by the Hampshire cricketer Chris Wood just published in the *Times*. He has spoken with great bravery about his problem with gambling addiction, identifying that he has lost around £200,000. Gambling

has massive impacts on poorer communities, but it is a problem right through all areas of our society. Chris Wood explicitly identifies advertising, particularly during football games, as something he found very hard to fight against.

Looking at what is happening around Europe, Sweden is proposing restrictions on gambling parallel to its tight restrictions on alcohol advertising. Portugal has just brought in a ban on advertising on TV and radio between 7 am and 10.30 pm. Being new, the Minister may not yet have acquired the yellow sticky note that I am sure is on all Ministers’ computer terminals which says, “Must say ‘world-leading’ in every sentence”. If he has, I strongly suggest that he does not use that phrase here, as we are definitely trailing on the global scale of controls on this out-of-control industry.

It is interesting that so many nations are tying together alcohol and gambling advertising, because this review demonstrates that alcohol consumption is strongly associated with gambling. The noble Lord, Lord Robathan, talked about leaving it to individual responsibility, but that is obviously a problem when you combine gambling opportunities with alcohol.

I want to build on the comments of the noble Lords, Lord Foster of Bath and Lord Sikka, who talked about the impacts on children and young people. The review tells us that the rates for gambling, which is often technically illegal, are higher than those for using e-cigarettes, smoking tobacco cigarettes or taking illegal drugs. In some cases, we have very tight legal restrictions on those three activities, which are harmful to young people, so surely our controls on gambling, particularly as it affects young people, should be on a similar scale.

Talking about young people, I raise the issue of loot boxes. We have talked about this quite a bit in your Lordships’ House, but we have failed to see any government action. I looked at some figures on the FIFA Ultimate Team games. Research has shown a robustly verified link between loot boxes and problem gambling. A UK consumer survey which looked at the players of this game suggests that 31% of 13 to 15 year-olds had played the title. This really is a public health issue, particularly for children and young people.

Finally, I mention a comment made by the right reverend Prelate the Bishop of St Albans about how this ties in with the levelling-up agenda. There are reasons why problem gambling and poorer areas are associated. Many people in our society cannot see a way forward for themselves financially. They are trapped in low-wage jobs or on zero-hours contracts. They look for hope—a tiny spark to suggest that things might get better. They know that the odds are terrible but cannot see anything better. We need many more changes to address the issues which sit behind those covered in this debate.

2.56 pm

Baroness Merron (Lab): My Lords, I am grateful to the right reverend Prelate the Bishop of St Albans for securing this important debate. It comes at a particularly timely point, given the Government’s ongoing review of gambling regulation and the recent ministerial changes at the department. I am pleased to welcome the Minister to his place on the Front Bench.

I also add my thanks to Public Health England and everybody involved in producing the report which has informed this debate. The report shows that there is so much more at stake from gambling than simply individuals losing money. It can take its toll on the mental health and life chances of the gambler, as well as impacting deeply on those around them, which is a very important point.

The evidence sets out that harmful gambling is a public health issue. There is no movement away from that; it is absolutely clear that this needs addressing on many fronts. The emphasis must be on preventing these harms occurring, as well as having help readily available for those directly and indirectly affected by the wide-ranging and long-lasting negative impacts of gambling, a point very clearly made by the right reverend Prelate.

The review also shows that people at risk from gambling harms are concentrated in areas of higher deprivation, who may already be experiencing greater health inequalities. As we have heard, if levelling up is to mean anything, it has to take account of this. I would be grateful if the Minister could address this crucial aspect.

A significant proportion of the population engages in one or more forms of gambling and for many it is an enjoyable and occasional hobby. However, for a worrying number of people, it can lead to harm. The data in the report shows that, while overall participation levels are broadly stable, some significant changes are occurring. First, online gambling, which many researchers believe carries a higher risk of harm, was on the up even before the Covid pandemic and the lockdowns that it brought, which then created circumstances for increased online gambling.

Secondly, while gambling by children and young people appears to be decreasing, it is important to note that it remains too high. That is a real point of vulnerability. My noble friend Lord Sikka spoke about the impact on achievement at school and the issue of those who are underage having access to gambling sites, which should not be the case.

In recent years, there have been fierce debates about the future of fixed-odds betting terminals. We are pleased that the Government eventually adopted Labour's position of limiting individual stakes to £2. However, gambling harm presents itself in a number of different ways and, as the research and this debate note, comes with a weighty and uncertain cost to the public purse. There are many public health aspects. It is worth noting that the review found a clear link between higher levels of alcohol consumption and harmful gambling, including for children and young people. In addition, the evidence shows that people with gambling problems are at least twice as likely to die from suicide compared with the general population. This is a complex and connected picture of behaviours, circumstances and effects.

Earlier this week, the BBC aired a very relevant documentary featuring an ex-professional footballer, Paul Merson, who bravely told his own story in the hope of encouraging others who struggle with gambling-related issues to seek help. The programme was particularly interesting because football has been, and remains, an interesting case study. I hope that the Minister will

take a particular interest in it. As we know, many top-flight teams are sponsored by gambling firms, either in the form of shirt sponsorship or the advent of official gambling partners. The English Football League's three divisions are sponsored by Sky Bet, with sleeve badges and stadia prominently displaying the firm's logo. Many televised matches display gambling adverts, either on pitch-side displays or during half-time as viewers are offered live odds.

Again, while there is no problem with gambling *per se*, issues undoubtedly arise when regulation is inadequate and consumers are not adequately protected. With this in mind, and with a new ministerial team in place, can the Minister update us on the ongoing review? Who has formal responsibility for overseeing the process? When can we expect to see some output beyond the initial call for evidence? We understand and welcome the additional resources into specialist NHS gambling addiction clinics, as well as the expansion of mental health provision more generally, but does he agree that we need to prevent people developing problematic habits in the first place?

Finally, can the Minister also comment on recent events around the introduction of a single customer review, following the Information Commissioner's Office's advice that such a system need not be incompatible with data protection law? Will this require legislation? If so, how will that come about?

3.03 pm

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con): My Lords, it has been a pleasure to listen to the debate this afternoon. I thank the right reverend Prelate the Bishop of St Albans for securing it. One of the first things I did when I joined your Lordships' House was join the Select Committee on the Social and Economic Impact of the Gambling Industry, along with him, the noble Lord, Lord Foster of Bath, and my noble friends Lord Smith of Hindhead and Lord Mancroft. I am pleased to have the opportunity early on in my new role to debate this issue, which I know continues to interest a great number of people in your Lordships' House.

Public Health England's review is a valuable contribution to our understanding of gambling-related harm and the forms it can take. It is also especially timely. It was an important commitment made following the last gambling review in 2018, and I am happy to assure the right reverend Prelate that its findings will be carefully considered in the Government's ongoing review of the Gambling Act.

The landscape of gambling, as in many areas of life, has changed significantly since 2005, but the objective of the Act to protect children and vulnerable people from being harmed or exploited remains fundamental to the Government's vision for the sector. Our Gambling Act review will ensure that our regulatory framework is fit for the digital age. Its objectives include making sure that all those who choose to gamble in Great Britain can do so in a safe way.

The Gambling Commission's work to strengthen protections is continuing alongside the review. As noble Lords noted, gambling is a leisure activity for

[LORD PARKINSON OF WHITLEY BAY]

most, but it is also clear that many people and their families have their lives devastated by gambling-related harm. The Government are clear that gambling harm is a public health issue, as a number of noble Lords rightly noted, and we treat it as such.

Gambling legislation and Gambling Commission regulation are designed to keep gambling safe for the population as a whole. However, we have more specific measures and targeted interventions to give appropriate protection to children and vulnerable adults. The report shows that the problem gambling rate among adults is 0.5% and has remained stable since 2012, but it is essential that those suffering harm receive the help they need. Our National Health Service has committed to opening 15 new treatment clinics for problem gamblers by 2024, and the industry has committed £100 million for treatment over the same period.

A number of noble Lords, including the right reverend Prelate and the noble Lord, Lord Foster, mentioned the costs of gambling harm. PHE reports found that the annual economic burden of harmful gambling is approximately £1.27 billion but, as my noble friend Lord Smith of Hindhead noted, the report makes it clear that the analysis presented estimates the costs associated with, not caused by, gambling. There are complicated interactions between gambling and mental health problems and, as the report makes clear, alcohol use. Nevertheless, the costs associated with gambling harm are stark, so there is clearly important work still to be done.

As the noble Lord, Lord Foster, said, the report identifies gaps in the evidence base. One of the aims of our review is to make sure that we have high-quality evidence to support regulation. We will work with the Department of Health and Social Care and key parties to address the knowledge gaps identified in the evidence review and improve data collection. He asked whether that would include data from companies. The Gambling Commission is taking forward work on a national data repository with the aim of collecting data for use by researchers; I am pleased to say that it will include data directly from gambling operators.

One area where there is an evidence gap, as was noted by the right reverend Prelate and the noble Baroness, Lady Merron, concerns regional disparities. He will not be surprised to know that my eye alighted on the fact that the north-east had the highest prevalence of at-risk gamblers. However, I also saw that the PHE report was clear that, because of the small numbers it studied, it was not possible to determine those levels with any statistical significance, so that is one area where further evidence is needed and further research needs to be undertaken.

A number of noble Lords including the noble Lord, Lord Sikka, and my noble friend Lord Smith mentioned children. I am pleased to say that children's gambling participation is in decline. In 2011, 23% of 11 to 16 year-olds said that they had gambled in the past seven days, while in 2019 it was 11%. However, we cannot be complacent. This is why, as my noble friend Lord Smith alluded to, we have increased the minimum age limit to buy National Lottery products to 18. We are also considering other potential measures to protect children and young people as part of our review. If the

noble Lord, Lord Sikka, would like to tell me about the website he mentioned, I would be glad to look into why he was able to get through and discuss that with him in further detail.

The noble Lord also talked about online protections more generally. Significant progress has been made in recent years to make online gambling safer, including a ban on gambling on credit cards and new rules to reduce the intensity of online slot games. However, we recognise that more can be done to protect those who gamble online. Our review is looking closely at the case for greater protections for online gamblers, including protections on products and for individuals. The Gambling Commission is also working to improve how operators use data to identify customers at risk of harm and intervene.

The noble Lord, Lord Sikka, asked about the tax arrangements of gambling operators. All companies selling gambling to customers in Great Britain pay UK gambling duties wherever they are based; the remote gaming duty is 21% of gross profit.

The noble Baroness, Lady Bennett of Manor Castle, and my noble friend Lord Robathan mentioned advertising. PHE's evidence review did not find evidence that exposure to advertising and marketing is a risk factor for harmful gambling. However, operators must advertise responsibly. We are committed to tackling aggressive practices.

Lord Robathan (Con): I should have congratulated my noble friend on his new post, by the way. If advertising does not encourage people to gamble, why are companies spending so much money on it?

Lord Parkinson of Whitley Bay (Con): It is a competitive market and, if people choose to use their money in this way, operators are encouraging them to do it with their specific companies; as private enterprises, they are right to do that. But, as I say, operators must advertise responsibly and we are committed to tackling aggressive practices where we see them. We have called for evidence on advertising and sponsorship specifically as part of our review, and we are looking closely at the issue of sports sponsorship as part of it.

More broadly, on marketing and inducements, we have called for evidence on promotions and offers. One of the things I learned about when sitting on your Lordships' committee was that the number of customers in VIP schemes has fallen by over 70% since the industry started following new rules on how the schemes should be run from September 2020. Gambling Commission and advertising rules already prohibit inducements which encourage customers to gamble more intensely, and operators are not allowed to market directly to those who have self-excluded or customers showing signs of vulnerability, but this is one of the areas we want to look into in the review.

The noble Baroness, Lady Bennett, asked about loot boxes. The Government are delivering on their manifesto commitment to tackle the issue of loot boxes in video games. We ran a call for evidence last year to understand their full impact and received over 30,000 responses. We are reviewing those responses and continuing to engage with the industry to determine

the most robust and proportionate solutions, and our response will set out the next steps that we intend to take.

The noble Lord, Lord Foster, and others mentioned problem gambling in the Armed Forces. The Government are vigilant to the emergence of problem gambling among those serving in our Armed Forces, which includes providing welfare support and financial awareness training. The Ministry of Defence also blocks gambling websites on its networks to reduce their accessibility. PHE's evidence review found no association between exposure to combat situations and problem gambling, and there is a lack of longitudinal evidence to clarify whether trauma is a risk factor for harmful gambling. However, we welcome further evidence in this area as well, and are taking a close interest in the results of a recent important study from Swansea University looking at gambling participation among ex-service personnel.

The right reverend Prelate mentioned the troubling estimate of over 400 gambling-related suicides per year in the PHE studies. Of course, any suicide is a tragedy. It is important to note that the figure in the PHE report is an estimate based on two overseas studies; we do not know how many suicides in the United Kingdom are linked to gambling. The Department of Health and Social Care is working to improve our data collection and address other evidence gaps on this most important of issues. NHS England is also investing £57 million in suicide prevention through the NHS long-term plan. Investment in all areas of England by 2023-24 will support suicide prevention plans locally and establish bereavement support services. We know how serious these impacts can be.

While the gambling review is ongoing, the Government and the Gambling Commission are not waiting for it to end to take action where it is needed to make gambling safer. In the last 18 months, we have: banned gambling on credit cards; tightened restrictions on VIP schemes; raised expectations of online operators during the Covid pandemic, with increased monitoring and intervention throughout; introduced new rules to limit the intensity of online slot games; and launched a consultation on new rules for customer interaction to protect people who gamble online. The Public Health England review is therefore a timely contribution to our ongoing efforts to prevent gambling harm. It will be considered very carefully as part of our thorough review of the Gambling Act, together with all the other evidence we continue to receive. We will publish a White Paper setting out any proposals for reform and our vision for the sector in the digital age in due course.

I give my thanks again to the right reverend Prelate and all noble Lords who have spoken in today's debate. I know they will continue to contribute to the debate in this important area.

Inequalities of Region and Place

Motion to Take Note

3.14 pm

Moved by **Lord Liddle**

To move that this House takes note of the case for producing a (1) coherent, (2) cost effective, and (3) longer-term, regional strategy to tackle inequalities of region and place.

Lord Liddle (Lab): My Lords, I declare an interest as a member of Cumbria County Council and a former chair of Lancaster University. I am greatly looking forward to the maiden speech of my noble friend Lord Stansgate. It is something of a privilege that he is taking part in this debate. I am also greatly honoured that a mentor from my past is in the Chamber in the shape of the noble Lord, Lord Rodgers of Quarry Bank.

The Prime Minister made levelling up the centrepiece of his post-Brexit agenda. But, after listening to his conference speech, the *Financial Times*' Robert Shrimmsley memorably described this ambition as

“all destination and no map.”

This debate is your Lordships' opportunity to advise the Government on what the plan should be. I agree with the Prime Minister that

“We have one of the most imbalanced societies and lop-sided economies of all the richer countries”.

We have no world-beating status here. We have one of the worst records for regional inequalities—worse than Germany once it incorporated the eastern Länder; worse even than Italy with the Mezzogiorno.

The Prime Minister is, of course, right that this is not simply a regional problem, and we remember the report by my noble friend Lord Bassam on the seaside towns. He was right to ask how, within the relatively deprived north-west, life expectancy is seven years longer in Ribblesdale than down the road in Blackpool. I can cite some numbers from Cumbria: the difference in life expectancy between the post-industrial Moss Bay ward of Workington and the rural Greystoke ward just outside Penrith is an amazing—a shocking—19 years. On levels of educational attainment, the Prime Minister cited the difference between York and Doncaster, where 50% of adults in one city are graduates but only 25% are in the other—no prizes for guessing which, and on this occasion Ed Miliband cannot be to blame for that. But where is the plan to reverse these inequalities in outcomes?

One lacuna in the Prime Minister's discourse which needs correcting is the absence of universities and the role they have played in leaning against the mighty winds of regional inequality in the last 30 years. They can do much more. I learned a thing or two when I was chair at Lancaster for seven years. Under the leadership of our pro-vice chancellor for engagement—our new Cross-Bench Member, the noble Baroness, Lady Black of Strome—we partnered with Cornwall's remarkably successful Eden Project to devise a plan to bring Eden to the north, to Morecambe. That would be not just a visitor attraction, themed in this case on the wonders of the sky and seabed, but an inspiring educational experience as well as a centre of world-leading environmental research. It would create new jobs, from gatekeepers and cooks to technicians and scientists, which would all command respect. There is a plan there. All that is needed is for the Government to back it.

With support from the regional development fund of blessed memory, Lancaster also invested in a health innovation campus, where we can, for instance, work with health authorities in Blackpool—which has some of the worst health outcomes in Britain—using the university's expertise in digital analysis of NHS patient

[LORD LIDDLE]

records to improve patient and public health outcomes. That is not an investment in a new hospital; it is an investment in ways to keep people out of hospital.

University research generates innovations at the frontier of knowledge that stimulate new enterprise in the ecosystems that form around them. But the stranglehold of R&D funding of the south-east golden triangle must be broken. I congratulate the Government on locating the headquarters of their new National Cyber Force in Lancashire, which will enable it to draw on Lancaster's excellence in cybersecurity. But the money has to come north from Oxbridge, and that will happen only if the Government deliver on their commitment to expand R&D spending from 1.8% to 2.4% of GDP—I hope they will.

When it comes to education in schools, the north and SNP Scotland have badly slipped behind London's soaring standards. London now gets something like 60% of kids at 18 into university; in many northern towns, the figure struggles to get over 30%. We badly need a regionally tailored version of the Blair Government's London Challenge, in which my noble friend Lord Adonis played such a transformative part.

In transforming young people's expectations and opportunities, good-quality apprenticeships are as crucial as A-level grades. There is a national crisis in the declining availability of good apprenticeships, so why not create a 30% target for level 3 apprenticeships to stand alongside the 50% target for university entry? The levelling-up plan should ensure that every significant town in deprived regions has a further education college that is not a poor relation but an anchor institution that commands respect, has organic links to local business and offers clearly marked steps up a visible ladder of opportunity to foundation degrees and beyond.

The decline of the north has been with us for a century or more, following the horrors of the great depression of the 1930s. There was some success after the war, with the policies that Hugh Dalton introduced in wartime. But, since the 1980s, the regions—which now include large parts of the Midlands as well as the north—have had their economic heart torn out. In part, they were victims of inevitable technological change and the shift to a knowledge and service economy that goes right across Europe. The Germans managed to upskill their manufacturing, rather than destroy it as we did.

The social consequences of this have been profound. Take Barrow in Cumbria, for instance: it lost thousands of jobs in the shipyard in the 1980s, but the shipyard now enjoys a brilliant high-tech recovery, with many fewer jobs but much higher levels of skill. Yet too many families who suffered job losses in the 1980s have got stuck in the cycle of generational deprivation and worklessness, where a culture of low expectations makes a mockery of educational opportunity and where health and life expectancy are shockingly poor.

After 10 years of austerity, our public services are badly stretched in addressing these problems. They are too thin on the ground, too siloed, too focused on crisis, sticking too much to the rule book, too defensive and too resistant to change. To speak the language of new Labour: we need investment and reform at one and the same time.

In the 1980s, Margaret Thatcher argued that there was no alternative. Deindustrialisation was accompanied by radical change in UK labour markets, a shift to flexibility and a loss of trade union power, and this went along with a reassertion of short-termist shareholder capitalism, which discouraged long-term investment in technology and skills. Now the Prime Minister asserted, again, in his speech that

“no government has had the guts to tackle ... the long-term structural weaknesses in the ... economy”.

He has to recognise, however, that these weaknesses have been apparent since the 1980s, well before—in the Prime Minister's rewriting of history—uncontrolled immigration became the sole structural problem. The truth is that immigration is not the cause of our structural weaknesses, and controlling immigration—whatever its merits—will not provide any kind of permanent solution to them

Mrs Thatcher did have a plan for the regions; it was called Europe's single market, and it was very good at attracting inward investment—for instance, in the north-east, to get Nissan to come to Sunderland, which was crucial in the future. It also strengthened our position in financial services, and lots of jobs across Britain in places such as Leeds benefited from that. For the future, however, we shall have to address these structural problems with Brexit, as it were, tying one hand behind our back. That makes the need for a plan more urgent, not less.

The Labour Governments of 1997 to 2010 had many proud achievements to their credit and I am overjoyed that, at long last, my party is prepared to acknowledge them. Huge fiscal transfers were made to the regions, improving public services and raising children and pensioners out of poverty, but this did not prove a lasting change. After 2010, it was put into reverse by an austerity that bore more harshly on the poorest parts of the country. The fact is that the £20 cut in universal credit takes more spending power out of the regions than the levelling-up agenda is putting in.

Labour could have done better, however. We revived the northern cities through the regional development agencies—excellent—but there was weakness in the towns. It is not easy to put this right. The revival of a dynamic private sector when the heart of its local economy has been ripped out is a huge challenge. It requires powerful incentives for business relocation from the overcrowded south-east and possibly even stricter planning controls, as well as sustained support for indigenous new enterprise. It also requires an active national industrial policy, which I was privileged to help my noble friend Lord Mandelson with in 2008. At its heart today should be a green new deal that prioritises the transformation of our old industrial towns into exemplars of zero-carbon living, with the state offering the incentives and regulating the market, but the private sector doing the work and creating the skilled jobs.

But where now is the Government's plan? We have lots of funds: the high streets fund, the towns fund, the levelling-up fund, the shared prosperity fund, the environment fund and even a bus improvement fund—the list goes on—for all of which local authorities have to make bids to Whitehall departments. It is London-based civil servants who recommend what should happen. Ministers consult their MPs—especially red wall

Conservative MPs—about which splashes of new paint are likely to buy them the most votes. This puts the regions in the position of *Oliver Twist*, standing in the workhouse queue begging for whatever doles our London masters are prepared to spare us.

This top-down but fragmented approach is not a coherent regional policy. We need a coherent plan that, place by place, builds on existing economic strengths. We need a fresh start and I hope that Michael Gove, a man who prides himself on his radical thinking and intellectual strengths, will give us this. Key to that is, first, stronger local government structures, based on credible unitary authorities with elected mayors to offer accountable metropolitan and sub-regional leadership.

The second thing is a fair funding settlement for local authorities, based on transparent, independent assessment of needs, not the good fortune of a strong revenue base. The third is that local government and mayors must be trusted to draw up their own rolling plans for economic development and put in a single capital bid to central government to determine priorities.

Finally, we now have a unique opportunity to build a national consensus on levelling up—Boris Johnson has given us that. But high aspiration and lofty rhetoric are not good enough: we need a plan, and we need it now.

3.30 pm

Lord Young of Cookham (Con): My Lords, I very much welcome this debate, so ably moved by the noble Lord, Lord Liddle. Like him, I look forward to the maiden speech from the noble Viscount, Lord Stansgate. This debate is timely because it comes just before the imminent publication of the White Paper on levelling up. This is in fact the delayed White Paper on devolution, promised for September last year, which has now morphed into a White Paper on levelling up. I very much hope that this rebranding will not diminish the previous commitment to greater local autonomy. Devolution has clear centrifugal overtones: pushing powers out. Levelling up has connotations of a more centralised approach: how else can you make things level?

While we are all pretty clear what devolution means, there is no such clarity about levelling up. Like others in this debate, I have spent many hours on the doorstep listening to voters' priorities: safer streets, better schools, more houses and shorter waiting lists. Nobody has ever said, "George, please level me up." This is not to discount it as an objective, but just to say that it means different things to different people.

In the context of this debate, in his levelling-up speech on 15 July, the Prime Minister uttered two sentences which I hope will inspire the levelling-up White Paper. First, he said that

"for many decades, we have relentlessly crushed local leadership".

The second sentence was:

"Come to us with a plan for strong, accountable leadership and we will give you the tools to change your area for the better". This afternoon, we should respond to that challenge and then hold him to those words.

I took further encouragement from the recent appointment of Neil O'Brien to the rebranded Department for Levelling Up. In his speech last Wednesday, which was overshadowed by another speech on the same day, he said:

"Boris Johnson put levelling up at the heart of his conference speech ... But what is it? The objectives of levelling up are clear. To empower local leaders and communities."

That objective was reinforced by Bridget Rosewell, a member of the National Infrastructure Commission, who commented on a report that it issued last month. She said:

"Levelling up cannot be done from Whitehall. Every English town faces a different set of challenges and opportunities, and local leaders are best placed to develop strategies to address these."

But we live in a highly centralised country. In a recent report on tax and devolution, the IfG said:

"The UK is an outlier by international standards. In 2014, every other G7 nation collected more taxes at either a local or regional level according to estimates by the Organisation for Economic Co-operation and Development."

Our figure is about 5%, roughly half that of most other countries.

So, while other countries have national and local government, we have national government and local administration, and it is not working. The helpful Library brief for this debate shows that the UK has the highest regional inequalities of the 27 nations measured. I believe that part of the answer to the question posed by the noble Lord, Lord Liddle, in this debate about regional inequalities is to set regions free from central control and allow them to take greater responsibility for key decisions. Others will talk about devolution of power; I shall talk about devolution of money because, without freedom to raise and spend, and being accountable for those decisions, devolution of power is meaningless.

Let me give two examples of how the system is weighted against raising money locally. The Government have just increased national insurance contributions from 12% to 13.25%—an increase of more than 10%. Local government would not have been able to do that without holding a referendum first. There has been no such inhibition on the Government. Then take national taxation. Government income is buoyant. Without touching tax rates, economic growth and inflation swell the Government's coffers year by year. Income tax, national insurance, inheritance tax and capital gains tax all rise without the Chancellor lifting a finger or incurring a single hostile headline. The OBR estimates that just freezing personal allowances—so-called "fiscal drag"—will be worth £8 billion a year to the Government by 2025-26.

Local government has no such advantage. The council tax base is fixed at 1990 levels, and if local government wants to raise more money, even to stay still in real terms, it has to raise tax rates, with all the aggravation that that entails. And, unlike income tax, council tax is regressive and the tax base is 30 years out of date. Would the Government raise income tax on the incomes of 1990?

I will irritate my noble friend the Minister once more by suggesting that tax bands should be revalued and that there should be two additional bands. However, my final suggestion is that, when we move from taxing fuel to road pricing, the revenue from road pricing—a buoyant source of revenue—should go to local, not central, government, which would give councils the independence and financial help that they need to deliver the autonomy that we all want to see.

3.36 pm

The Lord Bishop of Durham: My Lords, I thank the noble Lord, Lord Liddle, for securing this debate, and am pleased to follow on from the noble Lord, Lord Young of Cookham. I, too, look forward to the maiden speech of the noble Viscount, Lord Stansgate.

Jubilee is a strong theme of our Judaeo-Christian tradition. Jubilee includes setting people free from the impacts of inequality. If levelling up is going to mean anything significant, it must tackle the inequalities that exist in our nation. It needs to be a kind of jubilee.

This week is Challenge Poverty Week. Child poverty is a very good measure of regional inequalities within England, as it is both an indicator of poverty and a perpetuator of it. Child poverty highlights the complexity of issues that cause it, including education and employment. It has lifelong impacts on children as they grow into adults and shape their communities. The recent report by Donald Hirsch for Loughborough University estimates that the cost of child poverty is £38 billion a year, a significant increase in the past five years.

We see far higher levels of child poverty in some places than others. It is not a simple divide of a wealthy London and an impoverished north. The Institute for Fiscal Studies reported in its *Green Budget* for 2020 that

“inequalities within regions are larger than the inequalities between regions.”

So, in Bethnal Green and Bow, 60% of children are in poverty. However, child poverty rates in the north-east rose more steeply than in any other region in the lead-up to the pandemic. In Bishop Auckland, where I live, child poverty has increased by 7% since 2015. In nearby Middlesbrough, the increase is 13.6%. Poverty is inextricably linked to the issue of inequalities of place, and it demands a measure of relative poverty if it is to be addressed properly. The Work and Pensions Committee has called for the Government to re-engage with the Social Metrics Commission and to look beyond a solely absolute measure of poverty, and I echo its conclusions. So, in considering levelling up, will Her Majesty’s Government commit to using the Social Metrics Commission assessment for measuring poverty to inform decision-making?

The compound impact of the two-child limit in universal credit, the cuts to the £20 uplift, the impending national insurance levy, and food and fuel inflation create an increasing threat of a growth in child poverty. So, along with groups such as the North East Child Poverty Commission, the Child Poverty Action Group, the Work and Pensions Committee and many more, I urge that a strategy is developed rapidly. I hope that we will hear soon that HMG will publish a proper child poverty reduction strategy.

Then there are health inequalities. Here I note the findings of the recent report from the Northern Health Science Alliance, *A Year of Covid in the North*. This research found that Covid mortality rates between March 2020 and 2021 were 17% higher in the north than in the rest of the country. The estimate is that this has cost the national economy £7.3 billion in lost productivity. Minor psychiatric disorders were also 10% higher in the north.

In considering levelling up, what are Her Majesty’s Government doing about the disparity in health inequalities across the nation? Throughout the pandemic, the average unemployment rate in the north was almost 20% higher than in the rest of the country. Furlough was good but it worked less well in the manufacturing and service sectors. Inward investment in infrastructure and higher skills work is one key area to help here. I highlight transport. The inequality between our capital city and the rest of the country can clearly be seen in the difference in government spending and the service provided. London has received nearly two and a half times the public spending received by the north, according to the IPPR.

Since the publication of the *Northern Powerhouse strategy* in 2016, local transport chiefs are still waiting for the integrated rail plan to make this transport investment a reality. Therefore, as part of the future planning, will the integrated rail plan be published and will it favour the most poorly served regions? I look also to foreign direct investment. The International Trade Committee has reported that FDI is unevenly distributed between the regions and, despite its importance as an instrument of levelling up, it is reinforcing the inequalities it is intended to correct. What will the Government do to address the inequalities of investment in the north?

We all recognise that tackling inequalities of place is a highly complex issue. The Government’s welcome and much needed levelling-up agenda will not succeed without a coherent, cost-effective and long-term regional strategy to tackle inequalities of place within England. We could have a jubilee.

3.41 pm

Lord Shipley (LD): My Lords, I declare my interest as a vice-president of the Local Government Association. It is a pleasure to follow the right reverend Prelate the Bishop of Durham and I look forward very much to the maiden speech of the noble Viscount, Lord Stansgate. I am grateful to the noble Lord, Lord Liddle, for enabling this debate; I share his sentiments. We still await the Government’s plans for levelling up and devolution, and I hope we get an update about that from the Minister when he replies.

This Motion is about levelling up. That levelling up cannot come at the expense of London. The Government have raised expectations. They have created a term—levelling up—which now has the status of a title in the Department for Levelling Up, Housing & Communities. It is hard to understand what authority this new department has over other Whitehall departments. Do its powers extend to managing the spending policies of the Department for Transport, the Department for Business, Energy and Industrial Strategy, the Department for Digital, Culture, Media and Sport, or any other government department, including the Treasury? I doubt it.

You cannot level up places without levelling up people, and you cannot level up people by increasing taxes on the low paid, such as the increase in national insurance for health and social care, and in council tax—around 5% per year is now forecast for several years. Add those regressive tax increases to the rising

energy costs and rising cost of living generally, and it is hard to see how levelling up can work if the incomes of so many people will be lower.

Paragraph 235 of the coronavirus report published earlier this week, on the lessons learned, says of test and trace that,

“in short, implementation was too centralised when it ought to have been more decentralised”.

You could say that about many policy areas managed by Whitehall. We cannot run England out of London. England's population is 56 million. We must decentralise and devolve, but the Government insist on running a hub-and-spoke model based on Whitehall holding financial power. Far too many funds are complex, requiring a bidding process which is expensive for local government to manage when resources are so tight. Financial control needs to be decentralised because levelling up is not just about some Whitehall jobs being relocated in England. The ambition should be that at least 50% of public spending is controlled at a regional or more local level.

There has been reference to the National Infrastructure Commission report produced a few weeks ago. It says that, to deliver greater regional equality, the Government should give more control over funding to local areas to help their levelling up. Rightly, it criticised the Government's policy of ring-fencing pots of money and demanding bidding and competition. It said that we should move instead to five-year devolved budgets so that local areas can develop their own infrastructures strategies.

The National Infrastructure Commission is right, but missing from the debate on levelling up is, first, the need for local government to have greater powers over sources of taxation; it cannot all be about government block grant. Secondly, the private sector has to be prepared to invest more in those areas needing greater investment, because it cannot all be done with public money. Private sector companies have social responsibilities to places and should not think simply in terms of shareholder returns. It might help too if the Government looked at some of the rules around the investment of pension funds, which could be an additional source of investment funding if more pension fund money could be accessed.

Finally, one trend could prove helpful to levelling up, and it is the consequence of the current dislocation of our supply lines. We should actively promote reshoring more production so that we make more, produce more and consume more sustainably, thereby in turn creating more jobs in areas that need greater support.

Levelling up requires a place-by-place plan, helping education, skills and new industries, but that will happen only if local places are empowered to lead it.

3.46 pm

Viscount Stansgate (Lab) (Maiden Speech): My Lords, I rise today to make my maiden speech. I hope the House will allow me to record with appreciation what a warm welcome I have received from Members and staff alike on all sides of the House. I know I have much to learn from you all.

When I was very young, my grandfather told me that one of the characteristics of this House was the “almost intolerable good will”. I hope to benefit from

some of that today, although I feel obliged to point out that the last time I made a public political speech as an elected member was 31 years ago across the river in the chamber at County Hall, and the Government of the day promptly abolished the body to which I made it.

In the time since then, I have dedicated my professional life to strengthening the links between science and Parliament. This has involved all the major events that science holds in the House, including the annual Parliamentary Links Day and the regular parliamentary affairs committee, which brings together scientists and engineers from all over the UK to discuss matters of mutual interest. In the course of doing so, I have worked with many of your Lordships right across the House. Time does not permit me to mention them all, but I would be a bit remiss if I did not mention at least the noble Lord, Lord Willis of Knaresborough, and the noble Baroness, Lady Blackwood, both of whom chaired the Select Committee on Science and Technology in another place; the noble Lords, Lord Broers and Lord Rees, from the Cross Benches; the noble Lords, Lord Willetts and Lord Lancaster; Lord Sainsbury of Turville, although he has now left the House; and my noble friend Lord Anderson of Swansea, all of whom have been such staunch supporters of science.

Overwhelmingly, this work has been done on a cross-party basis. Science should not be an overtly partisan area of public debate, but there are issues on which the Government really do need to take action. This brings me to today's debate, and I thank my noble friend Lord Liddle for his excellent opening speech. As we talk about levelling up, which is apparently the Government's central economic and political objective, let us make the case for the role that science and technology can play in tackling inequalities of place.

This country is rightly proud of its national academies. Indeed, only this week the president of the Royal Society wrote in the *Times* about the need to fund science properly. I support that. Indeed, a number of national bodies have also written to the Chancellor this week to express concern that, in effect, a cut may be on the way if the Government shelve their £22 billion commitment on R&D by 2024-25 in favour of a vaguer commitment stretching out to 2027.

We cannot be a science superpower unless and until the Government finance science and R&D properly. That means levelling up to the level of our competitors, and it is a very competitive world. The House will be familiar with the basic figures: the UK spends 1.7% of its GDP on science; the OECD average is about 2.5%; and countries such as the USA, France and China are spending far more. The Government's announced commitment of a target of 2.4% by 2027 is very welcome but nowhere near being reached yet.

I welcome the appointment of the current Minister for Science and wish him well in view of the challenges ahead. The Secretary of State for BEIS last night addressed the Foundation for Science and Technology and talked about the *UK Innovation Strategy*. He said, if I may put it this way, broadly all the right things, but I just hope that the BEIS Secretary can secure the level of funding needed with the Chancellor—always assuming that they are still on speaking terms and “in discussions”.

[VISCOUNT STANSGATE]

We have in this country a wide range of scientific societies and organisations, all of which have expressed their concerns about the inequalities of place; for example, the Royal Society of Biology, the Nutrition Society, the Council for the Mathematical Sciences, the British Pharmacological Society, the Institute of Physics, the RSC, the Geological Society, the Royal Astronomical Society and many others. The House should take every opportunity to listen to what they have to say, especially as they have members from all over the country. That is why we should also listen to the persuasive argument of the Campaign for Science and Engineering, in its document *The Power of Place*, that the Government should use the UK shared prosperity fund to

“give greater emphasis towards supporting scientific research and innovation to tackle regional inequalities and promote UK-wide economic growth.”

As a major science country, which we are, and however proud we may be that we are punching above our weight, which we do, we cannot really be the science superpower that we aspire to be unless we make full use of the scientific expertise throughout the UK and unless the Government recognise the inequalities of place and really do more to end them.

We hold an annual STEM for Britain event here in Parliament, and every year it shows that there are brilliant early-career research scientists from every part of the UK. It is vital that they are funded, nurtured and encouraged, because not to do so would be a shocking waste of a diverse and talented science base. And besides, you can never be sure from where the next scientific breakthrough may come. You do not have to be a scientist to know that all the major challenges that the world faces—climate change, the biodiversity crisis, energy supply, food security, health or access to water—will depend on science and technology and engineering to help solve them.

The Covid crisis and the development of the vaccines has been a triumph for science, and the UK rightly takes its share of the credit, yet we live at a time when there is a discernible anti-science movement. If science is under attack, it is all the more important that Parliament and this House stand up for it. We need science now more than ever. I look forward to the Minister's reply and commend my noble friend's Motion to the House.

3.53 pm

Lord Adonis (Lab): My Lords, we have just listened to an outstandingly fluent, elegant and persuasive maiden speech, and it is a great privilege, on behalf of the House, to welcome my noble friend to the House. He comes from one of the greatest political families of modern Britain, and I am sure he will make a great contribution to Parliament, like his father, his grandfather—who he mentioned—and his brother, who we are delighted to see in the House too.

However, I first met my noble friend in a completely different context, when I was Minister for Schools and he was a director of the Royal Society of Chemistry. The occasion was shortly after the publication of Bill Bryson's *A Short History of Nearly Everything*, which the society, with great foresight, paid to send to every

state school in the country. Education is the greatest leveller up. My noble friend—inspired, I imagine, in no small part by his mother, who had a great passion for education—has taken this cause to heart. He will have a great opportunity to advance it here in the House and in Parliament.

We are of course all mindful of the peerage controversy so much associated with my noble friend's father. On reading about it, I learned that the reason it came about was that his uncle, who had been expected to inherit the viscountcy, was tragically killed serving his country in the RAF during the war. One account that I read says:

“Michael was intending to enter the priesthood and had no objections to inheriting a peerage.”

I can assure my noble friend that it is no longer a requirement of the job—but there are ample opportunities for instruction from the right reverend Prelate and his colleagues, if he wishes to advance in that cause as well. My noble friend is extremely welcome to the House, and we look forward to hearing from him again soon.

I wish to address just one issue in respect of levelling up: HS2. Nothing is more important to levelling up this country than transforming its infrastructure, and the single biggest infrastructure project in the country at the moment, directly geared to levelling up, is HS2, which will transform the communications in this country between Greater London and the south-east, the Midlands and the north. The Minister knows a great deal about HS2. When he was leader of his local authority and I was Secretary of State for Transport, we talked about it a great deal. Indeed, we planned together the development of the Old Oak Common interchange station, which will bring HS2 in direct connection with Crossrail, which goes from east to west. The connectivity between those two will further transform the connections between the Midlands and northern cities and London.

I wish to ask the noble Lord about one specific issue: the decision that is widely known, though I do not think that it has yet been formally announced, to cancel the eastern leg of HS2. At the 11th hour, as it were, I implore the Minister to revisit that decision and speak to his friend the Prime Minister, with whom I know he has an extremely close relationship, to make the argument that, if the eastern leg of HS2 is cancelled, the whole future of levelling up half of the country—the eastern side—will be vitiated.

To understand the significance of the potential cancellation of the eastern leg of HS2, you just need to consider what will be the journey times between the major cities of the Midlands and the north and London after HS2, if it is not built. Birmingham to London would be half an hour, Manchester to London would be an hour, Leeds and Sheffield to London would be two hours, and Newcastle to London would be three hours. Where is all the investment and the new social activity in the country going to happen if, for the next few centuries—because we build railway lines to last centuries—that is the pattern of communications between the Midlands and the north of this country and the economic powerhouse of London, which will always continue to be so because it is our dominant city? It is absolutely essential that the eastern leg of HS2 proceeds.

Because we are a democratic community, with very powerful political spokespeople from the eastern side of the country, it is starkly obvious that, if, by an act of great negligence, Her Majesty's Government do not proceed with the eastern leg of HS2 now, when the leg to Manchester opens and there is a massive political controversy about the delayed journey times, much poorer communications, much lower capacity and lack of connectivity with Crossrail—because the Old Oak Common interchange will of course be available only to people coming from Birmingham and Manchester—the political campaign to build the eastern leg will be unrelenting. In a classic failure of planning, we will build the eastern leg of HS2 and it will go through to Sheffield, Leeds and Newcastle, but it will be done 30 or 40 years later than it should have been. In that interval, an enormous amount of damage will be done to the society and the economy in the east Midlands, Yorkshire and the north-east of the country and to the connectivity between Edinburgh—because the HS2 trains would go there—and London.

I implore the noble Lord, with the great influence that I know he holds with the Prime Minister, to urge him to revisit this decision, which could be the single most important decision that the Government make in terms of the long-term capacity to level up the north with the south of this country.

4 pm

Baroness Valentine (CB): Before I start, I should say that I support the noble Lord, Lord Adonis, on HS2. I have sat on the boards of Crossrail and HS2, but I cannot say it as passionately as the noble Lord just said it. I will talk about some of the issues associated with transport access to the east in my speech.

I am delighted that the noble Lord, Lord Liddle, has introduced this important debate. For the last four years, under the aegis of Business in the Community, I have been working in the so-called forgotten places. In that capacity, I bring business leaders to the table to discuss with local council and voluntary sector leaders what matters for their town. We start by discussing what the place stands for, what they are proud of and what an ambitious but deliverable long-term plan might look like. Importantly, this discussion has no money attached but is about facilitating a genuine conversation. Key is the neutral facilitator we employ who is full time in the place, building the trust which enables us to bring everyone together around a common vision.

We then start on a few actions. Bringing about lasting, transformative change takes time but it is crucial for motivation and learning to work together that the participants start working on delivering some early wins. This may sound straightforward but in places which feel left behind, the early days are tough: building credibility and a belief in change, while getting used to working across sectors where people have different outlooks and skills. None the less, it is the foundation for real, sustainable change. In Wisbech, residents can now be confident of being trained for local jobs because Anglian Water and its supply chain have for many years worked with local educational institutions to provide apprenticeships and improve standards in schools. From working in this way, Blackpool

has the largest town deal in England, £39.5 million, and is showing real progress in education, housing and inward investment. So, what are the barriers?

First, a narrative of failure is often essential to attracting government or charitable funding but when you start to talk about the positives, you find that Blackpool is still a place of fresh air and fun, with 18 million tourists a year while Bradford, as the youngest city in the UK, is a melting pot of raw talent and has award-winning curries. Secondly, while creating local partnerships is tough, achieving joined-up national government is nigh on impossible. Blackpool has £300 million of committed investment from a company called Nikal, but needs the Treasury to fund moving the law courts off the site. Bradford, which is bigger than Liverpool or Bristol, has the worst rail connectivity of any major British city and needs a new railway station. I think Bradford would be a worthy winner of the DCMS "City of Culture" competition, for which it has just been longlisted. Wisbech needs the Government to pool funds to invest in the future Fens proposal, a strategic rather than piecemeal approach to climate adaptation.

What does this tell us about a proposed national strategy? First, any strategy needs to be long term and capable of surviving changes of political leadership, and implemented in a way which facilitates local leadership rather than providing one-size-fits-all Whitehall solutions. But even then, the old adage applies: no plan survives first contact with the enemy, so alongside the plan we need the Secretary of State for Levelling Up to champion these areas and bring all government departments, including the Treasury, to the table. We need a hit squad of motivated, caring, listening senior civil servants who are prepared to go out on a limb to achieve success for our deprived communities—people who can persuade across government and who will join local partnerships as full partners, alongside local government, business and the voluntary sector. If the new Department for Levelling Up can deliver all this, then perhaps we can reduce the UK's regional inequalities.

4.05 pm

Baroness Drake (Lab): My Lords, I compliment my noble friend Lord Stansgate on his maiden speech. The Prime Minister has blamed previous Governments of all hues for lacking the guts to tackle regional inequalities, but politics cannot outrun economics indefinitely. The UK's regional and subregional economic inequalities are major, increasing and far greater than exist in most other democratic advanced economies. Their origins go back to before the Second World War and are deep-rooted, entrenched and complex. They accelerated in the 1980s as the country transitioned into a service and knowledge-based economy.

In 2020, the Industrial Strategy Council published a research paper, *UK Regional Productivity Differences: An Evidence Review*, which confirmed the complexity of the challenge. In the forward, Andy Haldane, its chair, observed that

"reversing the cycle of stagnation is possible provided policy measures are large-scale, well-directed and long-lived."

He added that

"none of these conditions has been satisfied"

[BARONESS DRAKE]

but hoped that the report could

“help the Government in designing and implementing a policy response equal to that challenge.”

Reflecting on those criteria, “large-scale” means the inequalities cannot be fixed in five years, or even 10 years, or with insufficient funding or competitive bidding against criteria not necessarily reflective of geographical need. As the National Infrastructure Commission observes,

“Competing against other councils for multiple pots of cash creates a focus on the short term”

and “continuing uncertainty”. For many decades our productivity performance has been modest, and the major reason is the geographic problem. Geography is central to the solution, but in the UK we have so evidently not sufficiently addressed it. By comparison, Germany has been transferring about €70 billion a year for 30 consecutive years to level up the country internally.

Policies and resources need to be well directed. Increasingly informed commentary acknowledges that a new governance model is needed that is not just centralised on Westminster and Whitehall. The UK has one of the most centralised decision-making systems among OECD countries, but that brings inefficiencies when the UK is so economically imbalanced, resulting in national decisions made without a full understanding of their impact achieving different levels of success or impact, depending on geography. There needs to be greater decentralisation of decision-making and revenue collection, harnessing the understanding of need held by representatives, employers, universities and other key partners in different geographies.

Decentralising decision-making has to be backed by strong governance to ensure that it achieves what is necessary, and that will include building robust institutions, capacity and fiscal discipline in those geographies. Informed observers are also pressing the need to build a knowledge base of data, equivalent to that existing in many advanced economies, on the flow of public expenditure into regions, the quality and quantity of linked data and regional and sub-regional issues more generally. That could be utilised to make good policies, understand what works, measure evidence of success and define the need of a geography more objectively, mitigating the growing perception that the definition of need is becoming more political. I acknowledge the pioneering work the ONS is doing on its integrated data service.

Policies and strategic outcomes need to be long-lived, but that requires a broad consensus. Lack of policy continuity in the past and constant changes to institutions have contributed to regional inequalities persisting. The Government have announced a lot of funding initiatives, but it is unclear how they all co-ordinate. It is difficult to follow what flow of public expenditure will go to where, and for what. The Government have not provided the White Paper, the strategic plan, into which all those initiatives fit. We do not know the targets, the key milestones or the intended metrics for measuring success. We also do not have clarity on the governance model within which their plans will sit.

Finally, the decentralising of decision-making is extremely important, but it should be done in a way that does not prevent central government from discharging

their role in directing and redistributing resources across the UK on the basis of need or common interest. We saw the importance of that central social role so clearly during the pandemic, and in response to large economic shocks such as in 2008.

4.10 pm

Baroness Bennett of Manor Castle (GP): My Lords, it is a great pleasure to follow the noble Baroness, Lady Drake, and to note her telling comparison with the German example of spending, starting three decades ago from a place of far less division than we saw in England.

I join others in welcoming the noble Viscount, Lord Stansgate, to your Lordships’ House. It is lovely to see another champion of science in the House. I particularly note the noble Viscount’s background in biology, which far too often is a neglected area of science when shinier, glossier things get more attention.

I thank the noble Lord, Lord Liddle, for securing this debate. I particularly thank him for not using the term “levelling up” in the way in which it is set out, because I believe that levelling up is entirely the wrong direction of travel and the wrong aim to be looking at. It implies that we are trying to lift other parts of England up to the level of London and the south-east. But what have we got? The right reverend Prelate made some reference to this when he talked about child poverty. We have a London of rampant inequality, with 28% of people living in poverty. We have filthy air and a horrible standard of overcrowded housing. We have the area of the country with the highest proportion of the population with high levels of anxiety. We need—and I think the noble Lord, Lord Liddle, set out the points here—a coherent, cost-effective and long-term approach, which I suggest means that what we need to spread out around the country is security, health and hope. Those are lacking in every part of England, and indeed the UK.

Economic growth is often seen as the solution—“If we just have economic growth...”—but what we are actually talking about is a real rearrangement of society. We are not talking just about improved infrastructure, much as that is needed—as is not putting the wrong infrastructure in the wrong place—but I will not get into the regular debate that the noble Lord, Lord Adonis, and I have on the subject of HS2. What we are talking about, and many noble Lords have made this point, including the noble Lord, Lord Young of Cookham, who is not currently in his place, is that we need local control, local power and, as many noble Lords have said, local resources.

I disagree with the noble Lord, Lord Liddle, who said that elected mayors are the answer. Putting all the power and authority in the hands of one person is, I suggest, the wrong direction of travel. We should be looking towards full community involvement, from a Yorkshire parliament to a Cornwall assembly or parliament—different kinds of structures with far more power and resources shared around an entire region. However, ensuring that the money is in those regions and under their control is crucial. As many have said, we have to stop Whitehall doling out money.

We also have to stop the doling out of money for pilot projects. “We’ve got to try this, we’ve got to fund this for a year”—and then the money disappears. Even

if it has been the most successful pilot ever recorded, it just sinks without trace. We need secure, long-term funding that is available to allow the growth and development of communities.

I said that economic growth and infrastructure will not give us anything like what we need. We need a focus on health and well-being. The noble Lord, Lord Liddle, said that we have to find ways to keep people out of hospital. I agree with that as a starting point but, much more, we need to ensure that people have healthy, active lives. That means everything from tackling food deserts to cleaning up air and water pollution. It means ensuring there are genuinely affordable energy-efficient, high-quality homes. It means walking and cycling facilities, and high-quality parks. It means restoration of the natural environment. All these things are much broader and will not be solved just by looking at the economy.

It is also about community structures. So many new developments are built without any community facilities at all—places for people to get together, such as halls or churches. Many older communities, cash-strapped local councils—and I declare here my position as vice-president of the LGA and the NALC—are being forced to sell off community facilities. Many places, even the pubs where people could get together, have closed down. In some poorer communities, the pubs are open only a couple of nights a week. We need an increase in social capital; this is an acute shortage in far too many communities in England.

4.16 pm

Lord Wallace of Saltaire (LD): My Lords, I have lived between London and West Yorkshire for 40 years, balancing two careers, family obligations and politics, and I have watched the inequalities between the south-east of England and the north widen. I have seen how the distribution of taxation and spending, under Labour as well as Conservative and coalition Governments, has reinforced the advantages of the south-east. For several years, we have paid significantly higher council tax on our house in Bradford than in Wandsworth, in spite of the sharp differences in income and wealth between these two local authorities.

This Government refuse to recognise that reducing regional inequalities cannot be achieved through central direction. As the noble Lord, Lord Young, and others said, local leadership has to be a central part—both political and business leadership. Powers and finance have to be returned to local government; local democracy must not be squeezed further or required to bid against others for limited pots of funding. I have to say to the Minister that Conservatives look to be hostile to local democracy.

Local enterprise and local business leadership are also important. That does not fit with the financial free-for-all in which successful local enterprises are taken over by distant private equity companies. Twenty-five years ago, Saltaire had two promising young electronics companies working out of the old textile mill; both were taken over by US multinationals. Their role in the local community shrank, as did the number of their employees. The innovation they created is now enriching California and Florida, rather than Yorkshire.

The largest enterprise based in Bradford, and in many ways the most socially responsible corporate actor in Bradford, has been Morrisons. Will its new owners care about contributing to the prosperity of West Yorkshire or providing local economic leadership? How will the Government nurture the growth and financial sustainability of locally owned enterprises across our country's regions, since banks and private equity seem committed to taking their short-term profits and selling them to others abroad? That does not fit very well with the Government's insistence that they represent national sovereignty and patriotism, and the liberal elite, whom they attack, does not.

My wife, alongside the noble Baroness, Lady Eaton, sits on the advisory board of a Bradford academy trust. She sees the dedication of teachers and the challenges they face with pupils from some of Bradford's poorest estates and with the children of first-generation immigrants and refugees. Long-term investment in education spending, on the scale recently proposed to but rejected by the Government, is an essential part of any coherent strategy to reduce regional inequalities. That has to include the transformation of the funding and status of further education colleges to provide the technical skills and apprenticeship training that Michael Gove and others say they care about but have neglected so far.

Others have talked about the gap in the funding and provision of transport infrastructure. Across much of the north, the buses are infrequent and expensive and the trains old and crowded—where they exist. If you cannot get to work, you cannot work. There are too many industrial communities across the north without much local employment and without transport links to where there is employment.

We also need to pull the cities of the north closer together. HS3, the proposed new line for Leeds and Manchester via Bradford, would transform the region, bringing the trans-Pennine area together in the same way that London transport brings Greater London together. It would also provide, incidentally, extra freight possibilities, which would reduce the enormous number of trucks that drive between Liverpool and Hull across the M62. We are desperately short of freight paths in the north. The eastern leg of HS2, which is also essential, would link Sheffield. It takes one hour to get from Sheffield to Leeds in this network.

I hope the Minister recognises how much cynicism there is in the north about the Government's promises of levelling up. We were sold the northern powerhouse, which did not seem to extend very far beyond Manchester. We have listened to Ministers rattle on about northern powerhouse rail, while giving the Oxford to Cambridge line much higher priority. We hear the Prime Minister make jokey speeches with catchy slogans, promising that he will work wonders and bring prosperity to everybody. But nothing much will change unless power and finance are returned from London to our regions, cities and towns, and the Government commit to sustained investment in education and training, and in public transport outside the south-east.

The Deputy Speaker (Lord Brougham and Vaux) (Con): The noble Lord, Lord Campbell-Savours, is taking part remotely. I invite him to speak.

4.21 pm

Lord Campbell-Savours (Lab) [V]: I congratulate my noble friend Lord Liddle on his brilliant contribution today. He is a rich voice in the House on behalf of our county through his membership of Cumbria County Council. He is certainly an eye and ear for many of us on wider Cumbrian issues. In his canter around the course on regional concerns, he has alluded to differential treatment by central government. I want to refer to one such area: council tax, and the findings in my most recent report on levels in Cumbria compared to the rest of the country—and also, the response of government to calls for reform.

The truth is that Cumbria is a victim of a system designed in the last century. It has become unfair, divisive, politically compromising and utterly indefensible. It is unfair in that it favours large swathes of southern England, in particular the London boroughs. For example, I compare Conservative Westminster with Conservative-controlled Carlisle. The annual charge in Westminster for council tax band A is £551, but it is £1,328 in Carlisle—nearly three times the rate. In Westminster, band B is £643 and in Carlisle it is £1,649. Band C is £735 in Westminster and £1,771 in Carlisle. Band D in Westminster is £827 and £1,992 in Carlisle. Band E is £1,011 in Westminster and £2,435 in Carlisle. Band F is £1,195 in Westminster, and in Carlisle it is £2,877. Band G is £1,379 in Westminster and £3,320 in Carlisle. Finally, band H is £1,665 in Westminster but £3,984 in Carlisle. Copeland, Allerdale, Eden, South Lakeland and Barrow-in-Furness are all even higher. Under such a system, a council house in Cumbria pays more in council tax than a £54 million house in London's Mayfair.

The system is divisive if it is provoking resentment in areas unable to raise additional revenues to offset their costs. Unlike London, Cumbria lacks additional sources of revenue, such as city centre parking revenues and penalty charges, high commercial rate revenues, cross-borough services provisions and high-density apartment developments with lower public service costs. The wall of silence on council tax from Cumbria's MPs, nearly all of whom are Conservative, is a problem. They know that to open up this discussion will upset their colleagues in the south, who feel that any reform will lead to increased council tax in the Conservative heartlands of southern England. We have in place a wall of silence, with ministerial denial and Cumbria's MPs propping up the wall by a total refusal to engage in debate. All we hear is attacks from local MPs on council profligacy, and it is totally unfair.

When Michael Gove was appointed, I welcomed his face-up-to-the-issues, refreshing approach to public administration, but then he must have realised that council tax reform was a no-go area for Conservative Governments. Ever-increasing differentials between the richer boroughs in the south and an impoverished north are the Achilles heel of this Government, and Michael Gove will ultimately be measured by his failure to grasp this burning issue.

The noble Lord, Lord Young of Cookham, who clearly understands the scale and nature of the problem, has been courageous in his advocacy of banding reform. Contrast that with the heads-down, read-the-brief

response of Ministers in both Houses. It is a clear indicator of the unease, embarrassment and impossibility of opening a real debate on the future of local government finance, and we need action now.

Finally, when Conservative councillors in the north are told by Conservative Government Ministers in the south that their councils need to be more efficient and cut waste and spending, they resent it. They are already cutting to the bone. The Government need to listen to the anguished call from their own people, and mine as well, for reform.

4.26 pm

Lord Horam (Con): My Lords, I too congratulate the noble Viscount, Lord Stansgate, on his maiden speech. It had all the fluency of his father, and that, as he may be aware, is the highest possible praise in terms of oratory.

It is a great pleasure to take part in a debate launched by my noble friend Lord Liddle—I can call him my noble friend—whose commitment to his Cumbrian roots is so manifest, including in being a councillor in Wigton. I too am a northerner: I was born in the village of Grimsargh, which is now part of the city of Preston, the administrative capital of Lancashire. Preston is known locally as “proud Preston”, and there are many proud industrial towns in that part of the world. There is Burnley, which at one stage had produced more cotton than any other town in the world, Blackburn, Nelson, Colne and Accrington. When I was growing up there in the 1940s and 1950s, there were textile mills, mines and steel and engineering works, and they were thriving. We believed in the north that essential goods such as textiles, steel and coal went south and, in return, we got trivial consumer goods such as pet foods. However, in the 1960s and the 1970s, all that changed as the mills and the mines disappeared, and Britain became a service economy based on a booming London and south-east.

Successive Governments, starting with Lord Hailsham with his rather risible flat cap, attempted to address this growing imbalance. Will the present effort fare any better? We do not know, but it certainly does not lack ambition. For a start, it has a good title. Despite some remarks we have heard during this debate, I think that “levelling up” has some flavour and guts about it, rather than “regional policy”, which had a rather dry-as-dust tone. More importantly, we have a Prime Minister who knows that his electoral fortune depends on delivering it because his 80-seat majority is composed of red wall constituencies in the north and Midlands. “Levelling up” is in the title of the Department for Levelling Up, Housing and Communities and, as has been said, we have a junior Minister in Neil O'Brien who has long proselytised for central policies in this area. We also have my noble friend the Minister who will reply to the debate today. Although born in the south, he has a good north country name. I can tell him that there are many Greenhalghs in Lancashire, and he should be proud of that.

We have a levelling-up fund, a community renewal fund, a shared prosperity fund, and free port and towns funds. We have the beginnings of effective localism in the shape of city mayors. Here I disagree with the noble Baroness, Lady Bennett, and agree with my

noble friend Lord Liddle. Do not underestimate the power of a dynamic individual. Think Andy Street in the West Midlands, Ben Houchen in Teesside, and, going further back, what the Chamberlains did for Birmingham. All this can make a difference if properly handled. In my own area, we hope that Preston will combine with Chorley and South Ribble to make another city area.

I also think that levelling up will help the south. As the Prime Minister said when he was Mayor of London:

“Do we want the south-east of Britain, already the most densely populated major country in Europe, to resemble a giant suburbia?”

That is the way it is going and people do not like it. They are fed up with the endless housebuilding, the relentless congestion, the destruction of open country and the sense of overcrowding. Properly conducted, levelling up should help with this.

So should curbing the mass immigration that the Blair Labour Government instigated in recent years. Over 80% of our population growth has been down to immigration. I note that my noble friend is a Minister in both the Department for Levelling Up, Housing & Communities and the Home Office. I therefore hope he will point out to his colleagues in the Home Office that they could make a major contribution to his problems as a Housing Minister by reducing the too-high level of immigration we have had in recent years. If we did that, we would not need to build 300,000 houses a year; the blue wall seats would be just as happy as the red wall seats. I hope he will pursue this point between the two departments with all the vigour and energy of his Lancashire forebears.

4.31 pm

Lord Davies of Brixton (Lab): My Lords, I join in the congratulations to my noble friend Lord Stansgate. I wrote that it was an “excellent” maiden speech in my prepared notes, but we should change that to “outstanding”. It is such a pleasure to join him once again after our time working together on the late, lamented Inner London Education Authority. He will be a considerable asset to the House as someone who is clearly in command of his subject and who will stand up for science.

I also thank my noble friend Lord Liddle for initiating this important debate on a matter that is central to our country’s future. He has brought a necessary note of realism to this issue. I agree with his conclusions and one point I add, where I am sure he shares my concerns, is the need for greater involvement of trade unions in the process of renewal.

The approach of the Motion, in contrast to the bluster from the Prime Minister, is stark. The Prime Minister claims to have a policy—levelling up—but in truth all he has is a slogan in search of a policy. We all know this. I never thought I would say this, but I find support in that view from the Adam Smith Institute, the right-wing think tank. Commenting on the Prime Minister’s final speech at the Conservative Party conference, the Adam Smith Institute’s head of research, Matthew Lesh, said:

“The Prime Minister’s rhetoric was bombastic but vacuous and economically illiterate.”

I also agreed with the Adam Smith Institute when it said that:

“Levelling up so far consists of little more than listing regions and their local produce”,

and that the Prime Minister

“throws out impressive-sounding economic terms like ‘Pareto improvements’ to hide the fact that he lacks policies to drive growth.”

I do not agree with all the institute’s comments, but it went on to say that the Prime Minister’s policy

“was an agenda for levelling down to a centrally-planned, high-tax, low-productivity economy.”

We already have a low-productivity economy, and apart from the rhetoric there is nothing to suggest that the Government have got to grips with this issue. But when we come to the suggestion that the Prime Minister’s policies represent a move to a centrally planned, higher-tax economy, your Lordships might think that this is something I, as a socialist, might favour. Unfortunately not, at least not in the version presented to us by the Government. To the limited extent that there is a policy hiding behind a slogan, it consists of expecting water to run uphill—futile and ignorant.

Of course, as the Motion suggests, we need a coherent, cost-effective and long-term strategy. I have one note of caution, as mentioned by the right reverend Prelate the Bishop of Durham. Casting this as a regional issue runs the risk of ignoring the real problems we face in London. All human life is in London, from great wealth to extreme economic hardship. My noble friend Lord Campbell-Savours correctly mentioned the injustices of the rating system, but north Westminster encounters as great social problems as the north of England, and any policies instituted need to recognise that.

In conclusion, I end with another quote from the Adam Smith Institute:

“Shortages and rising prices simply cannot be blustered away with rhetoric about migrants. It’s reprehensible and wrong to claim that migrants make us poorer. There is no evidence that immigration lowers living standards for native workers. This dogwhistle shows that this government doesn’t care about pursuing evidence-based policies.”

In no area of policy is that more stark than the vacuum that fills the space which purports to be levelling up.

4.36 pm

Baroness Blake of Leeds (Lab): My Lords, I draw attention to my interests as laid out in the register. It gives me enormous pleasure to add my congratulations to my noble friend Lord Stansgate. I am thrilled that he is joining us in this House, I congratulate him on his excellent maiden speech, and note that his family has a long-standing history going back decades with the great city of Leeds, of which we are all very proud.

I add my sincere thanks to my noble friend Lord Liddle for initiating this very important and timely debate. I thank everyone for their well-informed and thoughtful contributions. I will not be able to do justice to all of them, but I reassure noble Lords that this agenda has been at the centre of my work as a local government leader for many years.

The backdrop to our discussions is the numerous reports, including from the IFS, that the UK, and in particular England, is the most geographically unequal

[BARONESS BLAKE OF LEEDS]

country in the developed world. Our country is divided by several fault-lines. How can it be acceptable that the opportunities presented to young people depend almost entirely on where they grow up, and that the healthcare and jobs which they rely on throughout their lives are then determined by where they live? It is a colossal failure of government—and not one which can be resolved by a slogan. We must not fall into the trap of thinking that any of this is new. Report after report, especially over the past decade, has highlighted what this means: reduced life chances and opportunities and an increase in poverty—especially the scandal of in-work poverty—affecting families and many thousands of children and young people. It is estimated, for example, that almost a quarter of children living in Leeds are living in poverty and that, of those, 75% are living in a household where at least one adult works. I welcome the call from the right reverend Prelate for a child poverty reduction strategy.

Inequalities in health, as we have heard, have a disproportionate and devastating impact on women, with poor housing leading to the poor health outcomes so cruelly exposed by Covid. As we have heard, there is an enormous cost to the economy as well as huge personal cost. Take Blackpool, the archetypal seaside resort with an incredible history. In spite of its proud tradition and the ingenuity of local businesses, which drive the town to this day, around one in 10 of its people are unemployed and one in three children grow up in poverty. The fact is that the Government have failed Blackpool. They have done nothing to resolve or respond to these issues and through a decade of cuts have devastated the ability of local authorities to respond. The tragic consequence is that in Blackpool life expectancy is eight years less than the life expectancy of those born in the borough of Westminster, and the town has one of the highest rates of depression in England.

In part, this can be explained by the north-south divide across health conditions, incomes, political influence and the well-documented chasm of investment, whether investment in skills and education or much-needed and long-overdue investment in infrastructure. My noble friend Lord Stansgate highlighted the need for investment in research and development and my noble friend Lord Liddle emphasised the need for investment in FE. Given that northern cities have suffered spending cuts of 20% over the past decade, compared to 9% for cities in the east, south-east and south-west, excluding London, there is good reason to think that this Government's policies have exacerbated this.

However, it is not always as simple as a straight north-south divide. In West Yorkshire, Bradford and Leeds are only eight miles apart, but as the Centre for Cities points out, there are enormous inequalities between the two. People in Leeds earn on average £561 a week, compared to £538 in Bradford. Double the proportion of people in Bradford have no qualifications in comparison to Leeds and when it comes to productivity, GDP per worker in Leeds is 13% higher than in Bradford. Regional inequalities, as we have heard, are complex and the root causes—lack of opportunities, public services and much more—are not exclusive to the north of England. West Wales is the poorest region in northern

Europe. There are areas of intense deprivation across Cornwall and towns in Essex, such as Jaywick, have long been ignored by this Government. In short, the fault lines of regional inequality do not divide Britain evenly.

As my noble friend Lord Liddle points out in the title of this debate, what these communities all need is a strategy from this Government that is coherent, cost-effective and, above all, long-term. We need a whole-government approach, working across departments, locally driven, to look at the towns, villages and communities that need support. There can be no one-size-fits-all approach—that support must be tailored to address the obstacles and opportunities which each of these places face. It must also recognise that the people who know what these places need are the people who live and work in them. That means that the support given by this Government must be designed with those it is intended to help, led by strong local leadership, as identified by the noble Baroness, Lady Valentine.

It also means that support must be given, along with the devolution of powers and funding, to allow these towns, villages and cities to control their own future—and I mean real devolution, not the half-hearted, diluted model that we currently have. We need to see an end to the often obscene bidding rounds subjected on local areas for funding, as identified by my noble friend Lady Drake: we need devolution of funding as well as powers.

The truth, however, is that the so-called levelling up funding schemes do not come close to making up for a decade of government cuts. Investment in physical schemes is welcome, but we need investment in people and especially in preventive models to correct the current abject failure of social policy in this country. We need to look at the “invest to save” model and change the narrative from always talking about additional costs.

Over the past decade, councils have been cut by £15 billion. That is 773 libraries, 750 youth centres, 1,300 children's centres and 700 council football pitches that have all been lost. In addition, as described so eloquently and passionately by my noble friend Lord Adonis, the Government have pushed back decisions, such as on the eastern leg of HS2. We are also extremely concerned about the rumours coming out about Northern Powerhouse Rail, particularly on the risk of Bradford not getting its deserved station. Throwing these decisions into the long grass can be just as damaging as a negative decision. The Government need to take account of the voices from across the north and the Midlands on the importance of these schemes.

Since 2017, schools in the most advantaged areas have had a funding increase, while those in the poorest communities have seen their funding fall further behind. With the Government's decision to cut £20 a week from universal credit, more than 500,000 additional people, including 200,000 children, will be pushed into poverty. Surely one of the most damning pieces of evidence is that progress on increasing life expectancy for both men and women has now gone into reverse.

In summary, we have to ask: will we see action to address these matters in the long-awaited CSR? When will we have answers to what is meant by levelling up,

and the White Paper to support it? I look forward to the Minister's contribution following this to help us shed light on this crucial issue. I must say, I have a gift of a book for him—some essential reading from the author about the importance of the region of Yorkshire. I know that he will get enormous pleasure from looking into that in great detail.

This is an important agenda. Our towns, cities and villages need more than a slogan. They need real levelling up. Most importantly, I support my noble friend Lord Liddle's call for a plan to support it.

4.48 pm

The Minister of State, Home Office and Department for Levelling Up, Housing & Communities (Lord Greenhalgh)

(Con): My Lords, I congratulate the noble Lord, Lord Liddle, on securing this debate. I am grateful to all noble Lords who contributed this afternoon. The debate has been passionate and well-informed, and I am glad that noble Lords share my commitment to reducing regional inequalities and levelling up the country.

I am grateful to my noble friend Lord Horam for mentioning my northern roots. I am of course delighted to come to a debate and receive a gift—I think that is a first for me, and probably the last time it will happen—to help me to learn about the glories of Yorkshire. However, my family comes from Lancashire. Interestingly enough, one of my childhood recollections is being taken by Uncle Harry to Blackpool to see the fairground attractions and then have fish and chips with him at the Lobster Pot, which I gather no longer exists. Blackpool is a great town; despite the points made about the deprivation there, we have to build on the positives and have the local leadership in Blackpool build on the many strengths of the place.

The UK is one of the best places in the world to live, study and work. We have thriving cities and towns, culture and sport, industry, research and community spirit. However, we know that too many parts of the United Kingdom are performing poorly and that gaps in economic performance have been widening over recent decades. The United Kingdom is now one of the most geographically unequal countries in the developed world.

At present, London and the south-east drive the UK's economic performance. London alone is 32% more productive than the UK as a whole, while cities in the north and Midlands are below the UK average. These regional disparities in economic performance are linked with a whole host of other disadvantages which have a real impact on people's day-to-day lives. They can lead to fewer opportunities, weakened civil society and poor social and health outcomes. These issues can be self-reinforcing and have led to the narrative that some places are left behind. That is why, despite the challenges of Covid-19, ensuring that the whole of the UK benefits from the same opportunities remains central to the Government's agenda.

There is no single driver for the geographical disparities across the United Kingdom and no single methodology to measure the needs of local areas and communities. Of course, I take on board the need to look at how a policy is measured. I am sure that will feature in the policy analysis, so I thank the right reverend Prelate for raising the social commission's work on poverty.

Accordingly, levelling up is a multifaceted policy mission: a combination of improving health, education and skills, increasing jobs and growth, building stronger and safer communities, and improving infrastructure and connectivity. Levelling up will therefore require cross-government interventions, delivered over the long term, empowering local leaders and communities to seize their own destiny, boosting living standards, particularly where they are lower, spreading opportunity and improving public services, particularly where they are weak, and restoring local pride across the UK.

Therefore, as the Prime Minister set out in his speech on levelling up on 15 July, the Government will publish a levelling-up White Paper this year. That is where we will set out the plan that the noble Lord, Lord Liddle, has called for, detailing how we plan to level up the country through bold new policy interventions to improve livelihoods and opportunity in all parts of the UK. At the upcoming spending review, the Government will set out how we will build back better, delivering the priorities of the British people, unleashing the potential of places by improving outcomes across the UK where they lag, working closely with local leaders and strengthening the private sector where it is weak.

While the White Paper will outline our plan to drive forward this agenda, the Government have already rolled out major policy interventions to begin levelling up the UK, investing billions to support innovation, high-street improvement, public transport and digital connectivity. As set out at the spending review in 2020, the Government's capital spending plans this year will total £100 billion—a £30 billion cash increase compared to 2019-20. This is part of the Government's plan to deliver over £600 billion in gross public sector investment over the next five years, the highest sustained levels of public sector net investment as a proportion of GDP since the late 1970s.

While levelling up is a broad agenda that encompasses cross-government policy levers to address regional inequalities across a range of outcomes, my department has recently launched a range of policy programmes to support our local economies to level up. We have already made huge strides towards rebalancing the economy and empowering local government. This has been supported by the Government's programme of devolution, one of the largest in recent decades, including nine mayoral devolution deals and one non-mayoral devolution deal in Cornwall, meaning that 41% of residents in England are now served by directly elected city region mayors, including 63% in the north.

Mayoral devolution has strengthened local leadership and institutions, devolving key powers over transport, planning, skills and funding away from Whitehall, so that they are exercised at the right level to make a difference for local communities. Mayors are already playing an incredibly powerful role in driving economic growth, improving public services and giving local areas a real voice in local government. This Government are committed to going further, by offering to negotiate devolution deals with county areas to give more parts of England the benefits of strong local leadership and the powers which have been given to mayoral combined authorities over recent years. We are also committed

[LORD GREENHALGH]

to deepening existing devolution settlements where appropriate, to further empower local leaders to level up their areas.

Meanwhile, our local growth funds enable places to fund their economic priorities and level up. The £4.8 billion levelling-up fund will invest in infrastructure that improves everyday life across the United Kingdom, including regenerating town centres and high streets, upgrading local transport and investing in cultural and heritage assets. The fund will operate UK-wide, extending the benefits of funding for priority local infrastructure across all regions and nations.

The Towns Fund contributes to the levelling-up agenda by driving the economic regeneration of towns to deliver long-term economic and productivity growth through land use, economic assets including cultural assets, skills and enterprise infrastructure, and connectivity. The UK community ownership fund will also empower communities to protect vital community assets in their area by providing funding to take ownership over them in support of the social well-being of local communities.

Meanwhile, the welcome back fund and reopening high streets safely fund support the levelling-up agenda by helping the businesses and communities that make our high streets and town centres successful. The UK community renewal fund is providing £220 million in additional funding to help places across the United Kingdom prepare for the introduction of the UK shared prosperity fund in 2022. That fund will contribute to the levelling-up agenda by creating opportunity across the UK in places most in need, such as ex-industrial areas, deprived towns, and rural and coastal communities, and for people who face labour market barriers.

Up to 10 new innovative freeports will be opened across the UK. Freeports contribute to realising the levelling-up agenda, bringing jobs, investment and prosperity to some of our most deprived communities across the four nations of the UK with targeted and effective support. Meanwhile devolution, city and growth deals totalling £320 million per annum accelerate economic growth in places across the UK.

It was a fair criticism from the noble Lord, Lord Liddle, and the noble Baroness, Lady Blake of Leeds, that we should not place small pots of money that people have to competitively bid for. It is quite an exercise to bid for funds, which is why we are seeking to consolidate funding into two large funds—the levelling-up fund for capital projects and the UK shared prosperity fund, which will grow to £1.5 billion for more revenue-based projects. It is important to consolidate funding and that is the move the Government are taking in that direction.

The noble Lord, Lord Liddle, and others, including the noble Lord, Lord Davies of Brixton, painted levelling up as simply a slogan without a plan or a long-term strategy. That was a little unfair. As I said, the White Paper is coming but my honourable friend Neil O'Brien and my right honourable friend the Secretary of State have been clear about defining the outcomes for levelling up: empowering local leaders and communities, growing the private sector, boosting living standards, spreading opportunity, improving public services and restoring local pride of place. Despite the challenges of Covid, we have moved ahead

with multi-billion pound investments to transform the country's prosperity and spread opportunity with better infrastructure, public services and access to skills to support good jobs in all parts of the UK.

The noble Baroness, Lady Valentine, gave an excellent speech on the importance of getting Whitehall to join up. That is a reasonable challenge. To be absolutely clear, at the spending review in 2020, we agreed provisional priority outcomes across all UK government departments, along with metrics for measuring progress against the outcomes I outlined for levelling up. Those provisional priority outcomes include the outcomes the Government seek to achieve as part of the levelling-up agenda. The Treasury and my new department, the Department for Levelling Up, Housing and Communities have outcomes related to levelling up. One of DLUHC's priority outcomes is to:

“Raise productivity and empower places so that everyone across the country can benefit from levelling up.”

That has been agreed on a cross-cutting basis, with BEIS, DCMS, Defra, DfE, DfT, DIT, and DWP as non-leading contributing departments. The levelling-up White Paper will set out further detail on the outcomes and metrics for levelling up.

My noble friend Lord Young is very good at setting challenging questions. The Government are rightly committed to the devolution of power to people and places; I have talked about mayoral devolution. There was a fair challenge from my noble friend, the noble Lord, Lord Shipley—an experienced local government leader—and the noble Lord, Lord Wallace of Saltaire, about the need for reducing financial dependency on the centre. I am sure they would agree that it is important that we look at business rates, one of the core funding mechanisms for local government. There is a fundamental review of business rates because that clearly needs to change, given the shifts we have seen in the importance of offices as part of the local economy and the moves away from bricks and mortar as a determinant of the strength of a particular business. That is being carried out by the Treasury.

I am sure that local government reform of some description around council tax will happen, although it is not currently part of the Queen's Speech. I am sure my noble friend will never cease to push for new bands of council tax and ways of looking at this, because it is some time since there was any reform of council tax.

I thank the right reverend Prelate the Bishop of Durham and the noble Lord, Lord Wallace of Saltaire, for testing the Government's commitment to the north. We will continue supporting the north to level up and build back better from Covid. We are doing this with £319.7 million from the Getting Building Fund for a wide-ranging package of projects that will deliver growth for the local economy and support green recovery. As noble Lords know, there is the new UK Infrastructure Bank headquartered in Leeds, which I am sure the noble Lord and the noble Baroness, Lady Blake, will be delighted about. The freeports are very often located in our northern cities.

The noble Viscount, Lord Stansgate, gave an outstanding maiden speech—that is absolutely the right word for it. I really enjoyed it. As a son of an academic surgeon who spent all his life thinking about

research to improve outcomes for patients, I know how important science and research are to the future of this country. All those points are well made and have to form part of the fabric of any ambition to level up the country. I point out that there was an unprecedented commitment at Budget to increase public investment in R&D to £22 billion by 2024-25. I am sure there are other measures in the area of science and technology that will drive forward further progress.

The noble Lord, Lord Adonis, is absolutely right: I have been a passionate proponent of HS2, because I could see the regenerative benefits of transportation. As he pointed out to me, where trains stop is often more important than the actual lines. The ability to regenerate very deprived areas is so important. In the borough I led for six years—I spent 16 years as a Hammersmith and Fulham councillor—there are areas of extreme deprivation. Old Oak and Park Royal is one of the most deprived communities in London, and the prospect of regeneration was great if you combined the benefits of Crossrail and HS2. I am delighted that we know that project is going ahead as quickly as practicable.

However, I am disappointed that we are seeing the escalating cost; the noble Lord can point out why. When we had those conversations back in 2008-09, when as a council leader I corralled him at Clapham Junction for the first time—he was very welcoming when in his pomp as a new Secretary of State—it was a £30 billion project. It is now more than £100 billion. In this country we need to learn how we can deliver big infrastructure at reasonable cost, because it is not sustainable to see these ballooning numbers around that sort of project.

I do not know the situation on the eastern leg. My understanding is that the integrated rail plan, for which I do not have a publication date—I apologise to the right reverend Prelate the Bishop of Durham—will soon outline exactly how major rail projects, including HS2 phase 2b and other transformational projects, will work to deliver the transport we need in the future. That date has not been set, so I cannot provide any more information on that.

I have been given a real-time update, and I can say that there are no plans at the moment to reform the council tax system, which, we know, is politically difficult. My noble friend was, of course, a Cabinet Minister in the Major Government. It is not easy to reform the council tax system, but I am sure that we will continue to look at this. It is important that we consider the fundamental review of business rates, at least as one way of thinking about how we can devolve money, and not just power, to make areas more financially independent.

I conclude by re-emphasising the importance that this Government place on reducing the regional inequalities in economic, social and environmental outcomes present across the United Kingdom. Both within my department and across government, we are already delivering a range of initiatives to level up the country. The upcoming levelling-up White Paper will set out further detail on our plan to reduce regional inequalities across the UK and level up the country.

The Lord Bishop of Durham: May I inquire about the child poverty reduction strategy, which I asked about?

Lord Greenhalgh (Con): Once again, the right reverend Prelate raised the issue of child poverty and how we measure poverty. I will write to him on the specifics of the Government's approach to addressing that matter and place a copy of that letter in the Library.

5.06 pm

Lord Liddle (Lab): My Lords, I first congratulate my noble friend Lord Stansgate on his maiden speech, which has been described as “outstanding” and “assured”. I also thought that what he had to say about the importance of science was very real. Some critical decisions for the Government are coming up in the spending round in October, and I very much hope that the enthusiasm that Dominic Cummings, to be fair to him, had for the science budget will continue to be reflected in the Government's policy.

Secondly, I thank the noble Lord, Lord Greenhalgh, for his reply. We in the Lords often say, “Oh, it's been an excellent debate”, but, actually, this has been an excellent debate. I thought that he tried to respond to it, in his own rumbustious style, and I am very grateful to him for that—

Lord Adonis (Lab): That is a compliment.

Lord Liddle (Lab): It is; “rumbustious” is a real compliment. I thought that he tried to answer the points and displayed a certain sympathy with many of them.

For me, the key things that came out of this debate were, first, what my noble friend Lord Adonis said about HS2, which is one of the key decisions that will affect this country for decades to come. Who wants to add to the north/south divide in this country an east/west divide? That is a fundamental point.

Secondly, the noble Lord, Lord Young, and others talked about the need to reset central-local relations and think about local sources of revenue. We need to see that kind of thinking opened up again. For the department and Michael Gove, who leads it, these issues will come to the fore in the next few weeks. I hope that he reads what we have had to say in this debate in *Hansard*. I beg to move.

Motion agreed.

Free Trade Agreement: Iceland, Liechtenstein and Norway

Motion to Take Note

5.10 pm

Moved by The Earl of Kinnoull

To move that this House takes note of the Free Trade Agreement between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland, laid before the House on 16 July.

Relevant document: 3rd Report from the European Affairs Committee (special attention drawn to the instrument).

The Earl of Kinnoull (CB): My Lords, this debate is held pursuant to the provisions in Section 20 of the Constitutional Reform and Governance Act 2010. On 16 July, the Government laid before Parliament the free trade agreement between Iceland, Liechtenstein and Norway and the UK. Following discussions between the International Agreements Committee and ours, it was agreed that, exceptionally, the European Affairs Committee would conduct the scrutiny and prepare a report; this was as the European Affairs Committee is charged with considering the UK's relationship with both the EU and the EEA, given their close economic relationship. The report has been prepared in exactly the same format as that successfully developed in recent times by the International Agreements Committee. I warmly congratulate the committee staff involved in its preparation, particularly the lead author, Chris Johnson.

My remarks will focus on two areas: first, the agreement itself, and, secondly, the scrutiny process for this free trade agreement and free trade agreements in general. The UK became a beneficiary of the EEA agreement on 1 January 1994 as a member state of the EU. In seeking to preserve the benefits of that agreement, the parties, namely Iceland, Liechtenstein, Norway and the UK, entered into two earlier international agreements. The first, in 2019, sought to preserve matters in a UK/EU no-deal situation. That has, of course, now run off. The second, in December 2020, aimed similarly to preserve tariff-free trade in goods after the UK's automatic exit from the EEA at the end of the transition period. This second agreement was explicitly temporary, and the Government stated at the time that negotiations towards a more permanent agreement had begun in the summer of 2020 and were due to be completed in 2021. This objective has now been met via the new free trade agreement.

Importantly, as we point out in our report, this new free trade agreement goes further than the previous agreements in at least two significant ways: first, with the removal of some tariffs in the fisheries sector, as we detail in paragraph 35 of our report, and, secondly, as it also includes provisions on trade in services. We very much welcome this and note that, while the overall provisions remain more restrictive than was the case when we were a member state of the EU, they go further than the comparable ones in the EU-UK Trade and Cooperation Agreement, as the Law Society also commented.

Nevertheless, the committee welcomes the Government's successful negotiation of this important agreement and the speed with which it was negotiated, covering a trading relationship valued at over £27 billion, most of which is with Norway. Imports of Norwegian goods are particularly important for Yorkshire and Humber, for instance, where they make up 13.2% of all goods imports, and for my native Scotland, where the figure is 10.4%. Unlike all the other trade agreements concluded by the Government so far, this is not a rollover agreement; it contains substantially new provisions, as I have just observed. Indeed, our report concludes that it should really be seen as the UK's first new, post-Brexit free trade agreement.

At the same time, however, it is important not to overlook that a key objective of the FTA is to preserve the trading relationship that was there when the UK

was a member of the EEA. As such, the free trade agreement is, in part at least, an exercise in damage limitation: it seeks to avoid new barriers to trade, rather than to remove existing barriers. Thus, its impact in terms of increased trade is likely to be modest and incremental, both in goods and services.

Separately, as the report points out, the interaction between the free trade agreement and the protocol on Ireland/Northern Ireland is complicated. We are surprised that no reference is made to this issue in the materials published by the Government alongside the agreement. We highlight this issue in paragraph 21 of our report. Could the Minister give us comfort that, in due course, the Government will provide business with suitable guidance in this important area?

5.15 pm

Finally, on the new agreement itself, I would comment briefly on the governance arrangements. We set out the situation in paragraphs 26 to 29 of the report. The joint committee at the core of the FTA will comprise "senior representatives of each Party" and has a duty to oversee "further development" of the FTA and review options for the "further removal of barriers to trade".

Could the Minister provide some colour around the UK's expectations of further incremental progress in this relationship?

Turning now to the scrutiny process for this free trade agreement and for FTAs in general, I note that, although this is a substantially new agreement with countries which neighbour the UK, it has not been subject to the same levels of scrutiny and transparency as other new agreements will be, such as the forthcoming one with Australia. Moreover, the materials published alongside the FTA appear to have been published in haste and are in new and sometimes unhelpful formats.

In December last year, the Minister put on record, via a Written Ministerial Statement, a set of commitments for the scrutiny of trade agreements being negotiated with the USA, Australia and New Zealand and the proposed accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. For other agreements, the Government stated that they would "provide further clarification at the appropriate time."

The Written Ministerial Statement commitment included the publication of objectives, extensive stakeholder engagement and regular briefings for parliamentarians and committees, plus early access for committees to documents, so that scrutiny was facilitated. None of this has happened with this important free trade agreement, nor has any "further clarification" arrived to explain matters. Could the Minister comment on this?

In closing, I note that, before Brexit, international agreements were the competence of the EU and scrutiny at all stages could take place both through the European Parliament and through the European Union Committee and our sister committee in the other place. This scrutiny has been lost, and to maintain the balance between Parliament and the Executive, a new system needs to be found and adhered to. I thought the Minister's Written Ministerial Statement last December was a good step towards this, and I am very disappointed that its simple formula has not been followed in this free trade agreement's genesis. Last month saw the

publication of the International Agreements Committee's report, *Working Practices: One Year On*. I very much hope that the draft concordat that it proposes, and that the International Trade Committee in the other place supports, will be agreed to.

Baroness Ludford (LD): I am not used to debates without speakers' lists; I am a bit nervous about going first.

I thoroughly congratulate the noble Earl, Lord Kinnoull, on securing this debate before the expiry of the scrutiny deadline. As he noted, this is the first genuinely new post-Brexit free trade agreement, as opposed to a copy-and-paste of the agreements we enjoyed as an EU member state. As such, it has to be welcomed—but with some caveats. The committee notes that, although this is substantially a new trade agreement, there is a different government approach to parliamentary scrutiny for this one compared to others, such as the forthcoming Australia free trade agreement.

The committee says that government commitments on scrutiny have developed "iteratively". A less diplomatic way of putting it might be that it is all over the place. Certainly, government commitments on consultation, publication of negotiating objectives, scrutiny of documents, briefings to the committees, access to the texts and so on have not been respected in the case of this agreement. My experience as a Member of the European Parliament was that if the negotiators—the Commission and the Council—took MEPs into their confidence early on, particularly through an approval of negotiating objectives, the further stages were much smoother. But of course, the European Parliament has much greater powers than the Westminster Parliament over trade agreements.

The committee called the layout of the parliamentary report, one of the explanatory materials, "hard-to-read". It certainly is; I made the mistake of printing it out and it has the titchiest font that I think I have ever seen. The committee also said that the

"rationale for its production is unclear"

and that even the impact assessment was "less informative" than on previous occasions. I hope that this might get a commitment from the Minister to do better in future.

I am interested to note that this free trade agreement includes mutual recognition of professional qualifications, which the Government did not manage to secure in the trade and co-operation agreement with the EU, such that any UK qualified workers wishing to work in the EU have to meet the qualification requirements of each individual EU member state, such that host country rules apply. Can the Minister, as an off-shoot of the subject we are debating, tell us what progress has been reached in securing reciprocal arrangements with any EU member state on a sectoral basis for recognition of qualifications?

The committee notes that although the agreement applies differently in Northern Ireland compared with the rest of the UK, none of the explanatory materials—the explanatory memorandum, the impact assessment, the parliamentary report—makes any reference to that, which is quite strange. Northern Ireland officials advised the committee that

"there remain considerable complexities around how Northern Ireland will fully benefit from UK FTAs",

and that the

"inability to fully comply with FTA measures for NI, where these conflict with ... the Protocol",

needs to be considered. Obviously, the protocol is much in our minds now—as ever. Can the Government provide the committee and the House with a full explanation of these difficulties—this interaction between the protocol and FTAs—and what they involve in terms of WTO transparency, potential trade dispute risks and any other factors?

The Northern Ireland Government apparently saw the detailed text of this agreement only shortly before the announcement that an agreement had been reached. The Scottish Government have complained that they did not have a full role and were not involved in any of the crucial detail on tariffs and goods access or consulted on significant aspects of the negotiations. Unlike some colleagues—I am sitting behind one—I am not well up on the role of the devolved Governments, but I am concerned if a professed unionist party that currently sits in government is failing to be inclusive in trade negotiations. Can the Minister explain the Government's record in respect of this FTA and what they intend in the future?

As the committee notes, and as the noble Earl, Lord Kinnoull, repeated, this FTA is

"in part an exercise in damage limitation".

We cannot get back, certainly via this FTA, to what we had as a member of the European Economic Area. I notice that the explanatory memorandum does not even mention the EEA in its background section; it has been airbrushed out of history. It compares this FTA only with the previous ones on goods only. A fair comparison would be what we had as all being members of the EEA. This reaches the same level of farce as "Don't mention the war"—Captain Mainwaring style.

The impact assessment claims that the FTA

"delivers more opportunities across services and investment and a range of other areas including digital, procurement and telecoms."

This again can be compared only to the previous 2019 and December 2020 agreements, which covered only goods. As the Law Society protested, this FTA comes "nowhere close to replicating the level of market access members"—

that is, solicitors, the members of the Law Society—had "prior to Brexit", when we were in the EU and the EEA, in the provisions giving complete freedom to provide services. That is what the comparison needs to be with. It is disingenuous of the Government not to mention and describe that, since we here are all going to know it. At least there are some mobility provisions in this FTA, unlike in the TCA with the EU, but they are only WTO mode 4, in the jargon, and thus more far more restrictive than the freedom of movement to work that we all had in the EEA.

A big gap is the failure to get diagonal cumulation on rules of origin. This is a subject for which I have always had to put a wet towel on my head, but what it means in practice is that while the UK, Norway, Iceland and Liechtenstein will be able to cumulate EU content, the EU has not reciprocated in the TCA. This means that Norwegian and Icelandic raw materials incorporated above a certain threshold into goods exported from the UK to the EU will attract tariffs as

[BARONESS LUDFORD]

third-country content. Can the Minister give us any glimmer of hope of resolving that important issue in future?

The preamble reaffirms the commitment of all parties to the Universal Declaration of Human Rights 1948. What about the European Convention on Human Rights? As far as I know, and indeed I do know, all the partners—Iceland, Norway, Liechtenstein and, at least for now, the UK—are members of the ECHR. So why is the ECHR not cited and namechecked in the text while only the Universal Declaration of Human Rights is? Should I be worried about that?

Lord Hannay of Chiswick (CB): My Lords, speaking as a member of your Lordships' European Affairs Committee, whose report we are debating, I welcome these three agreements. That may surprise the Minister, who has taken a certain amount of criticism on some of the other debates that we have had on trade agreements, but I do. It is important to avoid the legal and, potentially, practical hiatus in our trading relationship with those three countries that would have followed from our ceasing to be covered by the EEA at the beginning of 2021, this year. Now, as a result of those agreements, that will not happen, which is certainly good news.

However, I have to say to the Government that they would get more credit on an occasion like this if they did not claim, as official spokesmen have done, that these agreements were in some way a massive breakthrough, a first new-era post-Brexit set of free trade agreements. That is the sort of hyperbole that I am afraid, since it is not true, tends to discredit what is actually a perfectly well-done job. These are nothing of the sort. We have actually been in a free trade area relationship with these countries for many decades, since before we joined the European Community when we were part of EFTA with them. I have to admit—to my shame, because there is the problem of ageism—that I was part of the negotiations for the free trade agreement with Norway and the other members of EFTA when we joined the European Community.

5.30 pm

We have been in an even closer trade relationship with these countries since the establishment of the single market and the conclusion of the EEA agreements at the end of the 1980s, when we were all effectively in that single market together. So, as with other rollover agreements that we have debated, this is largely—although I agree not entirely—a case of running hard to stand still. Perhaps, when he replies, the Minister could spell out in what respect these agreements go beyond what we had as a member of the European Economic Area.

Then, as was referred to by both previous speakers, there is the question of applying these agreements in Northern Ireland. We know by now that nothing about the protocol is ever plain or simple, but will trade between Northern Ireland and these three countries be regulated by these three agreements or by Northern Ireland's *de facto*—and in some respects *de jure*—inclusion in the EU's single market? That rather matches the position of these countries.

Speaking of the EU's single market, it is after all a living, evolving reality. Can the Minister say how the UK will be able to avoid our businesses and businesspeople

finding themselves at a disadvantage to their continental competitors, as the latter improve their access to the markets of these three countries? This will occur whenever the European Union develops a new instrument for dealing, for example, with trade in services, as it will automatically apply through the consultative procedures that Norway, Liechtenstein and Iceland are bound to follow. How will we keep pace with that? What steps are the Government taking to ensure that the linked issues of access to fishing waters and tariffs on fishery products are settled, from 2022 onwards, at the beginning of the year and not, as this year, half way through it?

I do not apologise for straying a little beyond the precise confines of this debate on trade agreements with these three European countries because, as our post-Brexit trade policy evolves, it is important to situate the individual parts of it within an overall framework. I wonder if the Minister can say where matters now stand with respect to negotiations with the United States which, we are constantly reminded, is our largest single-country market. What are the implications for our bid to join the CPTPP of Pacific bordering nations or the recent similar bids to join that organisation by China and Taiwan? Will the bids be considered together or separately, and what will the consequences be for our trade relationship with China if we both find ourselves in the CPTPP and bound by its rules?

I revert finally to something I have raised with the Minister before: what progress is the Department for International Trade making in preparing to negotiate, with the countries of Africa and Latin America, those new-era, ground-breaking trade agreements, rather than the simple rollover ones that have been negotiated so far? Should countries in those regions not be given a higher priority than they have received so far? My own unhesitating answer is that they should, and I hope the Minister says that in future they will be given a higher priority.

The Minister has been patient and meticulous in replying to all these debates. I hope he replies to as many of the questions I have posed as possible when he responds to this debate, and the rest in writing thereafter.

Baroness McIntosh of Pickering (Con): I am delighted to congratulate the noble Earl on securing the debate before us and on the work of his committee as well. I add my congratulations to my noble friend the Minister for negotiating this free trade deal. I have three short questions, if I may. All the other rollover agreements that we have looked at—I am thinking in particular of the agreement with the Faroe Islands—have been very asymmetrical in nature and I am sure it was a source of some concern to, in particular, the Scottish fishermen to see that we were probably taking three times more value of fish from the Faroe Islands than we were exporting. My first question is against the background that I welcome the comments of the noble Earl, Lord Kinnoull, that it will bring benefits both to Yorkshire and the Humber and to Scotland. I press my noble friend, in replying to this short debate, to confirm that this free trade agreement is more symmetrical, and that we are in more of an equivalent balance as equal partners with the three other countries which are party to it, particularly as far as the value of the fishing element is concerned.

I then turn briefly to the sanitary and phytosanitary measures, which I welcome as we seem to have reached an agreement with these three countries that enables the United Kingdom, Norway and Iceland to trade in plant and animal products which are from pest-free and disease-free areas. Paragraph 30 of the summary on the agreement says:

“The agreement allows the Parties to reflect changes that might arise as a result of any future United Kingdom-EU sanitary agreement dealing with sanitary measures on which Norway and Iceland are harmonised with the EU.”

If we are already harmonised with Norway and Iceland, surely then by definition we would automatically be harmonised with the EU, so I would welcome clarification on that point from my noble friend.

My last point echoes that put forward by the noble Baroness, Lady Ludford, regarding recognition of professional qualifications. My noble friend knows that this is a subject close to my heart—in the past I had the good fortune to benefit, being able to practise European law in Brussels. Paragraph 83 of the summary states that:

“Legislation may be required to deliver the commitments on the recognition of professional qualifications made in the Agreement”, and it goes on to refer to the Bill introduced in the House of Lords in May. I was grateful to my noble friend for the meeting we had, remotely, with himself and the Bill team in this regard and with the Law Society of Scotland and the Faculty of Advocates. Could he specify today what the timetable of that Bill will be? That is particularly appropriate as it is set out as being pertinent to the free trade agreement before us this afternoon. I welcome this, particularly as it is the first of the future trade agreements going forward.

Lord Purvis of Tweed (LD): My Lords, it is a pleasure, as always, to follow the noble Baroness and to hear the very practical questions she put. I also commend the chairman of the committee that I had the pleasure of serving on, and the work of the staff who, along with those of the International Agreements Committee, do this House a great service by poring through all the details of the agreements and their accompanying documents and allowing us to have informed debates in this Chamber. In many respects, regrettably, by the nature of our process, as the noble Earl, Lord Kinnoull, outlined, these are retrospective—in many cases, we look at agreements that have already been signed and, as my noble friend Lady Ludford indicated, we look at the small print. Indeed, it is suspicious when entire documents are made of small print rather than just the footnotes, which, as the Minister knows, I am very keen on studying in detail.

I do not mean to offend or insult the noble Lord, Lord Hannay, but it is with great respect for his experience that I say that he negotiated a free trade agreement before I was born, so it is some surprise to me that the Government, in promoting this agreement, as with others, have highlighted only what they consider to be great positives. But as he clearly and forensically indicated, and as the noble Earl, Lord Kinnoull, indicated, in many respects this is an agreement of damage limitation.

After the agreement with the European Union, this is the second agreement with major trading partners which erects new barriers and burdens, rather than

reduces them, for goods and services. The Minister does not necessarily have to take my word for it, but I hope that he takes the Government's word for it, because I accessed today from the UK-Norway page on GOV.UK the following:

“Due to the interdependencies with EU laws and systems, the services and investment provisions of the existing EEA Agreement have not been transitioned. This means the agreement does not cover trade in services and investment. The UK has put in place some unilateral measures to ensure, where possible, business continuity in services and investment trade between the UK, Iceland and Norway but you may face additional steps or trade barriers if you provide services in these countries.”

The question before us is whether, when we analyse what these new barriers are, there are ways of mitigating against them.

This would be particularly important in Scotland, where, as the noble Baroness indicated, service sector trade between the north-east of Scotland—which I know the Minister knows extremely well—and Norway is fully integrated and very deep, with both trade co-operation and competition. The lack of a services agreement is of very significant consequence. As my noble friend indicated, there is also the impact on movement of people.

When Norway and the EFTA countries required to have constant debate and discussion with the EU, the parliamentary assembly for EFTA and the EU was of great help. Can the Minister indicate what the Government expect to be the Parliament-to-Parliament relationship between us and the three countries over this agreement? This point was raised by the noble Lord, Lord Hannay, and the chair of the committee with regard to the operation of the agreement. It is particularly acute given that, for Northern Ireland, there is a significant democratic deficit in the ongoing relationship, and because these countries are part, in effect, of the single market. With goods coming to the UK which will then go to Northern Ireland for trade, operating under single market rules, what say is given to Northern Ireland representatives and Members of this Parliament in overseeing this agreement? Or do the Government simply believe that it is a Government-to-Government trade agreement?

On people, can the Minister confirm or clarify the current situation for UK nationals who had been providing services in Norway who now require to be considered resident in Norway and receive residence permits to continue their work? This is just one of the new barriers and burdens ahead of them. New permits are required for British citizens and their family members if they are operating, and they need to apply by the end of this calendar year. Can the Minister confirm that all UK nationals are in this position and that there will be no discontinuity of them providing their services in the new regime if they do not have a valid residence permit? As my noble friend indicated, this is now under mode 4, the greatly reduced 90 days in 180 in Norway and 90 days in a year in Iceland. For those operating in deep sea or offshore engineering—who have to have, almost by definition of the industrial relationships, long-term placements and long-term work—have the Government indicated that there will be any disruption to the North Sea oil and gas industry relationship and deep sea and offshore engineering?

[LORD PURVIS OF TWEED]

The committee that I serve on has just taken worrying evidence from musicians and those in the cultural sector, the impact on whom we are now well aware of. When it comes to those who will be touring and working within the creative industries, the Government trumpeted in their press release just on Monday in respect of visa-free short-term touring:

“Our recent trade deal with the three EFTA countries was based on the same offer”—
as that made to the EU—
“and shows it is workable.”

5.45 pm

Am I therefore to think that what is in this agreement with these three countries is the same offer to the EU which was rejected? Is this what we wanted from the EU? Up until this point, the Government have refused to publish the offer to the EU. Is it the case, from this press release, that, if we want to see what the relationship with the European Union would have been, this is the basis for it?

When it comes to the new arrangement for travelling to Norway, can the Minister confirm that those wishing to operate under this agreement will need a new ETIAS for travel to Norway? Do they need the €30,000 insurance to cover visiting? Can he also outline the cabotage arrangements for carrying out haulage and trade within these three countries?

Moving to one of the areas mentioned by the noble Baroness, can the Minister say why the UK failed to secure in this agreement protection of our agricultural products for geographical indications for Norway and Liechtenstein? Clotted cream from Cornwall, Cornish pasties, Cumberland sausage, Welsh lamb and beef, Stilton and Cheddar cheeses—all of which the Prime Minister and Liz Truss, when she was in the DIT, were fond to cite—are no longer protected for our trade in Norway, nor is Scottish wild or farmed salmon, a direct competitor with Norwegian salmon. The Norwegians already own much of the industry, and now we have failed to protect our products. Why are they protected in Iceland—I noticed in the fine print that Yorkshire forced rhubarb is protected for Iceland but Scottish salmon is not protected for Norway. I do not think it would take an economist to work out which is more significant for our economy.

It is not clear from this agreement whether goods will have to be labelled for export to those countries with the European EC mark, or whether those to be imported will have to have the new UK mark. It has been welcome that the UK mark has been delayed, because business is not ready to use it, but is that the case? Given the fact that, as the noble Earl, Lord Kinnoull, said, there was concern about the lack of detailed consultation with Northern Ireland, can the Minister say whether any goods coming from those three countries which will then end up in the Northern Ireland market will have to have a separate Northern Ireland mark, because I understand that that is still the Government’s position?

On the point of diagonal cumulation raised by my noble friend, given that a key export to Norway from the UK is engineered component parts for vehicles and transportation, and that they are the second biggest

exports from Norway to the EU customs union, what is the economic impact of the lack of diagonal cumulation on the competitiveness of British trade?

I also ask why the Government failed to secure anything in addition to the basic WTO terms for procurement. The Scottish shipbuilding industry is a direct competitor of the Norwegian shipbuilding industry, so why are we now at a disadvantage in opening up procurement for potential bidders from the UK?

Given that the Minister, my noble friend Lord Fox and I are in ongoing discussions about the Professional Qualifications Bill—as the committee highlighted, the Government intend to implement part of the agreement in a piece of legislation that is not yet on the statute book—there is an interesting difference in terminology in this agreement on the professional recognition of “comparable” qualifications, which is not language used in the Bill. The Minister may not have time to address that today, but I think he will have plenty of time to consider it—I am sure he is looking forward to it—in discussions on the Professional Qualifications Bill.

One thing that he may be able to reflect on, which was raised by the Law Society, the Scottish Government and the Law Society of Scotland, is that we will now be in the rather ridiculous position that the single market will be operating in part of the United Kingdom, in Northern Ireland—so Norwegian businesses will be trading with part of the UK under the single market rules—but we have failed to negotiate an agreement where UK lawyers can trade to provide EU legal advice in these three countries. If that is not a competitive disadvantage for our legal services industries, I do not know what is.

My final point is about the consultation. The Minister knows well enough that it has been raised on many occasions, in the Trade Bill and on other agreements, that the UK Government should genuinely be much more open with our devolved Administrations when it comes to consultation. I completely understand that the Scottish Government have a very different narrative going forward with regard to the situation with the single market, but that is not an excuse for the Government to not share negotiating texts, when 84% of UK animal and fish exports, 67%—£150 million-worth—of petrol and petroleum products, £155 million-worth, or 40%, of general industrial machinery, and 42% of iron and steel exports to Norway and Ireland are sourced from Scotland. I could understand that if the Government believed that trade agreements have very little impact on our nations, but, when there are agreements that have very significant consequences, it really is incumbent on the Government finally to have a change of approach, to be much more open and to consult in a genuinely free and open way at the outset. That would mean that all parts of the UK would be likely to have a much better deal at the end of it.

Lord Grantchester (Lab): I thank the noble Earl, Lord Kinnoull, for the timely report of his European Affairs Committee on this trade agreement and for his excellent introduction. The report supplements the earlier scrutiny provided by your Lordships’ International Agreements Committee in February this year before the signing with Iceland, Liechtenstein and Norway.

This deal has been categorised by David Henig, director of the European Centre for International Political Economy, as

“a pretty bog standard Free Trade Agreement, with some level of tariff reduction and other preferential access against WTO terms”.

Of course, deals with our European neighbours are important as we want good trade deals that grow our economy, stimulate sectors and add to the prosperity of our communities by upholding our British values. But let us give this a closer look.

There seems to be a bit of a competition with Japan regarding whether its deal or this deal can be said to represent the first new post-Brexit trade agreement. The Minister will remember the debates during the passage of the then Trade Bill in 2019, which he emphasised was a continuity Bill, when many proposals were made to modernise this procedure and the way the UK would approach trade deals in the future. The Government refused to go further than the procedure of the CRaG Act, with some enhancements. However, they know that this Act was part of the process for parliamentary scrutiny when the UK was a member state of the EU. As the noble Earl's report stated at paragraph 9:

“Although this agreement is substantially a new trade agreement, the Government has not adopted the approach to parliamentary scrutiny it is applying to other new free trade agreements”.

The Government published a parliamentary report more usually featured alongside other continuity agreements. The objective in this supposedly new deal is to replicate as far as possible the effects of the UK's existing trade agreement. All this means that this agreement has not been subject to the same levels of transparency and scrutiny as other new trade agreements. In addition, materials and memoranda published alongside the trade agreement appear to have been produced in haste.

I therefore ask: have the Government yet decided on their blueprint of how they will undertake trade agreements? Do they yet have a consistent approach? The noble Earl, Lord Kinnoull, mentioned the new proposals outlined in the latest report from the International Agreements Committee. As he asked, it would be illuminating if the Minister could make some initial comments on this.

Meanwhile, it can be considered how this agreement reflects a modern approach to trade deals. This model has many expected elements, notably chapters on trade in goods, trade in services and investments, government procurement, intellectual property, cross-border trade, customs and trade remedies. In view of the many previous discussions, it is to be welcomed that this model includes important sanitary and phytosanitary measures to maintain levels of protection for human, animal and plant life and health, with co-operation commitments on animal welfare, AMR and sustainable food systems. The tariff reductions are also welcomed as part of the usual bartering. According to Erna Solberg, outgoing Prime Minister of Norway, Norway has

“given on cheese, but we got a little more on fish”.

There are some very worthwhile new features to congratulate the Government on achieving, but, regrettably, many notable omissions and inconsistencies. First, it is good to note the inclusion of labour standards

and so refreshing to see the chapters on women's economic empowerment and trade. Can the Minister confirm that these will now become universal and included in all future trade deals?

Also to be noted is the chapter on the environment, including climate law. Under paragraph 93 of the department's parliamentary report, the agreement

“sets out provisions which seek to implement the Paris Agreement, cut greenhouse gas emissions and to promote trade and investment to grow the low carbon economy”.

This includes commitments to net zero, renewable energy, CCUS and hydrogen technologies. If this is to be the new model for future trade deals, which at last we can celebrate, can the Minister confirm that the newly proposed agreement in principle with Australia will also contain strict protocols on climate change in its final drafts, which are now being drawn up? With COP 26 only a couple of weeks away, I cannot stress enough to the noble Lord the urgency with which this must become part of everyday business for the Government.

The most serious omission, most notable by its absence, is the inclusion of a human rights clause. The Government have been repeatedly called on to explain their policy on the inclusion of human rights in trade agreements, with the Government agreeing to their importance but, yet again, failing to implement any commitment. On these Benches, we believe that the protection of human rights is fundamental to British values and our way of life and is to be included in how we trade. The Joint Committee on Human Rights declared that there was

“a strong case for requiring minimum standard processes, practices and clauses to protect and promote human rights in all international agreements”.

Can the Minister explain why this is excluded from this trade deal? While I am sure that there will be no concern when it comes to trade with our Scandinavian and near neighbours, what precedent does this set for future trade agreements? Can the Minister clarify whether human rights clauses are to be a standard inclusion in trade agreements by this Government, or will Ministers continue to fail to fulfil commitments to suspend preferential treatment to trading partners who knowingly commit genocide, the most heinous of crimes?

I would also like to mention issues around professional qualifications, which are part of this agreement. We recognise the importance of professional qualifications to allow skilled workers necessary to the UK economy to enter the UK and contribute to the UK's overall economic benefit, as well as allowing British workers to live and work abroad. Regulators must be allowed and guided to seek mutual recognition agreements, but essentially in a way which does not undermine their regulatory autonomy, and which must ensure that domestic standards are protected.

This is crucial to the Professional Qualifications Bill currently awaiting Report in this House. It was revealed in Committee that the Bill had been drafted without the Government being able to understand which professions and which regulators were to be caught under the legislation. The Professional Qualifications Bill contains a power to implement the recognition of professional qualification elements of international agreements. Can the Minister explain how Clause 3 of the Bill relates to this trade agreement? Can the provisions

[LORD GRANTCHESTER]
of this agreement be implemented without Clause 3?
How do the provisions in the trade agreement maintain
and secure regulatory autonomy?

6 pm

I shall briefly mention freeports, which are supposedly a flagship post-Brexit policy under this Government. Despite the Prime Minister's words that freeports will drive growth and create thousands of high-skilled jobs in the so-called left-behind areas, this continuity agreement contains a clause which excludes business and manufacturing firms using the duty mechanisms in freeports from receiving preferential access to those markets. Is this at odds with government policy, yet another oversight or just another muddle? The economic value of freeports is yet to be properly understood. Can the Minister explain whether this prohibition clause will have an impact on jobs? The Government state that this agreement will support 18,000 jobs in Scotland and the north. Can the Minister outline what sectors these jobs are being created in and over what time period the Government intend them to be achieved?

I will draw my remarks to a close by considering specific aspects of this agreement in relation to the operation of the protocol on Northern Ireland, which is much in the news this week and has already been referred to in this short debate. It means that the agreement will apply differently in Northern Ireland. The noble Earl's committee draws attention to the Government's Explanatory Memorandum, which makes no reference to the interaction between the trade agreement and the protocol. I am sure the Minister will wish to explain the considerable complexities around how Northern Ireland will fully benefit from UK trade agreements. As the Government will promote the claimed benefits of this agreement, does the Minister believe that Northern Ireland will be getting an equal share of these benefits or are they limited by the Government's negotiated protocol?

This trade agreement, while important, may not be considered massively instrumental to the future of the British Isles. Yet contained in it are many important features that the Government need to take far more seriously and consider again carefully.

The Minister of State, Department for Business, Energy and Industrial Strategy and Department for International Trade (Lord Grimstone of Boscobel) (Con): My Lords, I thank the noble Earl, Lord Kinnoull, for tabling today's Motion, and I congratulate the European Affairs Committee on its first foray into reporting on free trade agreements. Given the quality of this report, the IAC will need to look to its laurels. I also thank the committee for acknowledging the speed and pace at which these negotiations were successfully concluded and the ambition that is inherent in the final outcome. I will try to take the advice of the noble Lord, Lord Hannay of Chiswick, and prize modesty over hyperbole in my remarks—but perhaps not that of the noble Lord, Lord Purvis of Tweed, about stressing negativities rather than positivities—as I go through this.

I shall quickly deal with the question that my noble friend Lady McIntosh asked about the Professional Qualifications Bill. My understanding is that the House

is likely to have the pleasure of returning to it some time after the first week of November. I am sure that when it returns we will be debating the points that my noble friend and the noble Lords, Lord Purvis and Lord Grantchester, have raised today. I look forward to that.

I note the comments made by noble Lords about the fact that the explanatory materials accompanying the FTA fell short of the committee's expectations. The materials were drawn from the practice and approach we took to such materials for other continuity FTAs to date. Perhaps the difference between us is that I see this as a continuity FTA with some enhancements, as opposed to a new FTA, but I will come back to that rather arcane point later. Of course I note the concerns raised by the committee, in particular by the noble Baroness, Lady Ludford, in respect of accessible formats. As someone who is having a cataract operation on his right eye tomorrow, I fully endorse the need for fonts in these documents to be readable.

Moving on, I welcome the opportunity to debate and discuss this continuity FTA with noble Lords. I thank all those who contributed to the debate. I will try to respond to the many insightful and well-informed points that have been made. I think we all recognise that this debate has covered a wide range of topics. Some of them were perhaps not entirely within the scope of the Motion, while some were very technical, but I will of course respond to noble Lords in writing on all these points.

The free trade agreement between the UK and Norway, Iceland and Liechtenstein is an important achievement. We have enjoyed a strong trading relationship with these three countries for many years. Securing this trade agreement was important to all parties; as we have heard, total trade between them was worth no less than £21.6 billion in 2020. This continuity FTA is comprehensive and will support UK businesses across a wide range of critical sectors, including digital, financial and professional business services. It also locks in tariff-free trade on the vast majority of goods.

I agree with the noble Lord, Lord Grantchester, that this agreement contains some very progressive clauses on matters such as the empowerment of women. Of course, when negotiating new free trade agreements, it is always our objective to carry on this process of including progressive clauses. Perhaps it is the case that, with these three particular parties, we had like-minded counterparties in these matters. Negotiations are negotiations; they may not always be straightforward but I assure noble Lords that we always press for such things in our negotiations. There is much common ground across this House on the matters that it is right and proper for us to press on—including human rights, which we have debated many times in the context of free trade agreements.

As part of a shared goal to continue the deep trade relationship the four countries have shared in the past through the European Economic Area and single market, we have very good provisions in digital trade, mobile roaming and business travel. That is to be welcomed.

With all due respect, I want to correct the point made by the noble Baroness, Lady Ludford, about some of these mobility provisions. The mode 4 commitments with the EU under the TCA are similar

to our commitments in this agreement and the mode 4 chapter provisions in the EU TCA. Indeed, in some ways, they go beyond what was agreed with the EU. If I may, I will write to the noble Baroness to clarify that further.

The agreement delivers services market access across a wide range of sectors. This is great news for professional and business services, financial services and transport services sectors. For example—it is a small example—Norway has agreed to remove residency requirements for senior management and directors. As I say, it may seem small, but it means that more British talent can be on Norwegian company boards without having to relocate there. These benefits, and the others in the agreement, demonstrate that this is a good agreement. Let me say to my noble friend Lady McIntosh that this agreement is good for all parties; it is a symmetrical agreement. I was pleased to see this acknowledged in the committee's reports.

These negotiations were undertaken in the spirit of continuity to protect existing trade and future-proof our long-term relationship. However, translating the trade relationship that the UK enjoyed with these partners via the EEA agreement and single market into a bilateral FTA context has been a complex task. To future-proof our long-term relationship, all four countries agreed that the legal framework of a bilateral free trade agreement was the best way to protect and build on existing trade.

In answer to the question of the noble Earl, Lord Kinnoull, about further incremental progress in this relationship, these countries are our close trading partners and we will continue discussions on how to further strengthen trade in the future, using the joint committee arrangements as appropriate. I pick up the point made by the noble Lord, Lord Purvis: I hope that our Parliaments will have close contact with each other, which will be a good thing. We have pressure from our Parliaments and parliamentarians to improve and strengthen this agreement as we move forward. We will, of course, absolutely try and keep pace—the worry of the noble Lord, Lord Hannay—with any progress that the EU makes with these countries. We will try to make sure that we do at least as well as the EU does.

The noble Earl, Lord Kinnoull, asked about scrutiny of this trade agreement and questioned, quite properly, whether it fell short of undertakings that we have previously given. This was also a matter of concern to the noble Baroness, Lady Ludford, and the noble Lord, Lord Grantchester. We are in no way pulling back from the WMS of last December, but perhaps I may remind noble Lords that it outlined the Government's approach to new FTAs with countries that did not have a trade agreement with the EU before the UK's exit. We and I regard this agreement as a continuity agreement, albeit with some enhancements—I am trying to avoid hyperbole—and the Government have followed the same scrutiny process for this agreement as we did with other continuity agreements.

I can reaffirm that for new FTAs, the Government are committed to even greater transparency. In the ongoing live trade talks with Australia, New Zealand and CPTPP—although I hope noble Lords will understand that I cannot go into fine detail as to

where those negotiations have reached—we set out our negotiation objectives, alongside a response to the public consultation as well as an initial economic assessment. The Government have continued, and will continue, to keep Parliament and the public informed on the process of negotiations via regular updates, including close engagement with the International Trade Select Committee and the IAC.

Some Peers have been kind enough to refer to the Grimstone rules in this matter. Modesty prevents me claiming credit for them but I can reassure the House that I am absolutely committed to the concept of parliamentary scrutiny for FTAs. I will continue to be committed and to argue for it whenever I see that we may be pulling back from that, which I certainly hope that we will not.

Perhaps I may say a few words regarding consultation with the devolved Administrations because I know that this was an area of concern to the committee and other noble Lords, including the noble Lord, Lord Purvis of Tweed. It is of course important to note—I have to put this on the record—that international trade negotiations are a UK reserved competence. It is in that context that we carry out our consultations with the devolved Administrations. However, regarding the specific negotiations that we are talking about, I can reassure noble Lords that there have been months of engagement with the DAs. I should recite, slightly at length, how that has been manifested.

It has involved a quarterly ministerial forum for trade with Ministers from the devolved Administrations; a six-weekly meeting involving senior officials from across the devolved Administrations; several chapter-specific policy round tables hosted by departments on key areas such as goods, rules of origin, and services and investment; regular chief negotiator calls running in parallel with key moments in the negotiations; and texts shared in areas of devolved competence such as services, climate change and environment, women's economic empowerment and procurement, to name but a few, before the text was finalised with the negotiating partners.

I can understand why the devolved Administrations will perhaps always ask for more, but I believe that the level and frequency of engagement at all levels in the short timeframe for these negotiations makes clear our commitment to deliver trade agreements that will benefit every corner of our country.

6.15 pm

This is a good point for me to turn to the issues surrounding the Northern Ireland protocol. I will come back to a point that several noble Lords have made. Perhaps we should have highlighted more in various memoranda that we did work very closely with the partner countries in this agreement to reach a shared understanding on implementing the agreement alongside the Northern Ireland protocol. After several meetings and lengthy discussions, the parties exchanged letters recording our shared understanding of this, as the committee's report notes. I stress that the UK Government have negotiated this FTA on behalf of the whole UK, representing the interests of all UK nations, including of course Northern Ireland.

[LORD GRIMSTONE OF BOSCOBEL]

The Government have been very clear that the UK must function as a single customs territory in practice, as we operationalise the protocol. This means that, where the UK has FTAs, Northern Ireland businesses will of course benefit from preferential tariffs, just as the rest of the UK will, and Northern Ireland businesses will of course benefit from the tariffs that we have agreed in this deal. In direct answer to the noble Earl, Lord Kinnoull, I assure noble Lords that business guidance will be published in the usual way in relation to this.

In summary, this agreement or deal will protect our long-standing trade relationship—

Lord Purvis of Tweed (LD): I am grateful to the Minister for giving way. He knows that I am a cheerful Jeremiah, even if I wish to be awkward sometimes and ask specific questions, some of which are about geographical indications. Could the Minister explain why the Government failed to secure with Norway the protection of the geographical indicator for the UK's fifth-biggest food and drink export, the biggest single sector that is protected under a GI—Scottish farmed and wild salmon? Norway is our biggest competitor country around the world and is very keen for the world to take Norwegian salmon as Scottish—so why did the Government fail to do this?

Lord Grimstone of Boscobel (Con): I thank the noble Lord. That was the first intervention I have ever had at this Dispatch Box, so it was a pleasure that, perhaps unsurprisingly, it came from the noble Lord, Lord Purvis. I quite accept the importance of the point that he raises. You cannot get all that you ask for, of course, when you negotiate these agreements. The agreement is as it is, but, if I can provide more information on the background to the noble Lord, I will of course do that and copy it to other noble Lords.

In conclusion, I again thank all noble Lords for their many insightful contributions to this important debate. I have resisted giving a running commentary on our total trade policy in this debate—we would be here for a lot longer if I were to do that—but, of course, I am always very happy to answer noble Lords' questions on that. I look forward to continuing to engage—

The Earl of Kinnoull (CB): I am very sorry to be the second person ever to intervene on the noble Lord—and, of course, I am going to speak after him. But could he address the concordat point that has been raised?

Lord Grimstone of Boscobel (Con): Perhaps the noble Earl could remind me what the concordat point was.

The Earl of Kinnoull (CB): Certainly—there is a recommendation in the latest report from the International Agreements Committee that a concordat be entered into. The International Trade Committee in the House of Commons has written in support of that. So there is considerable support for it in Parliament, and it would be very interesting, as the noble Lord is here, to hear the Government's current thinking.

Lord Grimstone of Boscobel (Con): I thank the noble Earl. My memory flooded back as soon as he started to explain that. I thought that the report from the IAC was very good, as a marking of progress over the last year. It has made recommendations, which we are studying closely, and we will of course respond to the IAC on that in the normal way within the agreed timeframe.

Coming back to this debate, I look forward to continuing to engage with noble Lords on trade relationships between the UK, Norway, Ireland and Liechtenstein in the future.

The Earl of Kinnoull (CB): I thank the Minister, who is unbelievably courteous and was as courteous as ever when still answering emails from me at 9.20 pm last night. I think he realises that the whole House is very grateful for his engagement. I add my thanks to my many colleagues who have spoken in this interesting debate, unfortunately held late on a Thursday—a time when not so many of our colleagues were going to be here. I will not go through what everyone said—I would certainly never do that—but I have written down three things that I thought worthy of reflection.

The first is the chimera nature of this free trade agreement, which on the one hand is new and on the other is old. There is an element of a chimera nature, but I hope the Minister will reflect on the fact that the scrutiny processes in this House are well developed. The International Agreements Committee, which was born out of the European Union Committee earlier this year, is a highly professional organisation that wants to do good, not harm. Rebalancing, as I put it, between Parliament and the Executive is necessary, so I hope that if a similar agreement came along it might fall on the other side of the fence and that there would be some engagement.

In fact—this is my second point—as the Minister went through the good news about the devolved Administrations, I very nearly got up and said, “Can we have that as well?”, because they are getting a heck of a lot more engagement and discussion of these things than our own International Agreements Committee. That is another thing that the Minister might like to reflect on. I know he is deeply interested in scrutiny, and getting that balance right is very important. It is indeed a balance, and there could be too much. Reflecting on that would be good.

The final point—it seems to be the final point every time I get up in debates such as this—is Northern Ireland, of course. The Minister generously said there would be business guidance. There was no timetable on that, but I very much hope that guidance will come along pretty quickly. At the moment, if I were trying to import raw salmon into Northern Ireland, I am not sure what I would do, because it is the beneficiary of now being tariff free in the UK but not in the EU. Who knows what would happen to a piece of raw salmon when it arrived in Belfast? That needs urgent attention. There are quite a lot of other things to do with Northern Ireland that we raise in the report and that I hope would be coped with at the same time.

Motion agreed.

House adjourned at 6.23 pm.