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PARLIAMENTARY DEBATES
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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 7 April 2022

11 am

Prayers—read by the Lord Bishop of Exeter.

Retirement of a Member: Lord Lea of Crondall

Announcement

11.06 am

The Lord Speaker (Lord McFall of Alcluith): My Lords, I should like to notify the House of the retirement, with effect from today, of the noble Lord, Lord Lea of Crondall, pursuant to Section 1 of the House of Lords Reform Act 2014. On behalf of the House, I acknowledge the noble Lord's contribution to the work of the House.

Ukraine: Defence in a Competitive Age

Question

11.06 am

Asked by **Lord Lancaster of Kimbolton**

To ask Her Majesty's Government, further to current events in Ukraine, what plans they have to review their command paper *Defence in a competitive age*, published on 22 March 2021.

Lord Lancaster of Kimbolton (Con): My Lords, I beg leave to ask the Question standing in my name on the Order Paper and declare my interest as a serving member of the Army Reserve and chair of the Reserve Forces Review 2030.

The Minister of State, Ministry of Defence (Baroness Goldie) (Con): My Lords, Russia's illegal invasion of Ukraine shows more than ever that the UK must be ready to defend and deter threats emanating from our adversaries in a deteriorating global security environment. That illegal war validates both the integrated review and the Command Paper's commitments that defence will strengthen its deterrents, become increasingly adaptable and integrated with partners, and improve its ability to intervene and fight decisively. We will continue to review our capabilities and readiness levels accordingly.

Lord Lancaster of Kimbolton (Con): I am delighted that we will keep our capabilities under review, but does my noble friend feel that we have the balance of investment correct between sub-threshold capabilities, such as cyber, and warfighting capabilities, such as tanks, planes, ships and armaments? Secondly, while I am sure that there are many lessons to be learned from the war in Ukraine, is one not the value of a reserve? The Ukrainian reserve is three times the size of its regular forces. Here in the United Kingdom our reserve is one-third of the size of our regular forces. Should that change?

Baroness Goldie (Con): To answer the first part of my noble friend's question, he will be aware that the defence budget will grow from £40 billion in 2019-20 to £47.6 billion in 2024-25. That significant increase since the start of this Government puts flesh to the vision and the reform and renewal proposals of the Command Paper. I think the balance is correct, but as I have indicated we constantly review that balance. He is aware of Royal Navy shipbuilding plans, the future combat air system and the new proposals for equipment for the Army. That all reflects a very healthy resilience to deal with threat, however it arises. On the matter of reservists, I pay tribute to my noble friend, not just for the role he performs but for his excellent contribution in the paper he produced on how we might reform the reserves. This is enabling the Army to move to a much more flexible, resilient whole-force strength, which, including the integrated reserve, will be over 100,000 personnel from 2025.

Lord West of Spithead (Lab): My Lords, the defence Command Paper had two major errors, caused by one underlying problem. It was wrong to pay off ships, aircraft and people—numbers of Army personnel—for jam tomorrow. Sadly, the enemy has a vote, and he might not want to fight us in 15 years' time; it might be tomorrow. The second problem was that we have not invested properly in the whole area of hard kill—kinetic kill—as was mentioned by the noble Lord, Lord Lancaster of Kimbolton. Yes, we need cyber, AI and quantum, but people are being killed in Ukraine at the moment by hard kill, not laptops. The reason for all of this was a lack of funding. No matter what fine words are said, not enough has been spent on defence for some years. Could the Minister go back to the Secretary of State and say that, in the final analysis, with the possibility of war right upon us, now is the time to spend money on the Armed Forces? It is crackpot not to do that.

Baroness Goldie (Con): My Lords, I have huge respect for the noble Lord and his experience, but I disagree with his analysis of the Command Paper. Indeed, when he talks about jam tomorrow, I say look in the mirror and face the images. I argue that the budget figures that I quoted earlier to my noble friend Lord Lancaster reflect an extraordinary increase in the defence budget—I think that the noble Lord is unfamiliar with this and would have loved to have seen it when he held his former, very senior role in the Royal Navy. From what the Command Paper has outlined, it is perfectly clear what we have, what equipment we seek to acquire and how we seek to achieve agility, flexibility and resilience. We are doing that to very good effect. Everyone has been surprised at not just the swiftness but the substance of the response to help the Ukrainians in their defence of their country in this illegal war. The UK has played a strong role in that bilaterally, as have our NATO global partners. That is a matter for commendation, not scaremongering.

Lord Campbell of Pittenweem (LD): My Lords, given the extent of the military equipment that we have supplied to the Ukrainian Government—I heartily support that—and the possibility of supplying more such equipment, heavily hinted at in the press today,

[LORD CAMPBELL OF PITTENWEEM]

what assessment have the Government made of the impact on our stock of equipment, which of course has an effect on our capability? What steps are being taken to replace those stocks, and how will this replacement be paid for?

Baroness Goldie (Con): The MoD constantly reviews our obligations—both our primary responsibility to defend the nation and our responsibility to contribute to global security with our global partners, whether in NATO or elsewhere. We therefore constantly review what we need to achieve and discharge that role. We constantly assess what we can donate; I thank the noble Lord for his helpful comments, and know he will be aware of the generous nature of that donation, recognised not just within the United Kingdom but by Ukraine. On payment, when we come to replenish stocks, which will be necessary due to our gifts of equipment to Ukraine, that will be dealt with by the Treasury special reserve.

Lord Stirrup (CB): My Lords, the Minister will be aware that your Lordships' International Relations and Defence Committee has just started an inquiry into last year's defence Command Paper. One of the issues that it will seek to test is the proposition that structure can be replaced by solutions based on science and technology. Can the Minister assure us that, when departmental representatives come before the committee, they will be able to set out a clear strategy, explaining how this can be done? I also ask the Minister whether it would not be appropriate for the Government to be slightly less self-congratulatory about the recent increases in defence expenditure, welcome though they are, since they have merely repaired part of the damage that was done in 2010 and subsequently, when our defence expenditure was 2.5% of GDP?

Baroness Goldie (Con): I did not intend to sound self-congratulatory; I was merely pointing out the facts, which are a fairly stark improvement, as the noble and gallant Lord will be aware, on what has happened in previous years, under different Governments. On his point about the Command Paper and its relevance and fitness for purpose, I argue that it outlines a very comprehensive vision to reform and renew our Armed Forces for an age of global and systemic competition, dealing with threats and situations that are increasingly new to us. I welcome the noble and gallant Lord's committee carrying out its analysis, and I am sure that, when representatives from the MoD appear before it as witnesses, they will give of their best, as usual, and endeavour to inform and assist it in its investigation.

Lord Robathan (Con): My Lords, the world has changed, and we, like the Germans, must change our policy. At the very moment that the Minister is speaking, we are reducing the number of our troops, ships and aircraft. We must change our policy. Does she think that it is sensible to reduce our Armed Forces capabilities at the moment, when there is war in Europe?

Baroness Goldie (Con): I demur somewhat with my noble friend's analysis. I have outlined an extensive programme of investment that will take place over the

next 10, 15 and 20 years, and I think that that has been well received within the single forces. It is seen as a commitment by the Government to the serious business of defence and discharging our roles responsibly and effectively. The new model of the Army to which he refers, under the *Future Soldier* proposals, will in fact create a much more agile, flexible and resilient Army, able to deal at pace with the different characters of threats, whenever and wherever they arise. This is a matter of reassurance and commendation.

Lord Coaker (Lab): My Lords, given the new security situation in Europe following events in Ukraine, is it the case that, as David Williams, the Permanent Secretary, said to the Public Accounts Committee in February, "the integrated review looks right to me, but we will of course want to review the calibration and our understanding of the threat and what the right response will need to be"?

So is there to be a review and what will that mean, particularly for the Army—as the noble Lord, Lord Robathan, raised—which is losing 700 warrior infantry vehicles earlier than planned, facing troop cuts and losing a third of its Challenger 2 battle tanks, if we are to potentially fight the kind of land-based conventional warfare launched by Putin?

Baroness Goldie (Con): As we understand the impact of the threat from Russia's invasion of Ukraine, we will of course keep plans under review—I have indicated that and we will of course do that. We will remain threat-led; that is our *raison d'être* and how we operate, and we continue to review our capabilities and readiness levels accordingly. All of that is predicated on both the integrated review and the defence Command Paper. But the integrated review outlined that defence forces must prepare for more persistent global engagement and constant campaigning to counter emerging threats. So although we may not have anticipated conflict so quickly, the review recognised the threats posed by aggression from our adversaries. I remind your Lordships that the integrated review and defence Command Paper set out a year ago that the greatest nuclear, conventional military and sub-threshold threat to European security is posed by Russia.

Mr Mike Veale

Question

11.18 am

Asked by Lord Lexden

To ask Her Majesty's Government what discussions they have had with the Police and Crime Commissioner for Cleveland about a date for starting the misconduct hearing relating to Mr Mike Veale, announced in August 2021.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, arrangements for the misconduct hearing of former Chief Constable Mike Veale are a matter for the Cleveland police and crime commissioner, and it would be inappropriate to comment further while those proceedings remain ongoing.

Lord Lexden (Con): My Lords, what on earth is going on in Cleveland, where the PCC announced last August that an independent panel, chaired by a lawyer, would begin the gross misconduct hearing against Veale shortly, following a two-year inquiry by the Independent Office for Police Conduct, the report of which has not been published? Things seem to move very slowly where police misconduct is concerned. Has the Home Office noticed that a long-standing superintendent in Cleveland denounced Veale last month for subjecting her to, in her words, a “biased, flawed and ... unfair” investigation, piling on yet further allegations against him? Is this scandal-ridden man to continue to rake in his £100,000 salary, plus expenses, from his kind friend, the current so-called Conservative PCC for Leicestershire and Rutland? In short, will the Home Office let this very rotten apple get away with it?

Baroness Williams of Trafford (Con): My Lords, I think my noble friend will concede that there is a process under way and that misconduct hearings must commence within 100 working days of the officer being served with a notice. But the legally qualified chair does have the power to extend the period of time when they consider it in the interest of justice to do so. It is a decision entirely for the chair, and it would be inappropriate to comment on such a decision.

Lord Scriven (LD): My Lords, I will follow on from the excellent question from the noble Lord, Lord Lexden. The contract that Mike Veale has with the Conservative police and crime commissioner in Leicester, under which he has so far been paid £35,000, includes a clause that says that part of his role is to hold the chief constable of Leicestershire to account for implementation of crime strategies. Does the Minister agree that it is totally unacceptable that the chief constable of Leicestershire, with an unblemished record, should answer to someone facing a gross misconduct hearing?

Baroness Williams of Trafford (Con): My Lords, it is a matter for the office of the PCC, and it would not be appropriate to comment further on this matter.

Lord Hunt of Wirral (Con): My Lords, I declare my interest as immediate past chairman of the Sir Edward Heath Charitable Foundation. Whatever one’s views of Mr Veale, serious questions have been raised about Operation Conifer from all sides of the House as to whether it was truly impartial, honest or effective. When on earth are we going to get a genuinely independent review of Operation Conifer?

Baroness Williams of Trafford (Con): As my noble friend is probably aware, we do not have plans to commission a review of either the conduct of the investigation into the allegations or the findings of the investigation. There have been several levels of scrutiny. Operation Conifer was subject to its own scrutiny channel, which checked and tested the decision-making. There were two reviews by Operation Hydrant in September 2016 and May 2017, which concluded that the investigation was proportionate, legitimate and in accordance with national guidance. A further review

in January 2017 and the IOPC have also considered specific allegations related to the former chief constable, as noble Lords will have heard this morning.

Lord Dobbs (Con): My Lords, this miserable stain has been spreading since 2015. For all the inquiries—many of which were the police authorities marking their own homework—is this really acceptable? When is this matter going to be finished with—later this year, next year or in another five years? Is it not about time we had an independent inquiry into all this? We could have somebody like Sir Richard Henriques, who knows all about it. It could be up and running very quickly to start restoring the reputation of a police service which, if I may say so, my own family over four generations and 150 years was happy to serve.

Baroness Williams of Trafford (Con): My Lords, I will not repeat what I said earlier on, but on the panel that will investigate this, we have a legally qualified chair, an independent panel member and a member of HMICFRS. In terms of independence, I do not think there can be any argument, and there is certainly no argument about the rightly named Independent Office for Police Conduct.

Baroness Jones of Moulsecoomb (GP): The IOPC report said that Veale had been found guilty of lying about damaging his work phone so that he could not be held accountable. I understand some senior Tories at No. 10 have done something similar, so what is happening with them?

Baroness Williams of Trafford (Con): My Lords, I will just repeat what I have already said: that the IOPC is by its very name independent and will conclude its investigations in due course. This House trying to get me to opine on an ongoing investigation is not the best idea for the outcome of that investigation.

Lord Rosser (Lab): I must say that the answers to the questions being asked seem like a “no comment” interview on the part of the Government. Let us just repeat some things. Mr Veale, the controversial former chief constable of Wiltshire, resigned after 10 months as chief constable of the Cleveland force in January 2019 following gross misconduct allegations. The IOPC investigated the claims over a two-year period and came to the conclusion that

“there was sufficient evidence to indicate that Mr Veale had breached the standards of professional behaviour”

and

“should face proceedings for gross misconduct.”

Yet he is now carrying out well-paid advisory work for the police and crime commissioner for Leicestershire. As has just been said, his responsibilities apparently include holding the chief constable of Leicestershire to account at a time when he himself faces an outstanding misconduct hearing. You could not make it up. At a time when trust and confidence in the police is not at a level we would wish, what action does the Home Secretary intend to take in respect of Mr Veale’s case, which is doing nothing—to put it mildly—to restore confidence and trust in our police? The whole situation

[LORD ROSSER]

with Mr Veale is a joke and a pretty sick joke at that. For how much longer does the Home Secretary intend to take a back seat? I thought she had responsibility for the standing and status of, and confidence in, our police force on a national basis. It is time she took action on this.

Baroness Williams of Trafford (Con): My Lords, as I have said, the misconduct proceedings are ongoing. If an independent panel finds a former officer guilty of gross misconduct, it can determine that the officer would have been dismissed had they still been serving. If that occurs, the officer would be placed on the College of Policing's barred list, preventing them rejoining policing.

Lord Cormack (Con): My Lords, the whole House holds my noble friend in high regard, but we have had this time and again. Another reputation is being besmirched—that of the Home Office itself. As the noble Lord opposite has just said, the Home Office has ultimate responsibility. Will my noble friend please, at the very least, tell the Home Secretary today that this House is virtually united in its concern at the way these events have been handled?

Baroness Williams of Trafford (Con): I note my noble friend's comments. There is a process ongoing, and it would be wrong for me to opine on that process other than to say that it is ongoing. The Home Secretary has herself initiated a review into the IOPC, which will be commencing shortly, but I must stress that the police are operationally independent of the Home Office.

Baroness Fox of Buckley (Non-Afl): My Lords, if I may say so to the Minister, the sense of urgency from the House, in preference to what is happening in real life, is partly due to the police having created a mood of taking false allegations seriously and the undoing of that mood not being taken seriously. Does she recognise that those false allegations make it harder for real allegations to have credibility? That is why it is so important that this is not shoved down the road. In all seriousness, why are PCCs bringing in outside consultants and strategic advisers at any level? Would she at least tell us that this is a waste of time, part of a bureaucratic state and lack of responsibility and accountability?

Baroness Williams of Trafford (Con): I think the noble Baroness makes a very good point about false allegations. On the other hand, we must be mindful that allegations that are brought forward to the police must be thoroughly investigated. Clearly, there have been many convictions for non-recent child sex abuse. She asked me another question, which I cannot remember—

Noble Lords: Consultants.

Baroness Williams of Trafford (Con): Yes; consultants are a matter for the Leicestershire PCC, but there is a remedy at the ballot box for the public.

Dasgupta Review

Question

11.29 am

Asked by **Lord Randall of Uxbridge**

To ask Her Majesty's Government what progress they have made in implementing the recommendations of *The Economics of Biodiversity: The Dasgupta Review*, published on 2 February 2021; and what international engagement they have undertaken to further the review's objectives.

Lord Randall of Uxbridge (Con): My Lords, I beg leave to ask the Question standing in my name on the Order Paper and draw attention to my conservation interests as set out in the register.

Baroness Penn (Con): This Government are committed to delivering a nature-positive future in which we leave the environment in a better state than we found it and we reverse biodiversity loss globally by 2030. We are taking action to ensure that economic and financial decision-making, and the systems and institutions which underpin that, support the delivery of that nature-positive future. That includes international advocacy to promote the global Dasgupta review and the UK's domestic approach to applying its findings.

Lord Randall of Uxbridge (Con): I thank my noble friend for her Answer. It should be recognised that the Treasury should be thanked for commissioning this excellent review by Professor Dasgupta in the first place. What opportunities does my noble friend think that Her Majesty's Government will have to advocate this excellent review internationally in the coming months?

Baroness Penn (Con): My noble friend will know that we have the Convention on Biological Diversity this year, and the UK is committed to playing a leading role in developing an ambitious post-2020 global framework for biodiversity at that conference. Building on the review's findings, we will work with partners to ensure that the post-2020 global diversity framework is ambitious, effectively spurring global action and the transformative change needed for halting and reversing global biodiversity loss.

Viscount Stansgate (Lab): My Lords, the Minister quite rightly referred to the forthcoming conference which I think is in Kunming, China this month, COP 15. Is the Minister aware that, as a result of COP 26 in Glasgow, there was a great deal of concern in the scientific community, which was reported in *Nature*, that researchers were not given access to the key sessions that took place in Glasgow? Given the fact that overseas territories of this country encompass a great deal of biodiversity and the Dasgupta review, as the noble Lord said at the beginning of his Question, is an extremely important document, can the Minister give some assurance that researchers attending this conference in China will have access to the key sessions?

Baroness Penn (Con): My Lords, the UK is not responsible for organising the conference. However, despite the delays to the timetable to that conference, we are fully engaged in the negotiations process in the lead-up to it—for example, working through the Leaders’ Pledge for Nature, the UK-led Global Ocean Alliance and our role as ocean co-chair of the High Ambition Coalition for Nature and People. The noble Viscount makes a good point about the need for different voices to contribute to that process, and that is something which the UK values.

Baroness Boycott (CB): My Lords, as Dasgupta makes clear, food-intensive farming is the primary cause of all biodiversity loss across the world. Yet, if we look at COP 26 in Glasgow, food was not really on the agenda. Indeed, for Sharm el-Sheikh in November, food is on the agenda, but from a point of view of food security. So I ask the Minister whether there is going to be a change of heart about that, and whether food, as both a cause of carbon emissions and biodiversity loss, will have a bigger presence.

Perhaps I might beg the Minister’s time to ask another question. As we are in a food shortage caused by the Ukrainian war—for instance, Germany is putting down a million acres to grow wheat in an intensive farming fashion, and I hear rumours that ELMS itself might be put back a bit—I urge the Minister to say that this a really bad time. Can the Government put further support into regenerative farming that will produce the same high yields but respect and preserve the biodiversity and good soils we need?

Baroness Penn (Con): The noble Baroness has a good point that food security and biodiversity and the preservation of our land do not have to be in tension with each other. The aim of our environmental land management scheme is to promote both of those goals by making farming and agriculture more productive and sustainable on some land, while using land which may be less productive to achieve our biodiversity goals. That is something to which the UK remains absolutely committed.

The Lord Speaker (Lord McFall of Alcluith): My Lords, we have a virtual contribution from the noble Baroness, Lady Brinton.

Baroness Brinton (LD) [V]: My Lords, the Dasgupta review said that it was vital that UK aid assists countries with population and family planning issues because of the biodiversity implications. The Government’s response last June confirmed that they would continue to prioritise aid for family planning. However, following the Chancellor’s cuts to ODA in November, there is a £132 million reduction in grants for family planning—that is a 60% cut which will result in 9.5 million fewer women and couples receiving any family planning services. How does this match the commitment which the Government gave only five months earlier?

Baroness Penn (Con): My Lords, this House has discussed many times the difficult decision that the Government took to cut ODA spending, and they

have set out the criteria for returning to 0.7%. I say to the noble Baroness that we have committed significant funds to nature-based solutions to climate change internationally and to protecting biodiversity.

Baroness Ritchie of Downpatrick (Lab): My Lords, on foot of the Dasgupta review, what work is ongoing with the devolved Administrations to protect our precious peatlands throughout the UK to prevent further loss of our precious biodiversity?

Baroness Penn (Con): The noble Baroness is quite right that our peatlands will play a crucial role as part of our nature-based solutions to climate change here in the UK. That is why the Government have put in additional funding to restoring both peatlands and forests to help with carbon capture in a nature-based way.

Lord Whitty (Lab): My Lords, one of the causes of the loss of biodiversity in Britain is the overuse of chemical fertilisers and chemical pesticides. What are the Government doing to find alternatives that enable us to produce food in a way which does not destroy our biodiversity?

Baroness Penn (Con): The noble Lord is quite right. I believe that Defra made some announcements this week about looking at the inputs to agriculture in the context of rising costs there, and the potential for a mutually beneficial solution in terms of finding more natural solutions to some of those inputs. As part of our environmental land management scheme, we will also promote the maintenance of healthy soils. There are two soil standards within the sustainable farming incentive launching in 2022.

Lord Inglewood (Non-Aff): My Lords, in her initial response to the Question from the noble Lord, Lord Randall, the Minister told the House, in a chain of elegant abstractions, what the Government were going to do. Do the Government recognise that, in order to bring about the aspirations of the Dasgupta review, it is necessary that concrete actions, not abstract aspirations, are the policy?

Baroness Penn (Con): Absolutely. On the international stage, for example, the UK Government have committed to spending at least £3 billion over the next five years on nature and nature-based solutions in developing nations. Through our G7 and COP 26 presidencies, we have ensured that nature has stayed on the global agenda, and we have got commitments from other countries to embed climate change and nature into economic and financial decision-making. Those are just a few examples of concrete action which we are taking on this agenda.

Lord Sikka (Lab): My Lords, a key message from the Dasgupta review is that we need to change our measures of economic success. That cannot be done without replacing the shareholder-centric model of corporate governance with a stakeholder model of corporate governance. Can the Minister explain what

[LORD SIKKA]
changes the Government are considering to the model of corporate governance, and what alternative measures of economic success they propose?

Baroness Penn (Con): I do not think that the Government agree with the move towards a stakeholder governance structure for businesses, but the noble Lord is right that, in our financial system, we need to make the decision-making with transparency on the impact of investments on our economy. We set out a green finance strategy in July 2019 that addresses all sorts of aspects of that, from developing a green taxonomy to having nature-related financial disclosures in our finance system. Overall, the Government are committed to the UK becoming the world's first green global financial centre.

Baroness Bennett of Manor Castle (GP): I am very pleased to hear the Minister referring to—

Lord Hodgson of Astley Abbotts (Con): My noble friend the Minister has talked about food security—as has Defra. Do she and the department recognise that we grow only 50% of the food that we eat? In those circumstances, and given the topsy-turvy world in which we live, should the policy not now be called “food insecurity” rather than food security?

Baroness Penn (Con): My Lords, the figures I have are slightly different, at around 60% of the food we eat. Defra is committed to maintaining that. The UK does have good levels of food security and it will ensure that is the case in future.

Newport Wafer Fab Question

11.40 am

Asked by **Lord Fox**

To ask Her Majesty's Government what is their position regarding the acquisition of Newport Wafer Fab by Chinese-owned technology company Nexperia.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con): My Lords, the Government are considering the case and no decisions have been made. I am unable to comment on the details of businesses' commercial transactions or on national security assessments. The Government always stand ready to act, where necessary, to protect the UK's national security.

Lord Fox (LD): My Lords, the problem here is that we seem to be looking at this issue in a vacuum. The Minister has said in the past that there are no specialist technologies at Newport Wafer Fab, but that ignores the need for industrial capacity to build technology. The Minister will say, and has said, that the factories will not move, so why should we care who owns them? I do care. There is a crippling shortage of microprocessors around the world that is hampering manufacturing. To combat that, the EU and the US have strategies.

We seem to be waiting and seeing. So, to put this acquisition into context, can the Minister tell us when will we have a plan? Will he undertake not to allow this business to be sold until such a plan is forthcoming?

Lord Callanan (Con): I cannot comment on the details of that particular transaction, which is still under consideration, but I can tell the noble Lord that DCMS is working on a semiconductor strategy that will also be published shortly.

Lord Alton of Liverpool (CB): My Lords, this about the United Kingdom's biggest producer of microchips and semiconductors; it is about national resilience and whether or not we wish to become a wholly owned subsidiary of the People's Republic of China, which has been accused of genocide by Elizabeth Truss, our Foreign Secretary. What can the Minister tell us, for instance, about the value of contracts that his own department has had, or that the Ministry of Defence, perhaps more particularly, has had, with Newport Wafer Fab? What is the value of those contracts, and will the departments become customers of the People's Republic of China, should this deal go ahead? Why are we not giving consideration to, and why will he not comment on, the remarks of Ciaran Martin, the former head of the National Cyber Security Centre, who said that there are “very real concerns” about the buyout and that it poses a greater threat than allowing Huawei to build the United Kingdom's 5G network; and this week's statement by the Foreign Affairs Committee in another place, that

“it potentially compromises national security”?

Lord Callanan (Con): I totally share the noble Lord's frustration about this, and totally align with his remarks about the People's Republic of China. On the awful human rights abuses going on there, particularly the treatment of the Uighur people, there is no difference between us. Unfortunately, this is a quasi-judicial decision that will be taken by the Business Secretary under the powers granted to him by the National Security and Investment Act, which many of us debated at great length in this House. I cannot comment on the details of a quasi-judicial decision, or on national security assessments. I apologise to the noble Lord, but that is the position.

Baroness Blake of Leeds (Lab): My Lords, the House of Commons Foreign Affairs Committee found no evidence to suggest that a review into the acquisition of Newport Wafer Fab had taken place, yet Politico reports that the Government's National Security Adviser concluded that there were not enough security concerns to block it. Can the Government confirm, on record, whether the review that was promised by the Prime Minister took place or not?

Lord Callanan (Con): I can confirm that the review is taking place.

Lord Forsyth of Drumlean (Con): My Lords, what does my noble friend make of the remarks by the adviser to the Board of Trade, Tony Abbott, that the

sale of Newport Wafer Fab would not go ahead were it happening in Australia? What discussions have been had with him, and with our allies in the Five Eyes network?

Lord Callanan (Con): What would happen in Australia is a matter for the Australian Government. Tony Abbott is a member of the Board of Trade, and of course we value his insight and opinions, but this is a quasi-judicial decision that will be taken in the interests of the United Kingdom by the Business Secretary.

Lord Purvis of Tweed (LD): The Minister will know that trade with China over the last few years has doubled, but that doubling has occurred because we now import £40 billion more than we export. This trade deficit is the biggest in this country's history—with any country. We are now dependent in many sectors on imports from China, while at the same time, imports and exports with our closest trading partners have declined dramatically. Why does the Minister think that is the case?

Lord Callanan (Con): I suspect there are a number of different reasons for that, particularly the importation of consumer goods. Globalisation and imports from China of consumer goods, consumables, et cetera, are a good thing in terms of global trade, but we have to be wary of dealing with companies from the People's Republic of China. When it comes to matters of national security, we are incredibly vigilant. The NSI Act gave us new powers in this area, and we will not hesitate to act on anything that threatens the UK's national security.

Lord West of Spithead (Lab): My Lords, as the Minister says, the National Security and Investment Act was passed—it shot through this House, actually—to stop things like this happening, because we have been caught out in the past. There is absolutely no doubt—it is known across all our intelligence communities, Five Eyes and everywhere—that this factory has strategic significance and is strategically important to our nation. Therefore, while I understand the Minister's saying that this is quasi-judicial, it would be nice to have some commitment from the Government that they understand how important this is in strategic terms, and they will not let this go through by some sort of error.

Lord Callanan (Con): Nothing will go through in terms of an error, I can assure the noble Lord of that. This transaction is being considered very closely and there is an ongoing review by the National Security Adviser, as I said in response to the noble Baroness, Lady Blake. But the decision has to be taken, as outlined under the terms of the Act, by the Business Secretary. It is his decision and his alone, in quasi-judicial terms.

Lord Stirrup (CB): My Lords, I realise that the structures and processes of government can be something of a mystery, but I am at a bit of a loss to understand—perhaps the Minister can help me here—how something

so crucial to the security and defence of this country and our national infrastructure can be an issue for the Business Secretary.

Lord Callanan (Con): I can certainly help the noble and gallant Lord on that. That is what Parliament decided under the NSI Act: that these decisions are a matter for the Business Secretary to take under the terms of that Act, under the powers granted to him by Parliament under that Act, and he will take those decisions. Obviously, a lot of advice is coming his way from all different parts of government, and from the National Security Adviser, but the decision is his alone to take.

Lord Howell of Guildford (Con): I thought that an investigation into this whole matter had been announced in the other place. What happened to that investigation? Is it under way?

Lord Callanan (Con): I am not sure I can help my noble friend—I do not know what investigation he is referring to. If he is referring to the question the noble Baroness, Lady Blake, asked earlier, on the review by the National Security Adviser which the Prime Minister announced, as I said to the noble Baroness, that review is ongoing.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, have the Tory Government learned nothing from the flirtation with Russian oligarchs? Why do they continue to put the interests of their friends, for the obtaining of a quick buck, ahead of national security?

Lord Callanan (Con): I am sorry, but that comment is unwarranted. This is a commercial transaction between a company called Nexperia and Newport Wafer Fab. There are a lot of jobs involved—people are employed by Newport Wafer Fab—and this is an important issue. The Government will consider it properly with appropriate due diligence, based on the advice from a number of other government departments and from the National Security Adviser. The Business Secretary will take a decision in due course.

Lord Campbell of Pittenweem (LD): My Lords, did not the Prime Minister announce on 7 July last year an investigation and a review into this matter? What has happened to that review?

Lord Callanan (Con): The Prime Minister announced that the National Security Adviser would be asked to look at the transaction, and he is indeed doing that.

Lord Cormack (Con): My Lord, some of us find it difficult to understand why Chinese involvement is even being considered.

Lord Callanan (Con): This is a commercial transaction. Nexperia already has existing semiconductor facilities in the United Kingdom. It entered into an additional

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commercial transaction and, therefore, that is being considered under the terms of the National Security and Investment Act.

Lord Judge (CB): I wonder whether the Minister thinks it would be a good idea for him to advise Parliament to be more careful about entrusting these wide powers to government Ministers.

Lord Callanan (Con): The noble and learned Lord entertains us royally with his views on delegated powers. On every Bill I have brought before this House on behalf of the Government we have had a long discussion about the use of delegated powers, and I am sure we will do so again. At the end of the day, these are difficult issues. Someone has to take a decision, and the proper person to do so, in my view, is the Business Secretary. That was the power granted to him under the Act. He will do so in due course, and I am sure that when he has we will have further debates on this matter.

Energy Security Strategy

Private Notice Question

11.51 am

Tabled by Baroness Hayman

To ask Her Majesty's Government, in the light of the publication of the *Energy Security Strategy* on Thursday 7 April, whether they will give further details on their proposals for onshore wind and home insulation.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con): The Government's energy security strategy sets out a comprehensive package of measures to improve the UK's energy security. We will support the deployment of onshore wind across the UK. This includes a commitment to consult this year on onshore wind partnerships in supportive local areas in England. On the second part of the noble Baroness's question, we are spending a total of £6.6 billion across the lifetime of this Parliament to retrofit the nation's buildings, and the Chancellor announced the removal of VAT on energy efficiency measures.

Baroness Hayman (CB): My Lords, I declare my interests as set out in the register and apologise, because I may have inadvertently misled the House in saying that the strategy had been published today. In fact, what was published yesterday was a four-page press release, two pages of which were supportive quotes about the policy. Perhaps as a starter, the Minister could tell us when we will actually see the policy. With what has been published, in the week of the IPCC's most frightening warnings yet on global warming, and when customers and consumers face horrifying energy bills, it is deeply disappointing to see a set of policies outlined that concentrates on the expensive and the long term and fails to support what would work immediately and help both consumers and the climate.

I have two specific questions for the Minister. Why are there no extra measures to support consumers in insulating their homes? We have some of the worst housing stock in the world, and that is an absolute no-brainer to reduce demand, so we should support it. Is that the result of the cold hand of the Chancellor? Why, when the figures from both his own department and the Conservative Environmental Network this week show that more than 80% of the public support onshore wind, are the Government being so timid and refusing to allow normal planning procedures to go ahead? Is that the dead hand of the Government Chief Whip?

Lord Callanan (Con): There were a number of questions from the noble Baroness. I think she may have unfairly maligned my noble friend Lord Ashton. I am not aware that he has any strong views on the subject. I am sure he will communicate with me if he does, but he has not so far. The strategy will be published later today, and I apologise that the noble Baroness has not had a chance to look at it so far.

With regard to her other questions, we are rolling out the development and formation of low-carbon sources of power, be they nuclear or offshore wind, and we are going to go further on onshore wind. I know it is a subject that the noble Baroness feels passionately about. We must do so in full recognition of the concerns of many local communities. We want to take people with us when we do that, so we will seek a number of pilots to take those policies forward.

We are already spending a lot of money on energy efficiency programmes. I have outlined them numerous times in this House before, but I would be happy to do so again. It would have been good to go further but, regrettably, that was not possible in this case.

Lord McNicol of West Kilbride (Lab): My Lords, I think there may be a theme to these questions. The Minister is well aware of these Benches' support for nuclear and offshore wind. However, onshore wind and solar power are the electricity sources that can reduce our reliance on Russian gas the fastest, given their short construction times. Bottlenecks in planning can be resolved through changes to regulation, and doing so would unlock new power to eliminate Russian gas from our energy mix. Yet our understanding is that specific targets for onshore wind, which is the cheapest and fastest, have disappeared or been removed. Could the Minister explain why? Surely it is not possible that the Government are once again prioritising internal party politics rather than the national interest.

Lord Callanan (Con): There is a lot of good news in this strategy for those who believe in the development and deployment of low-carbon power: the expansion of nuclear and of offshore wind, further developments in hydrogen, et cetera. As I said, in terms of onshore wind, we will be looking to develop a limited range of partnerships with supportive local communities. I should add that this is in England; Scotland and Wales have their own separate planning powers. We will look to develop partnerships with a limited range of supportive communities to try to agree further deployment of onshore wind.

Baroness Bennett of Manor Castle (GP): In responding to the noble Baroness, Lady Hayman, the Minister talked about the concerns of local communities about wind power, but CEN polling this week showed that 83% of all voters and 80% of Conservative voters support the expansion of onshore wind. The journalist Paul Waugh has seen a March draft of this strategy with a target of 45 gigawatts of onshore wind capacity by 2035. What happened to that target?

Lord Callanan (Con): I cannot comment on leaks of draft documents to journalists. All government documents go through a long drafting process. As I said, we are supportive of the deployment of onshore wind, but we want to do it in co-operation with and with the agreement of local communities, so we will seek to roll out a number of partnerships to enable us to do that.

Lord Howell of Guildford (Con): My Lords, I declare my energy interests. It is a bit difficult to comment on a paper we have not seen, but by the sound of it, it is going to be full of admirable longer-term proposals, including the nuclear one—although I think that actually, as usual, they are going to get that wrong. Generally, it is in the right direction, as the noble Baroness, Lady Hayman, has rightly emphasised. But is there a recognition of the unavoidable fact that, for the next five to eight years, we are going to remain inextricably embedded in dangerous and volatile global oil and gas markets, and we cannot get out of this? There is only one short-term answer, which is to cut demand—as again the noble Baroness, Lady Hayman, and others, have suggested—and increase supply substantially. What are we doing to get Middle East suppliers, who are supposed to be our friends, to replace Russian exports—which are of course financing Russian atrocities by the day—by pumping much more oil and gas in the short term, which they can easily do? When are we going to get on with that?

Lord Callanan (Con): The noble Lord is right: we will have an ongoing requirement for oil and gas in the transition period. We will seek to obtain as much of that as possible from our own domestic sources and will roll out an additional licensing round for North Sea oil and gas projects this autumn—they will of course all be done in co-operation with our climate compatibility tests—because it is much better to get those resources locally than source from unstable parts of the world. I cannot comment on discussions that have taken place with various regimes in the Middle East.

Baroness Boycott (CB): My Lords, the IPCC report this week was explicit that emissions need to peak by 2025: that is only three birthdays away if we are to have any hope of holding to below 1.5 degrees, yet this press release says that there are new licensing rounds for oil and gas this year. Does the Minister not agree that drilling for oil will not lower the bills and that the surest and cheapest way to do this is to ramp up all forms of renewables and insulate homes?

Lord Callanan (Con): We are ramping up all forms of renewables, but we have a requirement for oil and gas in the short term. I remind the noble Baroness that the UK's emissions are falling fast. We have the fastest rate of declining emissions of advanced western economies. We were the first to set a long-term target. The UK is responsible for a tiny proportion of emissions in worldwide terms, and this is a worldwide problem. We are reducing our emissions; we are making progress; we are rolling out renewables, and we are rolling out energy-efficiency measures.

Lord Oates (LD): My Lords, the immediate crisis of energy security relates to the energy security of millions of British people who are facing ruinous bills. In that context, why have the Government chosen a strategy that passes over the cheapest form of energy production—onshore wind—and have instead adopted the most expensive—nuclear—which will be piled on people's bills through the RAB charge? What is the reason behind that?

Lord Callanan (Con): As we debated many times in this House, we need both. We need nuclear and are pleased to have the support of the Opposition in accepting that we need it for long-term baseload power supplies. We also need renewables, which is why we already have the second greatest amount of offshore wind power in the world. We are seeking to ramp up those facilities as well. We are also deploying additional solar and hydrogen production. As I said, on onshore wind, we will look to go forward in partnership with supportive local communities. It is not a question of picking one technology over another: we need a diverse mix of energy supplies. The noble Lord was wrong to say that there was a problem with the UK's energy security. There is no difficulty with energy security; there is clearly a short-term difficulty with the price of energy—particularly relating to gas—and we totally understand the difficulties that consumers are going through. That is why the Chancellor announced the £9.1 billion-worth relief package.

Baroness Blackstone (Ind Lab): My Lords, perhaps I can push the Minister a little further on his reply to the last question. While of course it is vitally important that every conceivable measure to deal with our energy problems should be addressed, there is a question about what should be given priority and where the urgency should be attached. While I strongly welcome the Government's decision to expand our nuclear energy facilities, surely priority should be given to the relatively cheap and relatively popular policy of trying to expand faster our onshore windfarms. More than 80% of the population welcome this, only 4% are opposed to it, so public opinion is behind it. Would it not be helpful to establish priority for that, as well as providing more money—I know the Government have provided some, but not a great deal—for insulation programmes as a matter of urgency?

Lord Callanan (Con): I understand the thrust of the noble Baroness's question, but we can prioritise a number of different things at the same time. That is

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 why this is a comprehensive strategy. We are rolling out new nuclear, as indeed we should; we are also rolling out additional offshore-wind capacity and additional hydrogen capacity. As I said, onshore wind is also a priority, but it is a priority that we need to act on in cognisance and recognition of the concerns of local communities. With regard to insulation schemes, we are spending something like £6.6 billion over the term of this Parliament on insulation schemes. It would have been good to have gone further, but the Treasury would not support it.

Lord Lilley (Con): My Lords, given that the two forms of domestic energy that can most rapidly come on stream and displace expensive imports are onshore wind and onshore shale gas, why does the Minister not introduce a system where, if a majority of the people in the vicinity of any proposed site to produce onshore wind or onshore gas vote in favour of it in return for cheap electricity or gas, it can go ahead?

Lord Callanan (Con): Both the cases highlighted by my noble friend show the difficulties of proceeding in this environment, because we are a democratic society; we have strict planning rules and we have to try to proceed with these things with care and the support of local communities. I have outlined the position a number of times in relation to onshore wind. With regard to fracking for shale gas, my noble friend will be aware that the Business Secretary commissioned the British Geological Survey to do a further study to see if extraction of shale gas can take place without the unfortunate seismic events that occurred the last time it was tried. We will continue to be guided by the science in this respect.

Lord Fox (LD): My Lords—

Lord Hunt of Kings Heath (Lab): My Lords, can the Minister explain to the House why the strategy was not published this morning—

Earl Howe (Con): My Lords, although the clock has passed 15 minutes, I am afraid it was the turn of the Liberal Democrats. I will allow the noble Lord to ask his question: I think that would be appropriate.

Lord Fox (LD): I appreciate that, and I thank the noble Lord for giving way. As your Lordships' House knows, the financial risk of funding future nuclear is falling to consumers through the RAB model. Can the Minister tell us when consumers will see their bills go up, and by how much? When will they see the fruits of that investment—in nuclear electricity—coming down their pipes? How long will they have to wait and how much will they have to invest before that electricity comes on stream?

Lord Callanan (Con): We debated these matters extensively during the passage of the Nuclear Energy (Financing) Act. The impact on consumer bills under the RAB model is relatively small. I would be happy to let the noble Lord have the figures that we used during

the progress of the Bill. As I suspect he is well aware, new nuclear projects take a number of years to come on stream. This is about the UK's long-term energy security policy; a mix of policies will be required, which I have outlined at great length. Of course, it will be a number of years before new nuclear comes on stream.

Returning to the question I think the noble Lord, Lord Hunt, was about to ask me when the strategy will be published. The answer is today.

Monken Hadley Common Bill *Third Reading*

12.07 pm

Bill passed and sent to the Commons.

British Sign Language Bill *Order of Commitment*

12.08 pm

Moved by Lord Holmes of Richmond

That the order of commitment be discharged.

Lord Holmes of Richmond (Con): My Lords, I understand that no amendments have been set down to the Bill and that no noble Lord wishes to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects, I beg to move that the order of commitment be discharged.
Motion agreed.

Pension Schemes (Conversion of Guaranteed Minimum Pensions) Bill *Order of Commitment*

12.09 pm

Moved by Baroness Redfern

That the order of commitment be discharged.

Baroness Redfern (Con): My Lords, I understand that no amendments have been set down to the Bill and that no noble Lord has indicated a wish to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects, I beg to move that the order of commitment be discharged.
Motion agreed.

Glue Traps (Offences) Bill *Order of Commitment*

12.09 pm

Moved by Baroness Fookes

That the order of commitment be discharged.

Baroness Fookes (Con): My Lords, I understand that no amendment has been set down to this Bill and that no noble Lord has indicated a wish to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects—and they had better not—I beg to move that the order of commitment be discharged.

The Deputy Speaker (Baroness McIntosh of Hudnall) (Lab): My Lords, I was going to give a moment to see whether anybody wants to take up the dare, but possibly not.

Motion agreed.

Marriage and Civil Partnership (Minimum Age) Bill *Order of Commitment*

12.10 pm

Moved by Baroness Sugg

That the order of commitment be discharged.

Baroness Sugg (Con): My Lords, I understand that no amendment has been set down to this Bill and that no noble Lord has indicated a wish to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects, I beg to move that the order of commitment be discharged.

Motion agreed.

Taxis and Private Hire Vehicles (Disabled Persons) Bill *Order of Commitment*

12.11 pm

Moved by Lord McLoughlin

That the order of commitment be discharged.

Lord McLoughlin (Con): My Lords, I understand that no amendment has been set down to this Bill and that no noble Lord has indicated a wish to move a manuscript amendment or to speak in Committee. Unless, therefore, any noble Lord objects, I beg to move that the order of commitment be discharged.

Motion agreed.

Skills and Post-16 Education Bill [HL] *Commons Reason*

12.12 pm

Motion A

Moved by Baroness Barran

That this House do not insist on its Amendment 15B, to which the Commons have disagreed for their Reason 15C.

15C: Because the timetable for the rollout of the reform programme for post-16 qualifications should not be delayed further and the additional requirements would introduce unnecessary burdens.

The Parliamentary Under-Secretary of State, Department for Education (Baroness Barran) (Con): My Lords, I am pleased to be back in the Chamber to discuss the Bill as it reaches its conclusion.

After listening to debate from noble Lords a fortnight ago—the noble Lord, Lord Blunkett, in particular made a speech that spoke to his own experience, which I profoundly respect—I have come to this House with an announcement and clarifications that I hope will address the main thrust of those concerns. We are taking a pragmatic approach to our reforms as they are implemented and will continue to do so. We have already made important changes after listening to the arguments made in this House.

Last November, the Secretary of State announced an additional year before funding would be withdrawn from qualifications that overlap with T-levels. We have also removed the English and maths exit requirement from T-levels, but we do not think that a further delay will benefit providers, awarding bodies, employers or students. We know that stakeholders need clarity on the timescales for implementation, and we are continuing to support them in the rollout of T-levels. The announcements I am making today should give further assurance that the Government are undertaking their reforms in a measured, evidence-led and sensible manner and that any further delay is not necessary. We want to get on with delivering the Bill and our reforms to technical education qualifications.

My right honourable friend the Secretary of State for Education sent a letter to noble Lords. In that letter, he set out the Government's position that many applied general qualifications, such as BTECs and other similar qualifications, will have a continuing and important role to play alongside A-levels and T-levels. To be approved for funding in future, qualifications will need to meet new quality and necessity criteria.

I want to make it clear that students will be able to take applied general-style qualifications, including BTECs, alongside A-levels as part of a mixed programme. We are not creating a binary system. Our aim is to ensure that students can choose from a variety of high-quality options, of which A-levels, T-levels, BTECs and other applied general-style qualifications will all play their part.

We have already begun our reform process, having confirmed that around 1,800 qualifications have low or no enrolments and will therefore have funding removed from August 2022. Our next phase of reforms will be to consider qualifications that overlap with T-levels. I know that noble Lords are all interested to see the provisional list of qualifications that overlap with waves 1 and 2 T-levels. I want to be absolutely clear to your Lordships today that through this process we expect to remove public funding approval for just a small proportion of the total level 3 offer, including BTECs. This will be significantly less than half. We expect to publish the provisional list in due course. There will be an opportunity for awarding organisations to appeal a qualification's inclusion on the list to make sure we have applied our overlap criteria fairly. Our final phase in this process will focus on the quality of the wide range of other qualifications available.

[BARONESS BARRAN]

I now turn to the commitment the Government are making in the light of the previous debate on the Bill in this Chamber. We want to ensure that we have the best evidence when considering whether to continue funding qualifications. As such, I can now guarantee that employers will have the opportunity to say if they believe qualifications support entry into occupations not covered by T-levels. This will mean that we have the strongest evidence to support decisions through the overlap process. It is important that there are no gaps in provision and that we retain the qualifications we need to support progression into occupations that are not covered by T-levels.

I was pleased in the previous debate to hear the support across the House for T-levels. Just as T-levels are being introduced in phases, we are also taking a phased approach to removing funding approval from qualifications that overlap. Let me reassure your Lordships that qualifications that overlap with T-levels introduced in 2020 and 2021 will not have funding approval removed until the academic year 2024-25. Similarly, we can guarantee that no qualifications will have funding approval removed because of overlap with T-levels being introduced in 2022 and 2023 until the academic year 2025-26. In this way, we will make sure that no existing qualification has public funding approval withdrawn before the relevant T-level alternative is available. Our reforms will ensure that all students have high-quality options that support progression to employment or further study, including higher education.

As I have said previously, we have put in place significant investment in T-levels, as well as support for the sector, to help providers and employers prepare for them. We are confident of their success and will continue to carefully assess the progress of our reforms to ensure that no student or employer is left without access to the technical qualifications they need. We will also continue to publish regular updates and evidence as part of our annual T-level action plans, which can be found on GOV.UK.

I have also heard loud and clear from noble Lords the concerns about reforms for disadvantaged students. Our impact assessment recognises that students who take qualifications that are more likely to have funding withdrawn have the most to gain from the changes. That is because in future they will take qualifications that are of higher quality and meet the needs of employers, putting them in a stronger position to progress on to further study or skilled employment. But we want to go further and continue to gather evidence to ensure that our reforms across both technical and academic qualifications are working as we intend.

In particular, the unit for future skills, as announced in the levelling-up White Paper, will make sure that across government we are collecting and making available the best possible information to show whether courses are delivering the outcomes that we want—helping to give students the best possible opportunity to get high-skilled jobs in their local areas. Today's announcement and assurances are a clear statement from the Government that employers will play a valuable role in the process to determine overlap with T-levels and that we have mechanisms in place at all stages of the qualifications

review to make sure that our reforms are evidence-driven and employer-led, levelling up opportunities for young people across the country.

We have come here with an understanding, a sensible compromise, and a decision that I hope noble Lords will support, as this legislation has support across all parties. It will allow us to start transforming the skills system for the economy and people across the country. I beg to move.

Lord Blunkett (Lab): My Lords, I thank the Minister. She is renowned in this House for her courtesy and willingness to listen and on this occasion she has done so in an exemplary manner. I know other Members of your Lordships' House will, like me, appreciate the fact that she has been prepared to have considerable discussions behind the scenes, to talk with her Secretary of State, to ensure that the all-Peers letter sent out today from him adheres to the understanding that has been reached and that her statement from the Dispatch Box is, as I would expect, complementary to and exactly in line with the letter.

I thank my noble friend Lord Watson for his incredible patience with me over the past weeks. I really appreciate that. I understand that his young son is on the Steps and he is very welcome. I would also like to say how much I personally appreciated the support of noble Lords on Amendment 15B. Throughout the passage of the Bill, from Second Reading, Committee and Report right through to the beginning of ping-pong two weeks ago, we have had all-party consideration and support for high-level, top-quality, vocational and technical provision, including the introduction of T-levels. Concerns expressed have been heard and understood. If I might say so, we have done a good job in this House in making this a better Bill. The phasing in and timetabling of the reform and change are now in a much better place. As the Secretary of State's letter said and as the Minister reiterated from the Dispatch Box, this is led by evidence, and with agreement of further evidence, which should be gathered to ensure that these reforms are delivered in the right way.

The topping and tailing of the Secretary of State's letter is a reiteration of the standard lines to take, but the centrepiece of the letter is real progress, as the Minister already indicated. On that basis, it is really important that we accept the consensus that has been agreed, that we understand that when you are winning you give way, and that we continue the agreed programme in a sensible dialogue. All of us will have consideration of what "overlap" really means and how it is handled. I know that the noble Baroness, Lady McGregor-Smith, will have heard very clearly the discussions in this House and the statement from the Minister this afternoon. It is welcome that we are no longer going down a binary route, that we are allowing people to take A-levels as well as advanced qualifications such as BTEC, that we understand the needs of individual learners, that we appreciate that people mature in different ways and learn in different ways, and that pedagogy does not demand that one size fits all. I am appreciative of both the Government and this House for the way in which they have been so supportive. Thank you.

Lord Baker of Dorking (Con): My Lords, I congratulate the noble Lord, Lord Blunkett, on tabling this amendment because it has helped to shift the Government's thinking on T-levels. When they were originally announced in July 2021, it looked as though there was going to be a war between BTECs and T-levels. I never accepted that, because T-levels will survive as an important choice at 18 for students who want to take them. I am quite convinced of that. To show my confidence in them, of the university technical colleges for which I am responsible, two have been teaching T-levels in construction and skills for the past 18 months and another seven joined them in September last year.

Since the Bill was first debated, the attitude of the Government has moved. I read only a few minutes ago the letter from the Secretary of State, large parts of which the Minister, who has been very helpful in this matter, repeated. BTECs will still be needed in the future because over 200,000 are taken by students each year. I was very glad that the Minister said that the views of employers would be taken more into account, because three large manufacturers, JCB, Rolls-Royce and Toyota, have approached the Government and said that BTECs should run alongside T-levels until students decide whether they want to take them or not.

The real success of T-levels will be if students actually want to take the exam and see it as a way to get into university. Many of them will do that but, on the other hand, lots of students will not want to take them. We found in the two experiments that we were engaged in that students who get grades 5, 4, 3, 2 or 1 in GCSEs are reluctant to handle T-levels as they are really above their capability. But they also want a technical way of getting to level 3; that is very important. AGQs, which the Minister mentioned, and BTECs do that. She did not actually mention the national diploma and the extended national diploma, but I hope they will be carefully considered by the Minister. That is how many people, particularly black and ethnic-minority students, get into a university.

I hope that this is a genuine change in the attitude of the Government towards BTECs. They are an important part of the educational process of our system. As I have said before, hundreds of thousands are taken each year. The letter from the Secretary of State is reassuring, but we will know only when we see the results of T-levels. We will have the first results of T-levels from a few hundred schools this August, more in August next year and more in August the following year before any BTECs are defunded. Then the House will have the opportunity to see whether the pledges given today by the Ministers are being fully implemented.

Baroness Garden of Frognal (LD): My Lords, I add my thanks to the Minister and the Government for listening to our concerns. It was good to get the letter from the Secretary of State, although only this morning, which was cutting things a little fine. However, we appreciated the meeting with the Minister yesterday, which gave us a whole day to absorb what was planned. In this place, we have to listen and think rather rapidly.

Anyway, we felt very strongly, as the Minister knows, that defunding BTECs when T-levels were untried and untested could spell disaster for students wishing to

learn practical, work-based skills. We constantly pointed out that BTECs are well understood and respected by employers, by academia and, perhaps as important, by parents. It is a benefit that they can be combined with A-levels, which T-levels cannot, giving additional opportunities to students in their choices.

We will continue to try to ensure that schools celebrate their BTEC and apprenticeship leavers with the same enthusiasm as their university entrants. Until the Government amend their highly academic criteria for schools, that may be a pipe dream, but there is hope that young people are increasingly looking at the high cost of university, the absence of social life during Covid—no getting drunk in the pubs, although that is mercifully coming back again—and considering that learning and earning is a better alternative than learning and being in debt.

12.30 pm

However, it will inevitably be many years before T-levels are understood enough to be celebrated as warmly as BTECs and apprenticeships. The noble Lord, Lord Baker, has set out the timescale. We do not know anything about T-level results yet, but it is always a very slow process to introduce a new qualification and have it widely understood. When NVQs first came in, for years people were not asking about them; people still wanted to do City & Guilds qualifications and we had to explain that they were City & Guilds NVQs. It takes a long time, particularly for employers, as they are focused not on education and training but on making a living.

We are relieved and pleased that very many fewer BTECs will be defunded than was originally envisaged and to hear assurances that no existing qualification will have public-funding approval withdrawn before the relevant T-level alternative is available—and, I hope, understood and respected. As we know, it is not envisaged that T-levels will be available in the multitude of BTEC subjects, so hopefully there will be a long life ahead to give hope and aspiration to the very many BTEC students. As the Minister said, it is very important that there should be no gap in provision. Who knows what the world will look like by 2025—or indeed what the Government will look like?

It is vital to the success of the country that young and old are encouraged to improve their skills in all the areas which are needed for prosperity, and so it is a great relief that the Government are not cutting off their nose to spite their face, and have listened to the many well-argued and passionate arguments from around this House and given this reprieve. I thank the Minister.

Lord Johnson of Marylebone (Con): My Lords, as at previous stages, I draw attention to my interests in the register.

I echo the noble Lord, Lord Blunkett, and others in welcoming that we are no longer planning to move straight to a binary world of A-levels and T-levels. I was glad to see that the Secretary of State, in his letter to Peers today, said that BTECs and similar qualifications will have a continuing and important role alongside T-levels and A-levels.

[LORD JOHNSON OF MARYLEBONE]

Can the Minister please reassure us on two further points? First, will the Government seek parity of esteem for all quality technical and academic options, so that there is no hierarchy between A-levels, T-levels, BTECs and similarly applied general qualifications? This would mean that the Government would cease to refer to T-levels as the best option and the best technical route. Secondly, can she address the continuing issue of the blight that hangs over the provision of BTECs and other applied general qualifications during this extended reform process, so that it does not deter providers from offering these important and valued technical options and discourage students from embarking on them out of concern that these qualifications will be disparaged by the Government in the process of the reforms and lose their value over time?

Lord Watson of Invergowrie (Lab): My Lords, it has been a long and winding road with this Bill, stretching back over 10 months from the position that we find ourselves in today. There is very little to add to what noble Lords have said in the last 20 minutes or so, but of course that does not mean that I will not make an attempt at it.

It is very pleasing that we have reached this position because, when the Bill arrived here, it was skeletal in form and many noble Lords made the point that it would be fleshed out only through secondary legislation. I do not think that many find that an acceptable means of legislating, given the restrictions on scrutiny that it entails. But we have had some fleshing out. We have the lifetime skills guarantee—albeit from only level 3 upwards—which will be introduced in 2024. We have the lifelong loan entitlement, which we know a bit more about and which is out for consultation at the moment; it will not come into play until 2025. There are also other consultations ongoing on level 2 and level 3 qualifications, so there is still quite a lot out in the ether and what will finally emerge is for the future.

I echo the points of noble Lords, particularly my noble friend Lord Blunkett, about the discussions into which the Minister, the noble Baroness, Lady Penn, and officials entered with us in the last few days. They have been productive.

I was slightly disappointed to get a message this morning from someone in the higher education sector who said that they were disappointed that the fight against BTECs being defunded, had fizzled out. Being a fairly forthright Scot, I replied that this was, shall we say, not quite the case. I have also had messages about the extension to 2024 and the clarity that will be provided in the documents that the Minister referred to—the Secretary of State's letter and the table. I am not sure whether the table has yet been distributed to noble Lords, but it will be. It sets out the defunding process. The main point, as the noble Baroness, Lady Garden, mentioned, is that when this started, it was said that only a small range of BTECs would survive. We have now come not quite full circle but some considerable distance, with only a small range of BTECs facing defunding and in certain circumstances, as the Minister outlined. That is very much progress, and we welcome it.

To echo the noble Lord, Lord Baker, T-levels will ultimately be a success—we want them to be and they will be; it is a question of time. In our discussions earlier in the week, the Government's target was 100,000 T-level starts in 2024. That is quite ambitious, given that we have only 5,000 at the moment, but I wish them well. Equally, I welcome that for those young and not so young people for whom T-levels are not appropriate for whatever reason—there are many reasons why that might be the case—there are other options remaining open to them, not least the route into higher education, which has been, as many noble Lords have said, very important. I am pleased that we have got to this. As my noble friend Lord Blunkett said, the Minister has been very helpful in that regard.

The noble Lord, Lord Baker, deserves considerable credit. Through his efforts, the clause bearing his name from the 2017 Act has been beefed up and will carry much more weight and be much more effective than it has hitherto been, with the ability of providers to be brought into schools. There will be much less likelihood of head teachers saying, “No, no, we don't need that actually. Most of our young people are going to university, we don't really need to hear about apprenticeships or any form of technical education”. That is wrong in any situation and is now much less likely.

The question of careers education is important. The noble Lord, Lord Blunkett, mentioned it, and I am very proud to say that there is a young man—my son Thomas—sitting on the steps of the Throne who is about to enter senior school. By the time he reaches 16, I hope that these reforms will have bedded in and he will have many options open to him and his cohort, enabling them to make informed decisions on how their lives will pan out, whether through further education, higher education, apprenticeships or whatever. I very much hope that that will be the case.

I do not really have anything else to say, other than that the Bill is in a much better state than it was when it arrived here. Many noble Lords have played an important role in getting us here, and I have to say that the Government have been willing to listen and act. It is important that this Bill is a success. The futures of many young and not so young people depend on it, and the future economy of this country depends on it. I hope it will succeed.

Baroness Barran (Con): My Lords, as the noble Lord, Lord Watson, said, this Bill has been with us for a while and I know that noble Lords are keen to start their Easter break, I hope with their families. I thank noble Lords for their very generous words on the work that we have done in government, with officials and with many of your Lordships to get the Bill to where it is now. I hope that it will deliver on all our shared aspirations in this area.

I shall try to respond briefly to the questions from my noble friend Lord Johnson regarding parity of esteem. Without wanting to play with words, we are aiming for clarity of esteem—although I am not sure whether that exists. We want to have a range of high-quality options for young people. We want them to be absolutely clear which ones work for them, which are

suitable and which offer the right path forward. Of course, that is underpinned by parity, but we need clarity as well, because that has been lacking in the past. In relation to his second point, we also need absolute clarity for providers. There is an enormous job still to be done to communicate the value of all the different options that young people will be offered.

In response to the noble Lord, Lord Watson's correspondent, and the fight against BTECs fizzling out, I think we could agree that the fight for quality is certainly not fizzling out in any way. I am not sure there ever was a fight—but anyway.

Before closing, I thank all noble Lords here today, many of whom have contributed to debates throughout the passage of the Bill. I pay particular tribute to the Front Benches, to the noble Lords, Lord Watson and Lord Storey, and the noble Baronesses, Lady Sherlock, Lady Wilcox and Lady Garden. I say two things to the son of the noble Lord, Lord Watson, who is sitting on the steps of the Throne. I share the aspirations of the noble Lord that our reforms are bedded in, and I hope that his son and all his classmates will have a great range of opportunities. I also remind him that what he sees in this House today is the tip of the iceberg of the work that the noble Lord and his colleagues have been doing over the last few months to get this Bill to where it is.

I also thank the many former Education Ministers and Secretaries of State in this House whose insights we have benefited from—my noble friends Lady Morgan, Lord Willetts, Lord Baker and Lord Johnson, my noble and learned friend Lord Clarke and the noble Lord, Lord Blunkett. I also say special thanks to my noble friend Lady McGregor-Smith. She has been a great mentor and helped me to understand how this Bill will work in practice.

I also thank my noble friends Lady Penn and Lady Chisholm for their support. I thank the Bill team officials who have worked on the Bill—Kady Billington-Murphy, Ellie-May Morris, Emma Sisk, Lois Clement, Georgia Scoot-Morrissey, Charlotte Rushworth, Katrina Leonard-Johnson, Catherine James and Stephen Wan. I especially thank Jessica Clarke in my private office, who has been an exemplar of calmness under pressure.

Motion A agreed.

Animal Welfare (Sentience) Bill [HL]

Commons Amendments

12.44 pm

Motion on Amendments 1 and 2

Moved by Lord Benyon

That this House do agree with the Commons in their Amendments 1 and 2

1: Clause 2, page 1, line 20, at end insert—

“(4A) Recommendations made by the Committee must respect legislative or administrative provisions and customs relating in particular to religious rites, cultural traditions and regional heritage.”

2: Clause 6, page 3, line 16, leave out subsection (5)

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Benyon)

(Con): My Lords, I beg to move that this House do agree with the Commons in their Amendments 1 and 2. Amendment 1 would require any recommendations produced by the animal sentience committee to respect “religious rites, cultural traditions and regional heritage”.

We have carefully considered representations made by noble Lords in debate on a similar amendment, tabled by my noble friend Lord Forsyth of Drumlean. Honourable Members in the other place raised many of the same concerns. We recognise the strength of feeling in both Houses. We have listened, and we have accepted the amendment.

The Government have always sought to create a targeted, balanced and proportionate accountability mechanism within this Bill. We want the animal sentience committee to be led by science and to comprise members who are experts in sentience and animal welfare. Religious rites, cultural traditions and regional heritage will be neither their area of expertise nor their focus. This is a role for Ministers. We expect the committee to respect provisions and customs relating to these areas when they make recommendations under Clause 2(3) of the Bill.

We have always been clear that it is not the role of the committee to make value judgments about policy or to provide recommendations that do not reflect its expertise or its remit. This amendment will provide additional reassurance on this point. I hope that noble Lords will be content to accept it. I beg to move.

Lord Trees (CB): My Lords, I first declare my interest as in the register. I am co-chair of the All-Party Parliamentary Group for Animal Welfare. I thank the Minister for useful discussions during the passage of this Bill, and I hope that he is a very happy grandfather this afternoon.

I accept these amendments, particularly Amendment 1, but, as a vet and a veterinary scientist, I have to say that I do not condone some of the activities covered under the amendment in terms of,

“religious rites, cultural traditions and historical heritage.”

Some of those activities are not consistent with best practice in animal welfare science or indeed regulation, and I will take this opportunity to make a plea to those directly involved to consider very carefully and to reflect on whether practices which had some historical relevance in ancient times are relevant, necessary or at all acceptable in the 21st century. Having said that, I respect national and international laws pertaining to freedoms—in particular, Article 9 of the Human Rights Act on religious freedoms.

I will make one further point. During prolonged discussions about the Bill in this House, a number of noble Lords raised the potential threat to the use of animals in medical research. That was a fair concern, but one which could be countered—I spoke to that effect, as did others at the time—by the fact that the rigorous application and implementation of our Animal (Scientific Procedures) Act 1986 was a sufficient response to the requirement for government departments to have due regard to animal welfare and the development of policies. We have thorough, world-leading regulations around the controlled use of animals in medical research.

[LORD TREES]

Recently, it has come to my notice that there are changes afoot in the Home Office with regard to the implementation of the Animal (Scientific Procedures) Act. It is not yet clear to me what the effect of those changes might be on the welfare protection of animals used in medical research. I urge Her Majesty's Government to ensure that any changes with regard to the implementation of the law pertaining to the use of animals in medical research should not weaken—or be perceived to weaken—that regulation, which could lead to increased legal challenge to the use of animals in medical research when the Bill becomes an Act. I support the amendment.

Baroness McIntosh of Pickering (Con): My Lords, I congratulate my noble friend the Minister on bringing the Bill to this stage. My concerns about it have not changed, but we are where we are. I want to lend my support to and associate myself in particular with Amendment 1. In doing so, I repeat that I am a fellow of the British Veterinary Association and share some of the concerns outlined by the noble Lord, Lord Trees, regarding its practice.

I seek reassurance from my noble friend as to the response of the devolved Parliaments to the amendments. Have the Government had the chance to square the amendments with them? I further seek reassurance that in the operation of the Bill the Government, particularly my noble friend's department, will be mindful of the role that farmers and especially livestock producers play in rearing our farm animals, and perhaps recognise that they are best placed to respect animal welfare and are masters in their own right of animal husbandry.

I hope that, in light of the short debate we had elsewhere in Questions this week, the Government will be mindful of the fact that there is still a severe shortage of seasonal workers which is impacting on abattoirs and the slaughter of animals. I hope that there will not be any undue concern over potential animal welfare consequences of that. I realise that it is not entirely within the scope of the Bill, but I wish to draw it to my noble friend's attention. I congratulate him on accepting the two amendments before us today.

Baroness Jones of Moulsecoomb (GP): My Lords, I had thought that the Government had completely forgotten this Bill, because it has been so long threading its way through both Houses. Anyway, I am glad that it is happening. It is not the Bill that I would like to have seen passed, but I guess that we have to accept it, since it is better than nothing—although that is not exactly glowing praise. I hope that we can see some effectiveness coming from the Bill and real action, so I say well done for bringing it back and getting us to this point.

Lord Moylan (Con): My Lords, I want first to thank my noble friend the Minister, who has put an inordinate amount of effort into discussing concerns about this Bill with those of us who have them. I congratulate him not only on becoming a grandfather but on landing this Bill, as he does today.

However, it remains a very bad Bill and I think it is worth repeating why. It is not because it entails a huge administrative reorganisation; in this House, we take huge administrative reorganisations in our stride. We have been reorganising the National Health Service over the past few weeks, which is possibly the largest organisation in the world, certainly in Europe. The Government's defence of the measure is essentially that it is administratively very minor: it just sets up a committee; it is an advisory committee, and Ministers will make final decisions—"There is nothing to see here; move on". But the important part of the Bill is not its administrative effects but the fact that it is a declaratory Bill. It declares something in the law of the United Kingdom for the first time to be true—that is, that animals, vertebrates and certain non-vertebrates, are sentient. I know that this appeared previously in a treaty that we were party to, but it moves it on a considerable step to incorporate it into domestic law in this way.

It is worth asking why that declaration matters. It matters because it is very much part of the agenda of the animal rights movement to achieve agreement on three things. The first is that animals are sentient; the second is that sentience is the sole basis for judging moral conduct; and the third, as a consequence of that, is that humans and animals are to be treated on the same basis in moral terms. That is a complete upturning of our established view of moral conduct; it is a completely new anthropology. This Bill is therefore profoundly anti-human. It opens the door to a moral calculus in which people can ask the question: how much chimpanzee suffering is equivalent to a human baby suffering? That is why it remains a very bad Bill. It is a Bill that we will come to regret.

Lord Herbert of South Downs (Con): My Lords, I draw attention to my interests as declared in the register. I thank my noble friend the Minister for indicating that the Government wish to agree with these sensible amendments, which merely import principles which previously existed in relation to sentience provisions in the Lisbon treaty and will create a better balance in the Bill and in the operation of the sentience committee.

I fear that I rather agree with my noble friend Lord Moylan that this remains a bad Bill and it stores up trouble for the future, but we have made all those points before. Even if the Government came to this late, they are wise to have accepted the view of the Commons that some balance needed to be injected into the measures, so we are doing the right thing by agreeing with them. I thank my noble friend for everything that he has done to get us to this place.

Lord Bellingham (Con): My Lords, I endorse thoroughly the remarks of my noble friends Lord Herbert and Lord Moylan. I congratulate the Minister on entering this whole discussion with great good humour and with a certain amount of patience as well, because we have certainly asked him many questions and put him under quite a lot of pressure, but I hope that at all times we have been courteous to him, too.

My starting point was exactly the same as that of my noble friend. This Bill really was not necessary. If one looks at the raft of legislation in this country that

protects and stands up for animals, one sees that it is one of the most effective legal frameworks anywhere in the world. Some of those laws date back to the start of the last century. Flowing from those different Acts of Parliament have been numerous regulations, such as the Welfare of Farmed Animals (England) Regulations, which are pretty comprehensive.

So the Bill was not necessary, but in the context of realpolitik, I understand why the Government decided that they had to move down this route. The Bill has certainly been improved by the Commons amendments, which I welcome. I once again thank the Minister for what he has done to help improve the Bill substantially from where it was when it started out.

Baroness Bakewell of Hardington Mandeville (LD): My Lords, I thank the Minister for his introduction to the Commons amendments to the Animal Welfare (Sentience) Bill. This was a very small Bill which was trailed in the Conservative Party's manifesto. I am not usually an advocate of following another party's manifesto, but, on this occasion, it was necessary to bring forward the Bill in this parliamentary Session. I would have wished the Bill to have had more detail in it and perhaps to have had more support from the Government Benches, but to have amended it further would have delayed it, and it could possibly have been lost in the welter of other legislation we are dealing with.

The noble Baroness, Lady Jones of Moulsecoomb, referred to the shortcomings in the Bill, as have others. It is nevertheless long overdue that animal sentience should be recognised in law and on the face of legislation. This Bill fulfils that need.

The Bill, although short, received minor amendments in the other place. The first, to Clause 2, inserts the provision around religious rites, cultural traditions and regional heritage. It seems sensible that those who have strongly held religious beliefs should be able to have those rites and cultural traditions respected; this is the correct way to proceed. However, insertion of the provision is not necessary, as the Bill already gives the ASC the right to consider non-welfare factors, but we are content to let it stand.

The other amendment made in the other place was to Clause 6. A clause inserted in the Lords prevented any charge being placed on the people—on public funds—but it was removed in the other place. We do not oppose the removal of that amendment and hope that others similarly do not oppose its removal.

1 pm

For some considerable time, animals have been recognised as being capable of feeling pain, sadness, hunger, thirst and warmth, and able to enjoy a good life. This is now recognised in legislation, and it will be the responsibility of the animal sentence committee to ensure that consideration is given to that during its work. I look forward to the reports which the ASC will produce, informing us all how it is carrying out its work and how sentient animals are being protected through its deliberations.

I thank the Minister and his officers for their time and briefings during the passage of the Bill, which was at times somewhat choppy. I also thank the noble

Baroness, Lady Hayman of Ullock, for her work on the Bill; it has been a pleasure to work with her to ensure its passage. We have now reached the stage where the Bill can move to Royal Assent, and those of us who care about the plight of animals can be assured that the end of the current Session is not the end of this vital Bill—and I apologise for the interruption from my phone.

Baroness Hayman of Ullock (Lab): My Lords, I will be brief. I thank the Minister for his clear introduction to the amendments that have come forward from the Commons and for his explanation of the Government's acceptance and the changes to the Bill.

I am sure that the noble Lord, Lord Moylan, will not be at all surprised when I say that I completely disagreed with absolutely everything he said. I think the debates we had in Committee and at Third Reading will have shown him exactly where I stand on the Bill and my support for animal welfare.

On these Benches, we very much welcome the Bill, which we believe will be important. It may not be perfect, but we will be very pleased to see it on the statute book. We are also very pleased that the Government earlier accepted the amendment to include decapod crustaceans and cephalopods; we believe that is an important addition to animal welfare sentience. I thank the Minister in particular for all his hard work on that particular area of the Bill.

I also thank the noble Baroness, Lady Bakewell, for her support on the Bill. We have done important cross-Bench work to get to this stage. I am fully aware that not all noble Lords agreed with us, particularly on the Benches opposite, but we have got the Bill to the place where we think it needs to be and it is good to see that it will move forward and provide more protection for animals in the future.

On the further government promises on animal welfare that we have yet to see, does the Minister have any kind of update on the situation is with the animals abroad Bill, which seems to have hit the buffers? Obviously, we are very pleased that the kept animals Bill has a carry-over Motion but it would be useful if he had any further information on that.

Finally, I give the Minister my very warm congratulations on becoming a grandfather, if that is true—will he confirm it?

Lord Benyon (Con): Not yet.

Baroness Hayman of Ullock (Lab): When it is true, it is absolutely delightful to be a grandparent—I highly recommend it to all noble Lords.

Lord Benyon (Con): I am very grateful to noble Lords for their somewhat premature congratulations. I am waiting for a call on that particular matter—which is not a matter of state.

I thank noble Lords for their contributions to today's debate, which are very much in keeping with the very interesting and at times enthralling conversations we have had during the progress of the Bill. I had not expected to be standing here talking about it again but

[LORD BENYON]

the Commons have made the right call, and I am glad that most noble Lords think that we have made the right call in accepting their amendments.

I start by thanking the noble Lord, Lord Trees, whose wisdom and understanding on this and other issues are of enormous value to me and to the department. I hope to continue to have discussions on this and other issues. He raised some important points. As he knows, the Bill is about the government policy-making process. It does not change existing law or impose any new restrictions on individuals or businesses. The Government would prefer all animals to be stunned before slaughter, but we respect the rights of Muslims and Jews to eat meat prepared in accordance with their religious beliefs. Strict rules are already in place which govern these slaughter methods. Official vets from the Food Standards Agency are present in approved slaughterhouses to monitor and enforce animal welfare requirements.

The noble Lord raised an important additional point about medical research. The use of animals in scientific research remains a vital tool in improving our understanding of how biological systems work in both health and disease. Such use is crucial for the development of new medicines and cutting-edge medical technologies. Central to any decision to use animals in research is the need for robust scientific evidence to justify the use of animals. As the noble Lord is well aware, the use of animals in science is regulated by the Animals (Scientific Procedures) Act, which is implemented by the Home Office. His concerns are noted and have been passed on to my colleagues in the Home Office.

I am also extremely grateful to other noble Lords who spoke in this debate. My noble friend Lady McIntosh is right to make sure that what we are talking about is shared with our devolved colleagues. As was apparent during the progress of the Bill, Scotland already has a similar committee and others are either being formed or talked about. We regularly discuss this with our devolved colleagues to make sure that we are learning from the best from them, and they, I hope, are learning from us.

My noble friend is right to raise the issue of farmers. It is important for us to say that the vast majority of farmers are invested in the care of their animals. It makes economic sense for them, but they feel this personally, and the vast majority of farmers, who look after their animals to the highest standards of animal welfare, are wounded by those who do not. They want everyone to know that they are doing their best to care for their animals and for them to have the highest welfare standards of anywhere on this planet.

The noble Baroness, Lady Jones, contributed at many stages of the Bill and I thank her for it. I too share her wish that this will be an effective piece of legislation. Ministers will have at their call the best evidence they need to make the right decisions across government, not just in Defra. I hope that she will continue to take an interest in this and I am sure that she will inform me if she thinks that we are in any way not being effective.

I very much enjoyed the discussions I had with my noble friend Lord Moylan. We dived into realms of philosophy at times, which is always fun, if testing on the *Hansard* scribes. My noble friend had a different

opinion to me about the importance of the Bill, and I understand his concerns and those of my noble friends Lord Herbert, Lord Bellingham and others on our Benches. However, after the processes we went through, the Bill is better for their challenge. As a relative newcomer to the House, I recognise the value of being challenged and trying to make sure that we are doing the best we can.

My great thanks go to the two Front-Bench spokesmen from the Liberal Democrats and the Labour Party, the noble Baronesses, Lady Bakewell of Hardington Mandeville and Lady Hayman of Ullock. The noble Baroness, Lady Bakewell, raised a point about the other amendment, and she is absolutely right. Amendment 2 and the text it removes are both procedural formalities, but we must recognise that money-raising powers should remain in the other place.

The noble Baroness, Lady Hayman, asked me about the animals abroad Bill. She would seem to have the better of me with knowledge that there is some possibility that it should not happen. That quite possibly means she is better informed than me because, as far as I am concerned, we can expect to see it—in the words that irritate most people on all Benches of this House—in the relatively near future.

I also thank my noble friend Lady Bloomfield, who has been an enormous support to me in taking this Bill through, and the Bill team, Katherine Yeşilirmak, Kalyani Franklin, Jack Darrant, Tess Hanneman, Hannah Edwins, Phoebe Harris and, from my private office, Lucy Skelton and Adam Diep.

This Bill provides recognition of animal sentience in UK law and will see Ministers held to account on considering the animal welfare implications of their decisions. These are both outcomes for which there is overwhelming public support. I look forward to seeing this Bill become law. I beg to move.

Motion on Amendments 1 and 2 agreed.

Town and Country Planning (Napier Barracks) Special Development Order 2021

Motion to Regret

1.12 pm

Moved by Lord Paddick

That this House regrets that the Town and Country Planning (Napier Barracks) Special Development Order 2021 (SI 2021/962) extends the planning permission for the Napier Barracks to continue to be used as asylum accommodation despite (1) a High Court judgment on 3 June 2021, which found standards and operational systems at the barracks to be unlawful, (2) concerns being raised over the unsanitary and crowded conditions, and (3) reports of intimidation and mistreatment of residents; and that, despite the current expiration date on planning permission being known for 12 months, the Order was laid when the House was not sitting.

Relevant document: 13th Report from the Secondary Legislation Scrutiny Committee (special attention drawn to the instrument).

Lord Paddick (LD): My Lords, I start by suggesting that there may be a form of discrimination going on in this House. It seems that the noble Baroness, Lady Williams of Trafford, the Minister, always seems to get last business on the day before Recess. I know she is far too diligent and industrious to complain herself, so I thought I would put that on the record.

I move that this House regrets this order, which permits continued use of Napier barracks despite a High Court judgment which found standards and operating systems at the barracks to be unlawful, with concerns being raised about unsanitary and crowded conditions and reports of intimidation and mistreatment of residents.

The 13th report of the Secondary Legislation Scrutiny Committee of this House drew the House's special attention to this order. The fact that Her Majesty's Inspectorate of Prisons, the Independent Chief Inspector of Borders and Immigration and the High Court had concluded that Napier barracks was unsuitable for long-term use, should have been disclosed to Parliament, yet there was nothing in the order nor in the Explanatory Memorandum about those things. It criticised the Explanatory Memorandum for lacking detail about proposed improvements to the living accommodation and amenities on site and said that better arrangements for physical and mental health care were a matter of urgency. The committee also criticised laying what was in effect an emergency provision, when the date of the current planning permission had been known for 12 months in advance, reporting

“we found this reason for laying a potentially controversial instrument when Parliament was not sitting unconvincing.”

This House recently discussed Napier barracks being used to house asylum seekers in our debates on the Nationality and Borders Bill. On 3 February, the noble Baroness, Lady Lister of Burtsett, who regrets she cannot be in her place today, told the Committee that the APPG on Immigration Detention had received evidence, all of which was “overwhelmingly negative”, “from stakeholder organisations and from those with experience of living in Napier”—[*Official Report*, 3/2/22; col. 1014.]

I am grateful to the noble Baroness, whose contribution to that debate I am relying on heavily today.

Placing large numbers of asylum seekers into one location is not good for integration or good relations with local people, providing a focus for anti-immigrant protest, including harassment of asylum seekers. The larger the centres, the less the residents feel that their humanity is recognised and the more likely the centres are to attract hostile attention, working against social cohesion and integration.

1.15 pm

The use of dormitory-style accommodation means a lack of privacy, which can be particularly problematic for gender and sexually diverse residents. It can lead to sleep deprivation, affecting mental health and well-being. Five years ago, the Home Affairs Committee recommended that room sharing, where asylum seekers have to share sleeping accommodation with people they are not related to, should be phased out across the asylum estate. The use of former military barracks can be traumatising for those who have suffered abuse

or torture. For these reasons, evidence to the APPG from a dozen organisations said that accommodation such as Napier barracks was inappropriate for people seeking asylum, representing a threat to public health and impeding medical care. People have little to motivate or occupy themselves in such accommodation, making them increasingly desperate, particularly when their detention exceeds six months and they are still unable to work. The current time limit of six months in places like Napier is being removed by the Nationality and Borders Bill.

Even those with vulnerabilities are being housed in Napier barracks. We know from the experience of those who have suffered significant trauma that they are unlikely to readily identify themselves and, although a Minister in the other place gave an assurance that torture victims receiving treatment would not share sleeping quarters, there is no guarantee that those who have suffered significant trauma will be readily identified.

In the same debate, the noble Baroness, Lady Neuberger, reminded the Committee of the judgment in a case against the use of Napier barracks in June 2021, where the courts found that there were inadequate health and safety measures, that there was a failure to screen victims for trafficking and other vulnerabilities, and that the Home Office continued to use the barracks, against Public Health England advice. A Covid outbreak affecting 200 residents was described by the court as “inevitable”. Some 70% of those in Napier barracks accessing clinical services disclosed an experience of violence in their home or transit country, according to Doctors of the World, demonstrating their vulnerability and the inadvisability of their being detained in Napier. Placing too many people in one place was also likely to overwhelm local health services.

The noble Baroness, Lady Neuberger, told the House that, because of the “poor health” experienced by residents, “deaths within the centres” and the other reasons that I have already mentioned against the use of places such as Napier to house asylum seekers, the Republic of Ireland is phasing out accommodation similar to Napier by 2024. Meanwhile, this Government are extending the use of Napier barracks by five years and using it to inform the final design of how accommodation centres will operate under the proposals in the Nationality and Borders Bill. What plans are in place for similar accommodation to Napier being brought into use?

The right reverend Prelate the Bishop of Durham visited Napier barracks earlier this year and described the conditions at the camp as “far from ideal”. He said that he remained “deeply concerned” after visiting. Military helicopters flying overhead and landing next to Napier, so loud that visitors could not hear each other speak, were likely to have a retraumatising effect on residents, for example. The right reverend Prelate made the important point that

“People thrive in communities. A more compassionate and effective asylum system would give people accommodation within communities that allowed for proper social integration and proper access to education and healthcare”.—[*Official Report*, 3/2/22; col. 1022.]

He said that this would people to better “integrate” in the long term.

[LORD PADDICK]

In the Explanatory Memorandum, the Government blame the Covid pandemic for not being able to follow the previous regime, where asylum seekers spent only a few weeks in “initial accommodation” such as Napier barracks before moving to “dispersal accommodation”, generally flats and houses, with hotels sometimes being used as a short-term contingency. The Government claim that the usual turnover, where asylum seekers leave the asylum support system and make their own way in society, was disrupted because of Covid. However, the numbers claiming asylum also significantly reduced because of Covid.

The right reverend Prelate the Bishop of Durham quite rightly pointed to the fact that asylum application processing needs to be quicker and more accurate so that time spent in asylum accommodation is shortened rather than extending the use of accommodation such as Napier barracks, as this SI does. The Government also try to blame those crossing the channel in small boats to claim asylum in the UK, yet the overall numbers claiming asylum is about half of what it was more than a decade ago.

The Minister may say that conditions at Napier have improved but today, the APPG on Immigration Detention published its report of its visit to Napier barracks on 2 February this year. In summary, it found: inadequate safeguarding of vulnerable people such as victims of torture and trafficking, with little done to identify residents in need of support; the physical environment of the site was run down, isolated and bleak, with many buildings in an extremely poor state of repair; a near total lack of privacy and private spaces at the site, with residents continuing to be accommodated in dormitories of up to 12 to 14 people and having to share showers, toilets and other facilities; high noise levels in the dormitories, and the sleep deprivation and the negative impact on residents’ mental health resulting from this; inadequate access for residents to healthcare and legal advice and the difficulties they face in engaging with their asylum claim at the site; the site’s prison-like nature and military features, including security checks upon entering and the presence of security guards patrolling; and the lack of autonomy, choice and control over the daily lives that residents experience at the site.

In 2016, Louise Casey, now the noble Baroness, Lady Casey of Blackstock, in her report on social integration called for more to be done to bridge divides between people in order to bind communities together. The continued use of Napier barracks as set out in this statutory instrument will have the opposite effect: a detrimental effect on residents both within and around the barracks and on social integration generally. This House should regret it, and I beg to move.

Baroness Chakrabarti (Lab): My Lords, I thank the noble Lord, Lord Paddick, for bringing this Motion. It is regrettable that the poor Minister is here yet again—clearly, someone thinks she has not worked hard enough this term—but I thank both her and the noble Lord for making this possible. It is a source of huge regret that we are still in this place with Napier barracks and the asylum detention estate more generally, which is too large and overcrowded because we detain

too many asylum seekers. If we can learn something from recent weeks and months and from the public response to the Ukraine crisis—the way people in our country have been prepared to open their hearts and homes to refugees and asylum seekers from Ukraine—we might extrapolate from that a broader policy change in relation to all refugees and asylum seekers, regardless of the conflict and the continent from which they are escaping.

I refer noble Lords to the very recent annual global *Amnesty International Report*, which your Lordships will know covers the entire world and cites profound human rights concerns from Amnesty. In the section on the United Kingdom, the accommodation of asylum seekers in former military accommodation is cited as “inhumane conditions”. That is what Amnesty International says about the United Kingdom. That must be a source of embarrassment and shame, not just to those of us in your Lordships’ House but to most people in the United Kingdom, were it brought to their attention.

I just hope that, in her reply, the Minister might look to future planning. We are where we are for the moment with Napier barracks, and this is highly regrettable given the High Court judgment and all the reports which the noble Lord, Lord Paddick, pointed out. Can the Minister give us a glimmer of hope for a vision of what asylum accommodation might look like in the months and years ahead? Is there some inspiration to be drawn from this Ukraine response?

I visited Yarl’s Wood detention centre a few years ago, which is supposedly nothing as bad as Napier barracks, and I found that to be a wholly traumatic visit. It took about a year to be granted permission, even as a Member of your Lordships’ House, to attend Yarl’s Wood detention centre, with the former shadow Home Secretary Diane Abbott MP. What I saw there, in the treatment of these human beings in both the medical facility and the general accommodation, has not left me. I really think that we can do better nearly a quarter of the way into the 21st century. I look forward to hearing from the Minister.

Baroness Wheatcroft (CB): My Lords, I thank the noble Lord, Lord Paddick, for raising this issue again and, as others have, I pay tribute to the Minister for the hard work she has done throughout this Session and hope that she has a very good Recess.

I speak on this issue because I regularly drive past Napier barracks and, even though there have been improvements—which the right reverend Prelate the Bishop of Durham acknowledged—it is still an extraordinarily sorry sight. For anyone to be incarcerated there for more than a few days must be deeply depressing. Clearly, 12 to 14 people in a dormitory is better than the 26 who were originally there, but it is by no means perfect. The sooner we can get people out of Napier barracks, the better.

I have one specific question for the Minister about the people who are not at Napier barracks but are housed at nearby hotels: the youngsters and adolescent boys. At the height of the summer, those youngsters were in the hotel with windows closed and guards outside ensuring that no one came or left the premises.

Can the Minister assure us that innocent children are no longer housed in accommodation such as that hotel with no means of getting fresh air, and that this will never be allowed to happen again in this country?

Baroness Jones of Moulsecoomb (GP): My Lords, I spend my life in a state of barely suppressed fury at the things which this Government do, particularly in their treatment of vulnerable people—whether they are poor, disabled or whatever. When it comes to asylum seekers and refugees, the Government surpass themselves in their cruelty and inhumanity, and I simply do not understand how anyone can accept that.

The High Court judgement was nearly a year ago—3 June last year—so I ask the Minister: are we sure that, in Napier barracks, the reported intimidation and mistreatment does not happen anymore? Are the conditions still unsanitary and crowded, and are the standards and operational systems still unlawful? These are people who are traumatised. Where I live, we have been discussing what would happen if we got stormed by Russian tanks and, quite honestly, most of us feel that we would just up and run with whatever we could carry—and this is the condition which many of these people are in. Sometimes they have almost nothing; they are traumatised, possibly injured and damaged in all sorts of ways, psychologically and physically, yet we treat them like this. I do not know how it is acceptable; I really regret that we will pass that Nationality and Borders Bill and that we are just going to carry on treating them badly.

1.30 pm

Lord Ponsonby of Shulbrede (Lab): My Lords, I thank the noble Lord, Lord Paddick, for putting down this regret Motion. He introduced it very fully and, though I doubt he will, if he were to move it to a vote, we would support him. I have a number of questions, some of which have already been put by noble Lords who have spoken.

There was a major outbreak of Covid-19 at the barracks at the height of the pandemic. At that time, 28 people were sharing a dormitory with access to only two showers and two lavatories, and no ability to self-isolate. What are the current arrangements for Covid? What testing is available and are there now facilities for people to self-isolate?

Napier barracks is a symbol of the failures of the asylum system and this order shows that what was intended to be a short-term solution is now having to be relied on in the longer term, in spite of the poor reports we have heard about. Those concerns were raised by not only the Opposition but Conservative MPs and, crucially, the High Court and the Independent Chief Inspector of Borders and Immigration.

What has been done on overcrowding? We have heard that the numbers have gone down to about 12 to 14 in a barrack room. What has been done about the run-down buildings, the fire risks and the “filthy” conditions which the High Court referred to? People with serious medical conditions were housed in the dormitories at Napier, including those with diabetes, cancer and tuberculosis. What is the policy now on holding vulnerable asylum seekers in this type of

accommodation? Is it still the case that Napier barracks is classed as contingency accommodation, rather than an accommodation centre, despite now being used over the longer term? What impact does this designation have on the Government’s duties in the operation of Napier barracks?

Turning to mental health concerns, major safeguarding concerns were raised with Napier barracks. A survey conducted by the inspectorate found that one in three people had felt suicidal during their time there.

The Government have included plans in the Nationality and Borders Bill to move to a model of large accommodation centres for asylum seekers. These plans will essentially replicate Napier barracks and this style of accommodation on a wider scale. After the track record we have seen, it is obvious why there is concern about this, as we have heard from other noble Lords. What other similar barracks-like accommodation is being used or considered for use to house asylum seekers? This question was also put by the noble Lord, Lord Paddick. How will safeguarding be approached in these accommodation centres, so that none of the same failures is repeated?

Members of both Houses and the Home Affairs Select Committee were repeatedly told that all public health guidance was being followed and that the site was safe and fit for purpose. Independent inspections showed that neither of these things was the case. What are the oversight arrangements now for Napier and what will be the oversight arrangements for accommodation centres that are to be set up?

I end by saying that I am particularly intrigued about the answer to the question raised by the noble Baroness, Lady Wheatcroft. I had not realised that there were adolescent boys in neighbouring hotels in that area. I thought her question was an important one, and I look forward to the Minister’s answer.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, I thank all noble Lords who spoke in this debate and particularly the noble Lord, Lord Paddick, who brought it forward. I just thought I would clarify that I do not think the right honourable Diane Abbott visited Napier under the previous Home Secretary—I am being told that it was not Napier.

A number of noble Lords have referred to Napier as a detention centre but it is not a detention centre—I will go into further detail on that. It is being used as contingency asylum accommodation, which enables the Home Office to continue to meet its statutory obligation to accommodate and support destitute asylum seekers. As noble Lords will be aware, the accommodation at Napier was set up in response to the enormous pressures that were placed on our asylum accommodation by the Covid pandemic. The pressure to accommodate individuals continues to grow, and it has been exacerbated by the rise in the number of dangerous and illegal small boat crossings of the channel.

The use of Napier barracks was against that backdrop. In September 2020, the Home Office approached the MoD regarding the use of Napier barracks. The Covid pandemic, coupled with pre-existing pressures on the asylum system, meant that this significant number of

[BARONESS WILLIAMS OF TRAFFORD]

people had to be accommodated at considerable speed. The use of Napier barracks was intended to be of a temporary nature, and it was expected that the MoD would retake possession of the site in September of last year. The Home Office therefore originally took occupation of it for an initial six-month period under permitted development rights for Crown land in response to the pandemic. In December 2020, those rights were extended for a further six months.

My noble friend Lady Wheatcroft asked about the use of hotels. I will go on to give further details about the barracks, but on the use of hotels, if we did not put people in them, those children would be without somewhere to stay. Such were the pressures on the system at the time, but it is by no means an ideal situation.

Baroness Wheatcroft (CB): It is not merely a question of them being housed in hotels. It is the manner in which they are kept in hotels, and the fact that during the hottest days, when people were on the beach, which they could see from their windows, they appeared to be kept indoors with guards outside.

Baroness Williams of Trafford (Con): I probably should not have brought this aspect up. As I am going on to say, these centres are not detention centres; people are not detained in them. Therefore, it may be something to do with the pandemic, but if I am wrong in my assessment of why people might be inside, I will clarify that. I am assuming that they may have been self-isolating, when the restrictions were quite severe on absolutely everybody in this country.

Going back to the continued use of Napier, following the outcome of NB and others' litigation in June 2021, the Home Office progressed work to ensure that the department could continue to use the barracks and avoid any potential breach of planning control given under permitted development rights. These were due to expire in September of last year. Given the urgency to ensure that there was additional capacity in the system and the statutory obligation on the Home Office to provide support to destitute asylum seekers, the only viable option was to proceed with a special development order. I should add that the tenancy agreement with the MoD confirms that the site will be handed back in March 2025—in three years' time—to support the full decommissioning of the site.

On the conditions of the site, I note comments by the noble Lord, Lord Paddick, about Napier. Maybe I just listened to what I want to hear, but the right reverend Prelate seemed to confirm that things had significantly improved; although they were not absolutely perfect, things had improved significantly at the site. As I have said, the site is used to provide temporary accommodation for around 300 otherwise destitute adult men for up to 90 days. The average length of stay is about 70 days. Service users staying at Napier are free to come and go as they please—they are not detained at Napier. The accommodation at Napier meets our statutory obligations. It is safe, warm, dry and it provides a choice of good hot meals, as well as proper laundry and cleaning facilities.

Turning to the points made by the noble Baroness, Lady Jones of Moulsecoomb, a significant amount of work has been carried out to make improvements to the conditions at Napier barracks—hence, possibly, the right reverend Prelate's comments about it. There is a prescribing nurse; dental care is provided on site, and there is access to local GP services. There is also a prayer room and a multifaith room. As the right reverend Prelate the Bishop of Durham confirmed, sports and recreational activities have been re-introduced. Additional furniture, table-tennis tables and a library have been installed, and CCTV and night-time courtesy patrols have also been put in place. The Home Office has significantly improved the management and oversight at the site, with an emphasis on identifying issues early and ensuring that the accommodation is safe and well maintained. The frequency of inspections and visits has also increased.

Finally, all residents of Napier have been offered Covid-19 vaccinations. There is Covid-related signage in multiple languages, and residents have been provided with personal cleaning kits. I think it was the noble Lord, Lord Ponsonby, who asked about isolation if Covid is detected. Given that the general regulations have changed for the wider population, I imagine that it is in line with that, but I will provide more information to him if I can.

We have engaged with community stakeholders, including charities and NGOs, in relation to the site. There are regular meetings at which matters relating to the site's operation are discussed and issues can be raised. These meetings are attended by Home Office officials, alongside representatives of the NHS, the UK Health Security Agency, the police, Folkstone and Hythe District Council and Kent County Council. In addition, several NGOs sit on the Home Office strategic engagement group and the National Asylum Stakeholder Forum, where they can raise concerns and receive updates on the site.

We have recently welcomed the Independent Chief Inspector of Borders and Immigration to Napier to conduct a follow-up inspection at the site. We look forward to the publication of his report, which may identify further ways in which we can improve the service provided there. We remain fully and firmly committed to delivering an asylum system that is fair and effective and works in the interests of both the people of this country and those in need of refuge and sanctuary.

Lord Paddick (LD): My Lords, I thank all noble Baronesses who have spoken in this debate, and the noble Lord, Lord Ponsonby of Shulbrede. I thank them for raising other important issues and for their support for this Motion. I also thank the Minister for her response.

Whatever the pressure on the asylum system, and whatever the problem, Napier barracks is clearly not the answer. The Minister kept talking about destitute asylum seekers. Most asylum seekers are destitute—for example, those fleeing the war in Ukraine. She appeared to choose to ignore the findings of the report from the APPG on Immigration Detention, published today, which I summarised. Both the noble Lord, Lord Ponsonby, and I asked about further centres similar to Napier—

whether they were being planned, developed or brought into use. These plans appear to be surrounded in secrecy. The lack of an answer from the noble Baroness today unfortunately adds to that. I think she is going to intervene on me now.

Baroness Williams of Trafford (Con): I am, because there is no conspiracy here. I completely neglected to answer both noble Lords on that point. Obviously, we keep our asylum accommodation estate under constant review and I will update the House with any developments if new centres are considered.

Lord Paddick (LD): I am not sure whether that was an undertaking by the noble Baroness to write to us with any details of plans in the pipeline. She is nodding, so that is helpful.

It is regrettable that Napier continues to be used to house asylum seekers but bearing in mind that we are at the end of a very long Session, I beg leave to withdraw the Motion.

Motion withdrawn.

Lord Sharpe of Epsom (Con): I beg to move that the House do now adjourn. I of course wish all noble Lords a very happy Easter.

The Deputy Speaker (Baroness Garden of Frognal) (LD): A very happy Easter to everybody.

House adjourned at 1.45 pm.

Grand Committee

Thursday 7 April 2022

Arrangement of Business Announcement

1 pm

The Deputy Chairman of Committees (Lord Faulkner of Worcester) (Lab): Good afternoon, my Lords, and welcome to the Grand Committee. I remind Members that they are encouraged to leave some distance between themselves and others. If there is a Division in the Chamber, which we are not expecting, this Committee will adjourn as soon as the Division Bells are rung and resume after a few minutes.

Great Britain and Northern Ireland Question for Short Debate

1 pm

Asked by **Lord Lexden**

To ask Her Majesty's Government what steps they have taken to strengthen the Union between Great Britain and Northern Ireland.

Lord Lexden (Con): My Lords, first, I thank all those who will be contributing to this short debate.

The affairs of Northern Ireland should be the subject of frequent discussion in both Houses of Parliament, yet the sad reality is that over much of the century that has elapsed since the establishment of Northern Ireland, with its own devolved institutions, Parliament has absolved itself from its obligation to think about how it can contribute to Northern Ireland's welfare, except at times of crisis. The problem is summed up in a phrase that my noble friend Lord Empey often uses: "Devolve and forget." The error is easily made, and constant vigilance is needed to avoid it.

Of course, it is most unlikely that excited voices will ever be heard on the streets of Belfast saying, "The House of Lords is discussing Northern Ireland today!" But our fellow country men and women are entitled to expect that their Parliament will be watching carefully over their interests, brimming with good will towards all who look for peace and stability in their community.

There is a particular inducement to seek a debate on Northern Ireland at this time: the knowledge that my noble friend Lord Caine will reply to it on behalf of the Government. My noble friend immersed himself in the affairs of Northern Ireland some 35 years ago and, marvellously, he shows no sign of wanting to withdraw from his immersion. He is the very embodiment of the strong union which is at the heart of the debate today.

My noble friend and his fellow Ministers need vigorous and steadfast support from their officials as they implement the commitment to strengthen the union given in the Conservative manifesto at the last election. There have been times when the Northern Ireland Office has seemed more interested in promoting good relations with the Irish Government than in

working to make the union stronger. Is the energy of the Northern Ireland Office now firmly directed towards strengthening the union?

The hope of seeing the creation of a stronger union between Great Britain and Northern Ireland—to serve the interests of unionists and non-unionists alike more effectively—has been one of the themes of my life since I first started to think about Anglo-Irish relations as a whole, and Ulster's place in them, as an undergraduate at Cambridge long, long ago. This hope was reinforced by working for Airey Neave in the years before his murder. The 43rd anniversary of his death occurred last week, on 30 March. No one has ever been punished for this crime; its perpetrator is said to be running a bar in Mallorca adorned with tatty republican materials. Airey Neave believed that Northern Ireland ought to be high on the political agenda throughout our country. I wonder if, even after all the years that have passed, that is a lesson which has been properly learned.

However, are supporters of the union really entitled to feel sure that they are right when they say that it is the only constitutional framework in which peace and stability can be secured? "Not so", comes at once the retort from so many of those who are not unionists, and they are, of course, substantial in number. Throughout my lifetime, the belief that the substantial minority would inevitably become a majority has been rife in all parts of the United Kingdom. Firm predictions of the constitutional change that was bound to follow have been made since the 1960s. They can be found in official Whitehall files and in the private papers of British politicians of all parties. It came to be widely agreed that the life expectancy of the union was bound to be short. What was the point of working to secure its future when its dissolution was steadily approaching?

This deep-seated assumption rested on nothing more substantial than a high Catholic birth rate, but Catholics are by no means instinctive republicans, dedicated to the proposition that the union must be overthrown. Today, as a result of the Belfast agreement, an Irish identity can be given proper expression within Northern Ireland. Attitudes have become more complex. The 2011 census showed that no more than 25% of those from a Catholic background felt themselves to be exclusively Irish. This surely is a point of considerable significance. It indicates that there are many people beyond the ranks of avowed unionists who will accept the union—and, in doing so, strengthen it—if they can see that the balance of practical advantage is in its favour.

There is a great deal that the Government can do to make the practical balance of advantage more fully understood. Take the long list of economic and social commitments which the Government gave in the *New Decade, New Approach* document of January 2020. The noble Lord, Lord Coaker—like the noble Lord, Lord Murphy, a great friend of Northern Ireland—drew attention to their importance in a recent debate. They demonstrate in the most vivid way the practical benefits of the union and need to be effectively explained by Ministers in speeches in Northern Ireland.

The central preoccupation at the moment is, of course, the future of the Northern Ireland Assembly and Executive. Will they be restored to full working

[LORD LEXDEN]

order after the elections next month? The Government, I think, are under no illusion that, if that is to happen, the acute difficulties caused by the Northern Ireland protocol must be removed. But there are other difficulties. Nearly 25 years on, there must be a case for reviewing the Belfast agreement to prevent it weakening the union, which will happen if problems are allowed to fester. Senator George Mitchell himself, the central figure in the long negotiations which produced the agreement, believes that a review should be conducted.

To Airey Neave, what mattered in the political sphere in Northern Ireland was the effective provision of the great public services: education, health, housing, social services. All are jeopardised if devolution falters. Stormont is Northern Ireland's upper tier of local government, as well as its devolved legislature. The disruption of devolution inflicts great damage on the public services, as we saw during the last period in which Stormont was suspended for so long. Why should the work of local government be thrown into total disarray if the devolved legislative powers cannot be exercised? In a strong union, arrangements ought to be made to provide continued democratic control of local government functions if devolution is in abeyance. The admirable sentiments

"we stand for a proud, confident, inclusive and modern unionism that affords equal respect to all traditions and parts of the community",

which will be well known to my noble friend, appear in the 2019 Conservative manifesto. The object of this debate is to find out what is being done to put them into effect.

When I first met Airey Neave, he had on his desk a booklet entitled *Do You Sincerely Want to Win?* One of the names on the cover was that of Peter Lilley, now my noble friend Lord Lilley. The question remains relevant today. Do we sincerely want to win a secure and lasting peace for our fellow country men and women in Ulster? I contend that it needs to be built on the foundations of a strong union.

1.09 pm

Baroness Ritchie of Downpatrick (Lab): My Lords, I thank the noble Lord, Lord Lexden, for initiating this debate. I suppose it will be no surprise to him that I take a different position. I make no apology for the fact that I am a democratic Irish nationalist and want to see a new, reconciled Ireland, that would be a shared space for all. The noble Lord referred to the Good Friday agreement, and I recognise that central to that is the principle of consent, which means that nothing can happen to the status of Northern Ireland until the people so decide. The person who would make that decision is the incumbent Secretary of State at that time.

I am particularly conscious that a couple of noble Lords in this debate were resident and involved directly in negotiations for the Good Friday agreement. My noble friend Lord Murphy was Minister of State in the Northern Ireland Office at that time, while my colleague from the Northern Ireland Assembly, the noble Lord, Lord Empey, was then the chief negotiator for the Ulster Unionist Party. My colleagues in the SDLP were also actively involved.

I firmly believe in that reconciled new Ireland. It is about unifying the people in a shared, equal space, based on the principles of parity of esteem and respect for political difference, because there is, as the noble Lord, Lord Lexden, said, a substantial number of people in Northern Ireland who see themselves not as unionist but as Irish. We who declare ourselves as Irish have that aspiration but we recognise the fundamental concept of unity by consent.

I well recall that the SDLP had a policy document called *Towards a New Ireland*, which was written in 1972. Central to that was the issue of consent, which was fundamentally a new principle coming from democratic Irish nationalists that nothing can be done until the people so decide. It is still the same, and we were very pleased that it was enshrined in the Good Friday agreement.

The noble Lord, Lord Lexden, referred to other issues and to Airey Neave, who was his boss and the then shadow Secretary of State for Northern Ireland, I think. I recall his untimely murder. I come from a political tradition that totally rejected and abhorred violence, from wherever it came, because it was proved beyond reasonable doubt that violence never achieved anything on the island of Ireland. It simply resulted in more mayhem and destruction. The only way forward is political.

On the elections, I have been out knocking doors with my colleagues, and the cost-of-living crisis is perhaps the most important issue, along with health service waiting lists. However, we want to see the restoration of the political institutions and devolution. We want to see all the institutions working, so I come back to a fundamental point that we want to see the designation of joint First Ministers. That should have happened prior to the election because it would have de-sectarianised it. Can the Minister tell me, if not today then in writing, about progress towards such a designation?

1.14 pm

Lord Bew (CB): My Lords, I thank the noble Lord, Lord Lexden, who not only is responsible for this debate but has loved the Province for so long. It is not always the easiest place to love so I am really grateful to him.

I will begin by making the core point about the protocol and the current destabilising effects of the protocol in Northern Ireland. A year ago now, Maroš Šefčovič wrote on behalf of the European Union to the noble Lord, Lord Frost, saying that the protocol was the only means of protecting the single market. I accept that the United Kingdom has a responsibility to protect the single market, although it has turned out, with grace periods and so on, that the threat may not be anything like as great as imagined in theory. He also said it was the only way to preserve the Good Friday agreement. The history of the past year has not dealt kindly with that remark. The Good Friday agreement is dead. All three strands are kaput, not merely in a crisis, but dead. It really has to be brought home that this is where we now actually are.

The crucial question now is did the EU mean it when it said in the withdrawal agreement that it was determined to maintain the Good Friday agreement in

all its aspects or is this simply a responsibility of the UK Government? The UK Government have a responsibility under international law to maintain a prior international agreement from the time of the noble Lord, Lord Murphy, that says that the UK Government have a responsibility to maintain the economic rights of the people of Northern Ireland and to deliver political solutions on the basis of equality of esteem.

At this point it is quite clear that the unionist community is ferociously alienated from the protocol. We have to discover where the EU really is on that. Some of the academic commentaries on the protocol, published by Cambridge University Press and Oxford University Press, are saying that all the things in it that you might have thought would give comfort to the United Kingdom are actually meaningless and there is no comfort there at all. Does that include the commitment to maintain the Good Friday agreement and to work to preserve it? That requires substantial movement on the UK side. If it does not, the UK must say that it will live up to its obligations under the prior international agreement to maintain the GFA.

Briefly on the union, I will say something that may not go down terribly well with unionist opinion in Northern Ireland. It is very important not to fall guilty of a belief in the project of high unionism. It is dead. The Act of Union, what it says about trade, disappeared with the Government of Ireland Act 1920. One cannot imagine a world in which Irish nationalists do not exist, either in Northern Ireland or elsewhere on the island of Ireland. They took 26 countries out of the Act of Union. To take as an example the Second World War, in which Northern Ireland made a major contribution to the eventual British victory, there was no conscription in Northern Ireland because of the pressure of Irish nationalism. Margaret Thatcher's Anglo-Irish agreement of 1985 was affected by the pressure of Irish nationalism. Again and again, Northern Ireland has had to mutate due to the pressures that come from Irish nationalism, and the protocol is just the latest in a long line.

I read things saying that before the protocol we had equality of citizenship. There has not been equality of citizenship. The Labour Party does not organise in Northern Ireland. All these things pre-dated the protocol. The union survives only by being flexible. The part of the world that I now live in, County Antrim, has been represented in this Parliament for 222 years. The latest polling implies that it is going to be represented in this Parliament for decades to come, but it is up to the people of Northern Ireland to make what they can of that and not to chase the chimera of a perfect world in which nationalists do not exist and the changes that they have effected in British legislation do not exist. That is incompatible with any serious capacity to maintain the union.

The strength of the union lies in its flexibility. Its durability is related to its flexibility and therefore its ability to deal with many gritty compromises. The protocol is extremely unsatisfactory. The EU has to change its position. The UK has to win the argument that it has obligations to the people of Northern Ireland under its previous international agreement which must be upheld, but there will still be elements

of the settlement which reflect the interests of Irish nationalists and the people of Ireland as a whole. This fantasy world that is now developing, where a pure, high union can be restored, having existed before the protocol, simply is not true. It is a delusion and a snare.

1.20 pm

Lord Empey (UUP): My Lords, I congratulate the noble Lord, Lord Lexden, on securing this debate. He is one of the key pillars in this Parliament of people defending and promoting the union consistently and persistently. I put that on the record.

The question we are asked to deal with today is about what steps the Government have taken to strengthen the union. I think the steps taken are precious few and far between. My noble friend Lord Bew gave interesting context and referred to the protocol. Of course, there is a tendency from the days of bendy bananas to look upon the European Union as an alien force, but the fact is that the Prime Minister is Minister for the Union—that is in his formal title. He is the person who proposed what is now the protocol to the European Union on 2 October 2019. In his relatively short document, he put forward proposals to

“see regulatory checks applying between Great Britain and Northern Ireland”

talked about border inspection posts and said

“regulatory checks can be implemented at the boundary of the zone”—

which means at a port in Northern Ireland—

“as appropriate and in line with relevant EU law, minimising the potential for non-compliance.”

This was a proposal from the Minister for the Union, so the very core of the protocol was negotiated by the Minister for the Union with his colleagues. It has left the position where a part of this United Kingdom is almost condominium-style, as part of its everyday life is regulated and negotiated by a foreign power, the European Union, over which neither Stormont nor Westminster has any say or control. That is the legal position that was negotiated by the Minister for the Union.

I believe that urgent and radical changes are required, as my noble friend Lord Bew said, and that they are achievable. Already, people who set out to say that we should have rigorous implementation of the protocol have retreated from that position because it just did not make sense and the public just would not accept it. The vast majority of these unnecessary checks can now be removed, but mitigations to the protocol alone are not enough because there are constitutional downstream consequences of the fact that we are in a totally different sphere of influence for a very large part of our economic and social activities. Recent issues over tax, petrol duties and things highlighted that we have already lost control of them.

Mr Ben Habib made this point in an article:

“The Protocol prohibits the British government from truthfully claiming that the UK has taken back control of its laws”

and I believe that is correct. We cannot claim that, so what is required is a serious and urgent negotiation. I believe progress can be made. There are models out

[LORD EMPEY]

there that we can follow. I agree very much with my noble friend Lord Bew that the position with regard to the UK Government's responsibilities to Northern Ireland are well established in national and international law. But there is an alternative out there, and that is where we should be going and putting serious proposals on the table.

1.24 pm

Lord Inglewood (Non-Affl): My Lords, in my few remarks, I first thank the noble Lord, Lord Lexden, for having brought this debate forward. Like him, I have been thinking about the problems of Ireland since my time at Cambridge but, unlike him, this is the first time I have ever spoken about them in your Lordships' House. I want to comment from the perspective of the union as a whole, rather than Northern Ireland itself. I live in the north of England and have considerable Irish family links—mainly of the Anglo-Irish “Protestant with a horse” variety. I actually live within sight of Scotland, so the possibility of the break-up of our union is much closer to home than anything else, from that perspective.

If you look at a historical atlas, it is remarkable how the boundaries of countries change. There is nothing immutable about what exists now and our systems of governance. We are all subject to that and I do not believe there is an absolute best in these matters. Just as I believe that England, Scotland, Northern Ireland and Wales are all stronger and better places together, that relationship can exist only if there is a shared and accepted equilibrium between them. If that is lost then the union, whatever its legal form, is likely to go with it.

I am a supporter of Northern Ireland as an integral part of the union of which we are all part for as long as Northern Ireland wants. It contributes to our way of life and we all benefit; the reverse is true, too. Inherent in these arrangements is a recognition that there is a link, in more than a merely mechanical sense, and that we are all in it together in a real way. It is for this reason that part of the way to accommodate different systems and strains of different places, across our union, is to set them in a frame of devolved or federal administrations, according to variable geometry. This, interestingly, is accepted by the present UK Government acting in their capacity for local government reform in this country. The only real judgment that can be made is whether it works and is accepted.

In our country, for better or worse, the dominant element is England and its relationship with the other three nations is inevitably the most important. Clearly, the character of Northern Ireland's general relationship with England, and Stormont's with Westminster, is crucial. If these do not work to both sides' satisfaction then, sooner or later, the arrangement collapses. A successful union cannot survive a complete falling apart internally.

I chair the Cumbria Local Enterprise Partnership and business in Cumbria, across a range of sectors, took a very big hit from Brexit and all the economic consequences it entailed. That was true elsewhere, as well. The withdrawal agreement, of which the Northern Ireland protocol is an integral part, saved us from the

considerable additional economic damage and chaos of no deal. Yet at the same time, as we know, there were enormous shenanigans—if I can use that word—over the agreed border arrangements between Northern Ireland and the rest of the United Kingdom. I was surprised by how damaging that appeared to be and had not appreciated how strong the commercial links were.

Nevertheless, to those affected it seemed gratuitous, since everyone in this country was being taken out of the single market and suffering the pain that, we were told, was in the national interest. This simply made it worse. To us, this looked like self-obsession to the exclusion of everything else. After all, as I said, we are all in it together and this looked like exceptionalism from those who already receive much more attention, resources and support than we do in Cumbria.

This perception of exceptionalism is perhaps the greatest threat to the union and unionism. After all, unionism in Northern Ireland has to be more than simply not being in the south. Every union has at least two parties and if our union is to survive, every component has to recognise that it is part of the same larger team. If not, it is finished. The point of being in the same team is that we are better off together.

1.28 pm

Lord Browne of Belmont (DUP): My Lords, I thank the noble Lord, Lord Lexden, for securing this very important debate. The economic and cultural ties that bond the various parts of this nation are unmatched. It is a historical fact that strong links across these isles and our open UK markets have brought huge benefits to England, Scotland, Wales and Northern Ireland. The case for advancing the union is as important as it is compelling. Growing together as a strong union of nations is in all our interests, now and long into the future.

In Northern Ireland, as in Scotland, we who value our historic shared bond are faced with a narrow-minded, separatist vision of the future that has only one aim in mind: to break apart every constitutional and political link with our friends and neighbours in the rest of the United Kingdom. This vision would have the people of Northern Ireland or Scotland fall through an economic trapdoor and into the wilderness, isolated from our closest friends and economic partners.

Here in your Lordships' House and the other place, we have a duty to continue working together to protect and strengthen the United Kingdom and our shared British values, cultures and identities. I contend that there has never been a more important moment to discuss strengthening these bonds than right now. We are in uncertain times, with the backdrop of a border in the Irish Sea as a result of the Northern Ireland protocol. However, thankfully, we are in more peaceful times, and the sinister more than 40-year terrorist campaign to force Northern Ireland out of the union may have passed. But for long-term peace, prosperity and growth to continue, all parts of the United Kingdom must play an equal part in Britain's future development. That must include Northern Ireland.

Since the beginning of the negotiations with the EU, my colleagues and I have warned that the EU has the potential to exert significant economic damage on

one part of the United Kingdom, and thus our sovereignty. The arrangements in the Northern Ireland protocol have been a disaster. We have seen economic and trading barriers being erected between parts of this sovereign nation. Businesses are facing challenges they never imagined. This regrettable situation has ushered in new daily obstacles for many which never existed before. The protocol has also emboldened those who seek to divide us. I hope and trust that the Minister will agree with my assertion that the Northern Ireland protocol must be removed and consigned to the dustbin of history.

Being an equal part of a shared and integrated United Kingdom economy helps all parts of the UK deal with risks and share opportunities. Inside the union, we not only share a currency union, a language and common standards but are socially integrated too. Our strongest cultural bonds, interests, histories and values are the ones we share across this nation, but recent trading difficulties resulting from the protocol have highlighted the need for further steps to be taken to safeguard our sovereignty and economic union.

Plainly, much more work needs to be done to bring communities across the United Kingdom closer together. Our partnership of nations is a precious one. Everything that we have built together is the result of three centuries of mutual co-operation, work and prosperity. We must not allow these efforts to be carelessly weakened or damaged beyond repair. Collectively, we must move beyond any complacency that may have crept into discourse in recent years. Prosperity lies in further co-operation—in strengthening our links, not in legislating to put barriers between us or fanning the flames of separation. Does the Minister agree that each part of this nation should benefit equally from being part of a free and independent United Kingdom?

1.33 pm

Baroness Suttie (LD): My Lords, I too thank the noble Lord, Lord Lexden, for securing this important and timely debate. I recently had the privilege of chairing a lecture by the noble Lord at the Lloyd George Society in the National Liberal Club; I continue to be in awe of his level of historical knowledge and expertise.

Like the noble Lord, Lord Inglewood, I have a varied set of connections with the union. As a Scot living on the Isle of Thanet in Kent, with an Irish passport because my father was born in County Fermanagh and a genuine and growing affection for Northern Ireland and its history, I am very much in favour of a strong union. But it must be a union that works for all its parts, based on respect and mutual understanding.

It is clear that Brexit and the Northern Ireland protocol have put additional strain on relations between Belfast and London. Although this primarily affects the unionist community, it none the less sometimes seems as though the Government are neglecting the 55% in Northern Ireland who voted to remain and the majority who now just want the protocol to be made to work more effectively.

The Constitution Committee, of which I am currently a member, published a report in January this year entitled *Respect and Co-operation: Building a Stronger*

Union for the 21st Century. It attempts to put the positive case for why our union still matters and is highly relevant in the light of many of the global challenges that face us today. It also strongly endorsed many of the Dunlop review's recommendations on improving intergovernmental relations between the four nations of the UK. Can the Minister say what measures have been taken to implement the recommendations contained in the Dunlop review? Does he agree that on legacy issues, for example, it is vital that the Westminster Government engage fully and listen with respect to the views of all political parties in Northern Ireland?

The continued lack of a Northern Ireland Executive is clearly a matter of grave concern. Can the Minister give reassurances today that the Government are pursuing all possible measures to reinstate the Executive as soon as possible? I fear the continued absence of the Executive will do very little to strengthen Northern Ireland's relation with the union.

To conclude, for the union to be strengthened and to continue to last, as I hope it will, we have to look to the future and not always back to the past. It is worth recalling that there is now a generation of younger people in Northern Ireland who have grown up since the Troubles—a generation who can watch “Derry Girls” as a historical comedy drama without having lived through those times themselves. This younger generation is more concerned about issues such as climate change than the divided history of Northern Ireland. The union has to adapt and develop to meet the very different challenges of the world today.

1.36 pm

Lord Murphy of Torfaen (Lab): It is a great pleasure to take part in this debate and, as always, to listen to the words of the noble Lord, Lord Lexden, who opened it with great knowledge, as he always does. It has been a wise, informed and useful debate, held against the background of disease and war, and our leaving Europe—all difficult issues that have affected Northern Ireland. We need to reflect and think about the relevance of the Good Friday agreement in this new context, like the noble Lord, Lord Bew, said. The noble Lord, Lord Empey, will recall that the agreement itself says that you can review it from time to time. It was reviewed in St Andrews with the agreement there and in other agreements, so it was not meant to be set in stone for 25 years. It was meant to ensure that, over the years, it would reflect society as it changed.

What is not changing, and cannot be changed, is the principle of consent. That is the absolute bedrock of what happened in Northern Ireland with all these different agreements. That is crucial: the people of Northern Ireland must decide their future themselves. It is not for the British Government or the Irish Government to decide; it is for the people of Northern Ireland.

As some of your Lordships will recall, the Labour Party's policy until the late 1990s was for a united Ireland with consent. Tony Blair decided to change that, because you could not possibly act as a referee in the talks that came later if you were that one-sided—in that case, for a united Ireland. When Mo Mowlam,

[LORD MURPHY OF TORFAEN]

myself and others chaired the talks in Northern Ireland we decided to ensure that we were absolutely neutral in what we would say and do in that capacity.

In Wales, where I live and which I used to represent, I am a passionate unionist. I want the union to continue in Wales, Scotland and England. In Northern Ireland, it is a matter for the Northern Irish people to decide. At the same time, while Northern Ireland remains in the United Kingdom—who knows for how long that will be; the 1.8 million people in Northern Ireland must decide that for themselves—it must benefit from all the things the rest of the United Kingdom benefits from by being a member of it. Our National Health Service is just one example, but there are others too, which enormously benefit the people of Northern Ireland as part of the United Kingdom.

There has also been a change in landscape, of course. In 1998, when the Good Friday agreement was set up, the United Kingdom was very different from today. We now live in a devolved United Kingdom. Scotland and Wales are devolved, and there is a movement to try to ensure there is more devolution in England itself. The noble Lord, Lord Dunlop, came up with his report and my own party is holding a commission with Gordon Brown on the future of the union. All these things mean that change is likely to come about to reflect the new position of a devolved United Kingdom. That principle of devolution, and the benefits that come with it, must also apply to Northern Ireland, which should have a properly devolved government with all the advantages Scotland, Wales and possibly parts of England will have.

It has been an interesting debate, but if there is one message, it is the message of change. We live in very turbulent times, and once these elections are over, the two Governments, the political parties and all of us who are interested in Northern Ireland should re-examine and re-think the agreement to ensure that, without going against any of its principles, it reflects the world of a quarter of a century later.

1.40 pm

The Parliamentary Under-Secretary of State, Northern Ireland Office (Lord Caine) (Con): My Lords, thanks to the brevity of those who have taken part in this debate, I seem to have rather more than the 12 minutes allotted to me. If the Committee will indulge me, I might stray slightly over that, but I will try to keep within the allotted time. I first thank all noble Lords who have participated in what has been an excellent debate, and I particularly thank my noble friend Lord Lexden for initiating it.

It was way back in the summer of 1987 that I received a letter from one Alistair B Cooke inviting me to interview for a position in the Conservative Research Department. Little did either of us imagine at the time that nearly 35 years later he, as Lord Lexden, would be tabling a Question for Short Debate in your Lordships' House to which I, as a government Minister, would be replying.

I am quite certain that the only reason I was offered the post in 1987 was down to the fact that I volunteered the opinion during my interview that the most brilliant

work ever written on Northern Ireland affairs was *Lessons of Ulster* by TE Utleby. Little did I know at the time that my noble friend was a close personal friend of the great "Tory Seer" and his family, and he immediately concurred with my view—an opinion which, in both our cases, has not changed in subsequent years.

My noble friend referred to his time as an adviser to Airey Neave before the 1979 election and his role in drafting the Conservative manifesto of that year. I have long thought that had the scheme they devised in 1979 been implemented then, rather than sadly dying with the INLA bomb that murdered Airey Neave, the subsequent history of Northern Ireland might have been somewhat less tragic. It is fair to say that, over the years, I have benefited immeasurably from the knowledge and wisdom of my noble friend.

My noble friend's Question asks what steps the Government have taken to strengthen the union between Great Britain and Northern Ireland. I begin by restating to him in the clearest terms that this Government are steadfast in their commitment to maintaining and strengthening the union in accordance with the democratically expressed wishes of the people of Northern Ireland. It follows that, unlike some of our predecessors, we will never be neutral in expressing our support for the union and Northern Ireland's position within it. That has been a consistent message since we came to office in 2010. I add that this position is entirely compatible with the constitutional principles—including the consent principle referred to by the noble Lord, Lord Murphy, and the noble Baroness, Lady Ritchie of Downpatrick—contained in the Belfast agreement and its predecessor, the 1993 Downing Street declaration, in which I played a small part and which is often overlooked these days. In that context, I note the continuing substantial support of the people of Northern Ireland for its existing constitutional position.

This Government's support for the union is not based on some romantic nostalgia for the past, although we were pleased last year to mark the centenary of Northern Ireland and recall some of the great things we have achieved together as one nation. Rather, our support for the union is motivated by the belief that the whole of the United Kingdom is stronger and more secure together, and that we can achieve more as a country united by common purpose and shared destiny than could ever be the case apart, as the noble Baroness, Lady Suttie, touched on.

There can be no doubt, as the noble Lord, Lord Murphy, and others reminded us today, that Northern Ireland benefits enormously from being part of the United Kingdom and an integral part of the world's fifth largest economy. That enables significantly higher public spending per head than the UK average and levels of support that could not, in my opinion, be available under any other constitutional arrangement. It benefits from sharing in our great national institutions, such as the National Health Service, as we have seen more than ever over the past two years, during which Northern Ireland's world-class doctors and nurses have played such an important and heroic role. Talking of great national institutions, I am pleased that Northern Ireland is fully involved in the national celebrations to mark the Platinum Jubilee of Her Majesty the Queen,

who has always sought to use her influence to move forward the causes of peace and reconciliation, as I was privileged to witness at the Lyric Theatre in Belfast 10 years ago.

Of course, Northern Ireland also benefits from the influence wielded by a key military power in Europe, a member of NATO and permanent member of the UN Security Council. That still enables this United Kingdom to punch above our weight on the global stage, as we currently see in respect of our leading role in the global response to Russia for its illegal and brutal assault on Ukraine.

As the noble Lords, Lord Inglewood and Lord Browne of Belmont, reminded us, the union is not, and never has been, a one-way street or a purely transactional relationship between its constituent parts. That is why this Government value hugely the contribution that Northern Ireland and its people make to our collective national life across business, industry, politics, culture, sports, public service, the military and, of course, arts and culture. The noble Baroness, Lady Suttie, referred to “Derry Girls”. One downside of the debate taking place at this hour today is that I am denied the opportunity of attending the launch of the next series of “Derry Girls” this evening in Derry. However, if Northern Ireland therefore benefits from the union, it also adds considerably to the strength and richness of the whole United Kingdom, something which we would be very much poorer without.

It is also important to stress—here I pick up on some of the points made by the noble Baroness, Lady Ritchie, and my noble friend Lord Lexden—that the Government’s support for the union does not mean supporting just one part of the community. I assure noble Lords that this Government will always uphold their obligations to govern in the interests of all the people of Northern Ireland. Our ambition is to build a Northern Ireland that is inclusive, tolerant and outward looking; one where people are treated with equal respect, whatever their community background or ultimate political aspiration, and where difference is recognised and, as appropriate, celebrated, including through the legislation on identity and language that the Government are committed to introducing.

Central to our efforts to strengthen the union, therefore, are policies designed to make Northern Ireland a better place to live, work and raise a family, and to create a brighter future for all of its people. Last autumn’s Budget and spending review saw this Government provide a funding settlement of £15 billion a year—a record since devolution was established in 1998-99—while the Spring Statement contained a number of measures to help with the cost of living.

We have already allocated some £710 million of the £2 billion *New Decade, New Approach* financial package. In February, the Government published their levelling-up White Paper, setting out how we will achieve that ambition throughout all four parts of the United Kingdom. We are investing some £617 million through the four city and growth deals that cover the whole of Northern Ireland and, of course, government financial support throughout the pandemic helped to guarantee and sustain some 370,000 jobs in Northern Ireland.

It is this Government’s fundamental belief that the union is strongest when people see and feel its tangible benefits in their everyday lives, by delivering for people in every part of our country, and that is what we are striving to achieve. We also seek to strengthen the union by supporting political stability in Northern Ireland. As I have said on many occasions, this Government remain steadfast in their support for the Belfast agreement: for the constitutional principles it enshrines, the institutions it establishes and the rights that it guarantees for everyone.

We believe that inclusive power-sharing devolved government, with locally elected Ministers taking local decisions accountable to a local Assembly, remains the surest foundation for the governance of Northern Ireland and for political stability within that part of our United Kingdom. I assure noble Lords that, once the Assembly election in Northern Ireland on 5 May is over, we look forward to the formation of an Executive and a resumption of all the institutions established by the agreement, across all three strands of the agreement, at the earliest opportunity. This Government will do everything in their power to make this happen.

My noble friend Lord Lexden, the noble Baronesses, Lady Ritchie and Lady Suttie, and the noble Lord, Lord Murphy, referred to reforms and reviews of the institutions. As we approach the 25th anniversary of the agreement next year, we are prepared to look at practical changes that could be made to the operation of the institutions. However, we will not depart from the fundamental principles that underpin the agreement, including the principle of consent, to which the noble Lord, Lord Murphy, referred. These are non-negotiable. As noble Lords have pointed out, changes have been made to the original model that was developed in 1998 through the St Andrews, Stormont House and other agreements. I assure noble Lords that we are prepared to look at ways of improving the operation of the institutions.

In the light of the comments made by the noble Baroness, Lady Suttie, and following the review carried out by my noble friend Lord Dunlop, we are also taking steps to strengthen intergovernmental co-operation across the UK. As an example, the interministerial group for education, which includes the UK Government and representatives from each of the devolved Administrations, met for the first time last month.

I am acutely conscious that the biggest danger to political stability in Northern Ireland, to devolved government and to the Belfast agreement itself, is, as a number of noble Lords pointed out, the implementation of the Northern Ireland protocol. As my noble friend Lord Empey and the noble Lord, Lord Bew, set out very powerfully, the protocol that was intended to preserve and protect the 1998 agreement in all its parts has now become an instrument for undermining it at the point when that landmark agreement marks its 24th anniversary in three days’ time.

We have always said that we will never take risks with the hard-gained relative peace and stability in Northern Ireland, which the 1998 agreement was instrumental in bringing about; that remains the case today. Although I have no doubt that the protocol was a difficult compromise, entered into in good faith

[LORD CAINE]

against a particularly difficult political background, and which the Government have sought to operate with as light a touch and in as proportionate a way as possible, it is clear that the protocol cannot bear the weight of its own contradictions.

As a number of noble Lords have pointed out, the protocol states that Northern Ireland is in the UK customs territory, yet it imposes customs barriers between Great Britain and Northern Ireland. It states that Northern Ireland is an integral part of the UK internal market, yet people in Northern Ireland can no longer buy goods from the rest of the UK and there is significant trade diversion. It states that it respects the territorial integrity of the UK, yet it ensures that the UK Government can no longer make laws on an equal basis across the UK. As I have pointed out, it states that its fundamental purpose is to uphold the Belfast agreement, yet it is clear that it is undermining it.

The situation is unacceptable and unsustainable. As a Government, we cannot stand by and watch the progress of the last 24 years slip backwards. I cannot, of course, share any details of the current discussions; my department does not lead for the UK Government on them. I can, though, repeat what I said in the House last week that, although our clear preference is for these issues to be resolved through agreement with the EU, in the absence of any such agreement we will take whatever measures are necessary to deal with them. We will do so in the interests of peace and stability, the future of the Belfast agreement and the integrity of our United Kingdom. I agree with the noble Lord, Lord Browne of Belmont, that all four parts of the United Kingdom should benefit equally from being a free and independent nation.

I am conscious of time. Constraints do not permit me to say more about, for example, the security situation and our efforts alongside the PSNI and other departments to keep people safe and secure. The noble Baroness, Lady Suttie, referred briefly to legacy. We are still working on a package. The distance of time between the publication of the Command Paper last July and the fact we are still working on this is an indication that we are listening to the many views that have been put to us.

In conclusion, I hope that my remarks have underlined the determination of this Conservative and Unionist Government to strength the union between Great Britain and Northern Ireland. We will achieve this by building a Northern Ireland where politics works, the economy grows, and society is more united.

1.55 pm

Sitting suspended.

South-west of England: Levelling up

Question for Short Debate

2 pm

Asked by The Lord Bishop of Exeter

To ask Her Majesty's Government what are their 'levelling up' plans for the South-West of England.

The Lord Bishop of Exeter: My Lords, I am privileged to serve a diocese in one of the most beautiful parts of England, except the picture postcard view of the region loved by tourists is only half the story. In keeping with most shire counties, the population is older than the national average. Dorset has the oldest population and Devon the second-oldest, with the average age in both counties set to rise significantly over the next 10 years, putting further strain on the NHS and our care services. However, the great thing about an older population, which became evident during the lockdown, is their resilience—they bring ballast and a honed wisdom to their communities. But this does not permit us to underestimate the logistical and economic challenge of sustaining an ageing population, particularly in coastal communities and remote rural areas.

I am proud of what the churches in our region are trying to do to improve people's life chances. Initiatives such as Transforming Plymouth Together provided more than 126,000 meals for poor families in Plymouth in the eight months from February to October last year, and our Growing the Rural Church project is helping village churches become the weekday hub of their communities where all other public buildings have disappeared. I flag this up because, as we recover from the pandemic, we have a golden opportunity to forge coalitions of good will between national and local government, the private sector and voluntary agencies, including those of church and faith organisations, to secure the flourishing of the region.

I support the Government's levelling-up strategy. However, the narrative accompanying it continues to focus on the north/south divide to the neglect of other regional inequities and the unacknowledged urban/rural fault line that runs through many of the Government's policies. There are challenges within regions, not simply between regions. Rural poverty may not show up on government statistics because it is dispersed in small pockets but it is just as real as in parts of our inner cities.

The south-west has a number of reasonably sized conurbations, such as Bristol, Plymouth, Exeter, Swindon and Torbay, around which our hospitals and services constellate. Between them is a patchwork of market towns, villages and hamlets, served by a rail network that is vulnerable to the weather and poor public transport that disadvantages poorer residents and young people who wish to engage in educational and apprenticeship opportunities.

A fundamental question is whether the Government's strategy for targeted interventions actually reaches into this rural hinterland to effect change. I support the Government's aspiration to improve public services, but unless the current funding formulae for the allocation of national funds to local authorities and public service organisations are adjusted to take account of the additional cost of service delivery in remote rural areas, the inequity will not be addressed.

In the south-west we enjoy an honourable partnership with the Armed Forces and Brixham boasts the largest fishing fleet on the south coast, but, fundamentally, the region has a low-wage economy that is seasonal and heavily reliant on tourism. The challenge is to generate jobs that are worthwhile and invite investment.

We have cutting-edge research institutes, such as the Met Office, and universities of international stature that are the economic dynamos of our region. My question to the Minister is this: how can we enhance their capacity for innovation?

Beside economics, there are profound concerns around the vulnerability of coastal communities, rural sustainability and the patchy provision of medical services. The Chief Medical Officer observed last year, in his report on coastal communities such as Torbay, that some of the

“most beautiful ... and historically important places in the country ... have some of the worst health outcomes in England, with low life expectancy and high rates of ... major diseases.”

I hope that other noble Lords will pick up on these concerns, but I will confine myself to four matters: farming, education, housing and connectivity. The south-west boasts some of the best farmland in England, and we need to strengthen its capacity for home food production. The loss of the wheat harvest in Ukraine shows how vulnerable we are to global markets. Farmers are anxious about the rise in the cost of fertiliser, the drop in domestic milk production, the phasing out of direct payments to farmers and the introduction of environmental land management schemes. If the south-west is to flourish, the legitimate concerns of farmers need to be addressed by the Government.

Secondly, many of us are concerned about low educational attainment and lament the poverty of aspiration among many young people. If young people in Devon, enticed by the buzz of London, have an aspiration, it is to get on the train in Exeter and get off at Paddington—whereas, if you are over 60, your aspiration is to get on the train at Paddington and get off at Exeter St David’s. We have to raise educational standards and expand young people’s horizons so that they attain their full potential. We need to ensure that there are opportunities for young people to stay and inspire future generations. With 134 Church schools in my diocese, we look forward to working with the Government to that end, following the publication of the White Paper on schools last week.

Thirdly, there is a shortage of affordable housing, which is acute in holiday areas. Cornwall suffers from an unregulated housing market, with surging demand exacerbated by the pandemic. Coastal communities are being hollowed out by second and holiday homes, and local people are unable to find accommodation, as more housing is turned into lucrative holiday lets. Some 16,000 people in Cornwall are looking for council housing, but currently only 43 properties are available there. In tourist hotspots in Devon, such as the South Hams, property prices have skyrocketed to more than 14 times the average local salary, making homes unaffordable for most of the local population. In Ilfracombe, on the north coast, only four homes were available for private rent last month, compared with 326 Airbnbs. This is having a devastating effect on the sustainability of these communities because, with reduced indigenous populations, shops close and school rolls fall, precipitating a downward spiral of deprivation that is very difficult to arrest.

Finally, I come to connectivity. According to Defra, 9% of rural premises do not have access to a decent fixed-line broadband connection, 10% of rural areas do not have 4G coverage from at least one mobile network operator and, in contrast to urban areas, which have 97% 4G coverage from all four network operators, only 63% of rural areas have this sort of coverage. Boosting connectivity, through both transport and digital infrastructure, is essential to the underpinning of the regional economy, if we are to become net zero and safeguard the environment. We need the Government’s help to address the historic and current underresourcing of the region.

In conclusion, and in company with the Rural Coalition, I say that the south-west is more than a holiday destination or a green lung for city dwellers. It is a place of innovation, creativity and joy, and it merits greater investment than the Government’s levelling-up strategy currently offers.

2.10 pm

Lord Teverson (LD): I congratulate Bishop Robert—the right reverend Prelate—on securing this debate, which is really important. I absolutely agree with his theme that we think so much about the levelling-up agenda as being north versus south—or, indeed, on occasions, as has been shown factually in terms of government funding programmes over the years, urban versus rural. Of course, the south-west is important in its rural population and its rural contribution culturally and economically.

If noble Lords will forgive me, I will talk mainly about Cornwall and the Isles of Scilly, and the shared prosperity fund. What I say is not a criticism of the Government; one of the things I want to succeed is the shared prosperity fund. There are a number of questions here that I will go through and I would be happy to have those answered subsequent to the debate rather than necessarily here today.

Nearly everything that I talk about will also be relevant to the rest of the greater south-west. It is perhaps symbolic that all the speakers in this debate are lined up on the same side of the argument, apart from the Minister—

The Minister of State, Home Office and Department for Levelling Up, Housing & Communities (Lord Greenhalgh) (Con): We have someone here who was leader of Wiltshire County Council for 16 years. Take that one away.

Lord Teverson (LD): I apologise. But we have a unity here.

In Cornwall, our earnings are some 20%—one-fifth—less than the national average. Our GDP is 30% less than the national average. It is interesting that if you look at the contours of productivity, as you move further south-west, productivity goes down significantly east to west. Is that inevitable? I look across to the Republic of Ireland, which used to be one of the tigers of the European economy. It is still more affluent than many parts of the UK. That remoteness is not something that we should take for granted; actually, it causes those differences. Of course, exactly as the right reverend

[LORD TEVERSON]

Prelate said, house prices go in the opposite direction. They are high and largely unaffordable for the resident population.

We are still unclear how the shared prosperity fund will operate. We have a framework there. We understand it is going to be £2.6 billion over three years. The promise by the Government—certainly the Prime Minister—has been that the funding that Cornwall and the Isles of Scilly had under European programmes will be replicated. I ask for confirmation that, in that first period of three years, Cornwall and the Isles of Scilly will have something like £300 million in funding, and that over the seven years—it was a seven-year programme in European days—it will be something like £700 million.

One of the positives about seven-year programmes was that you could plan over that time. Three years is a lot more difficult. Perhaps we could have an assurance that we will not have a programme that starts late and has to spend by the end of year 3, meaning that those projects are short-term and not optimal. I think the Minister would understand that issue.

I also understand that the programmes will be primarily revenue-based. Yet when we come to productivity—I will say more on this later—yes, it is around skills, which I will also come on to, but it is also around investment. A lot of that needs to be capital expenditure rather than just revenue. Will the Government recognise that as that programme proceeds?

I also understand that in the first year 20% of the funding for shared prosperity will go towards a fund called Multiply, which is all about adult numeracy and language. Excellent though that is, it means that there will not be any skills element in the first year, meaning there is a gap between the ESF programmes we have at the moment and skills-based programmes we might have in future after the first year.

One of the great frustrations of European funding was that it took two years to agree the programmes between local authorities, Whitehall and Brussels. It is absolutely essential that these programmes start on time. They need to be agreed and then roll out as soon as the money is available on projects that are not too short term. I ask the Minister: will there be flexibility for the whole south-west—whether Cornwall, Devon or Dorset—as it understands its own needs best? Will that delegation of decision-making downwards, which was sometimes also absent in European programmes, be improved?

Lastly, I want to talk about productivity for 15 seconds. This is a practical thing. Whenever companies I know have applied for European funding in the past it has all been “Jobs, jobs, jobs”. The problem is not jobs; the problem is productivity, careers and decently paid jobs. I ask the Minister that, when people have to fill forms out, they are not just around jobs; they are around productivity and quality. We as the south-west and as Cornwall want to contribute to the rest of the United Kingdom. Please let us do so.

2.16 pm

Baroness Butler-Sloss (CB): My Lords, I am delighted that the right reverend Prelate chose this debate to throw a light on a part of England which is all-too-often

overlooked. I agree entirely with the points he made. I would just say that I have very poor internet connection. I live in a very small village in east Devon surrounded by farmland, and I love it. My husband and I first bought a house in east Devon in 1964 in another small village. There we were surrounded by active farms of cows, beef cattle and sheep. It was usual to be held up on the road because the cows were passing to be milked. It was a busy community. The present village, which we moved to in 1978, was also a very busy farming community—mainly small, family farms.

The fields today are largely empty. The last local farm near our village is about to close. A hundred acres of solar panels are proposed. I am totally in favour of solar panels, but we are already surrounded by them. I am not against them, but I see that the excellent pasture, to which the right reverend Prelate referred, is being filled with panels and not with animals, other than a few horses and some sheep.

As an example, a farmer friend of mine who lives locally, who inherited his farm from his grandfather and father, and farmed with his son, gave up farming seven or eight years ago. Why? Because the amount of money he received for his milk—he had a milking herd—was nothing like as much as the cost of production; he could not afford to keep farming. The farm is now covered with donkeys from the Donkey Sanctuary Sidmouth, where the son drives one of their vehicles.

There are of course some large and medium-sized farms, but I ask the question rhetorically: how long will medium-sized farms continue to be viable? This is a serious food production issue, which the right reverend Prelate referred to, as well as the loss of livelihood of many small farmers. We should worry about the loss of home-grown foodstuffs such as milk. What, I wonder, will levelling up actually do for Devon?

2.19 pm

Lord Jones of Cheltenham (LD) [V]: My Lords, I am very grateful to the right reverend Prelate for securing this important debate and for the way he covered many of the issues facing the south-west.

In the Library briefing for this debate, we are told that Cornwall and Devon perform consistently worse on a number of metrics than better-off areas towards Wiltshire and Gloucestershire—but I do not want anyone to run off with the idea that Gloucestershire does not share many of the problems of Devon and Cornwall. We too suffer from healthcare shortages and the problems brought about by the Government’s failure to address the cost of living crisis—and indeed by their insistence on making the problem even worse with their increase in NI contributions.

Local residents in Gloucestershire and visitors to the county have had to put up with the worst state of roads and pavements I can remember. When I was growing up, we were told, “A stitch in time saves nine”. Gloucestershire County Council does not seem to have heard about this. Instead, it lets many roads decay to such an extent that large amounts of hard-earned council tax payers’ money is now having to be spent on patching up some of the worst areas. Many roads still have bone-shaking, suspension-damaging potholes. Yesterday, on the way to a medical appointment, I endured Douro Road, one of the worst in Cheltenham.

Nationwide figures released this week show an alarming rise in the truly appalling number of children growing up in poverty. Gloucestershire is not immune to this. How can children be expected to concentrate on their schoolwork if they arrive at school having had an inadequate breakfast or, in many cases, no breakfast at all? When I was MP for Cheltenham, we had no food banks. Now they are a necessary part of our town's efforts to feed our citizens. I pay tribute to the dedicated people who give their time to help those in need.

I have tabled Written Questions about the number of dentists who accept NHS patients in the south-west. The number is painfully low in Gloucestershire, while in Devon, Cornwall and the Scillies there are none at all. There are few things worse than agonising toothache, and more dentists need to be trained.

There has been a crisis in Gloucestershire with ambulance waiting times and access to Gloucester Royal Hospital. Part of this problem was caused by Cheltenham General Hospital being deprived for too long of 24-hour accident and emergency services because of a lack of staff, with patients being diverted to Gloucester. On three occasions, my own life was saved only by rapid access to A&E. I am grateful to the medics who saved me. To take another example, an elderly relative of mine was found on the floor of his home at 7 am one morning by his carer. An ambulance was called, but it took more than four hours before paramedics arrived. After stabilising him, they took him to hospital. Sadly, he died there later that week. I am not saying that the delay in the ambulance's arrival contributed to his death, but I suspect it did not help his condition.

Waiting times for GPs and cancer treatment in the south-west are unacceptably long. All the GPs I know have been working their socks off, beyond full capacity and with long hours, and they are quite rightly angry when the Health Minister criticises them. One resident told me the other day that he suspects the Government are deliberately underfunding the health service to encourage people to complain about the NHS, so that they can continue to privatise the whole service to their rich friends. The Bill we voted on this week shows that that may not be far from the truth.

Finally, another serious concern is that, far too often, rivers and waterways in the south-west are being polluted by having raw sewage pumped into them. In 2020, water companies released raw sewage into rivers more than 400,000 times over a total of 3.1 million hours. In many cases, such discharges are happening routinely, not just in exceptional circumstances such as extreme rain. I voted for a ban on sewage discharges, but this was reversed by the Government with a useless amendment of their own. Why on earth will they not force the water companies to clean up their act? My local water company, Severn Trent, made over £400 million profit last year, around a quarter of its income. Those profits disappear into large bonuses for bosses and dividends for shareholders, instead of funding infrastructure necessary for the clean-up. Why are hard-pressed taxpayers expected to

pay for cleaning up this pollution, which is killing our wildlife and endangering those who participate in water sports?

Sadly, the Government's levelling-up White Paper is short on detail and contains no magic nuggets for the south-west. If the Government think they can take voters for granted in our beautiful part of the country, they have a rude awakening coming their way.

2.25 pm

The Earl of Devon (CB): My Lords, I thank the right reverend Prelate the Bishop of Exeter for securing this important and timely debate. It is a pleasure to welcome—somewhat tardily—Bishop Robert to this House. He is a friend and a passionate champion of our region. I note my interests as a resident of the south-west and as the Earl of Devon.

Chronicles of medieval Exeter record that the Bishop of Exeter and the Earl of Devon fell out over the supply of River Exe salmon for their respective households during the Middle Ages. The argument reputedly led to a schism between the cathedral city and its rural and coastal surrounds that lasted for centuries. This division between urban society and the rural and coastal communities was repeated and replicated nationwide, and is one of the key reasons why the levelling-up agenda is far older and more complex than oft-debated post-industrial issues.

This rift is also the cause of our greatest national shame—the environmental degradation and rural deprivation that has caused ecological Armageddon across our countryside. Nowadays, there are next to no salmon in the River Exe, a river whose Latin name *Isca* means an abundance of fish—how tragically ironic. This environmental catastrophe occurred as urban populations lost all connection with the rural hinterland and the natural capital on which they depend for food, fresh air, energy and clean water. It is therefore a pleasure to join the right reverend Prelate in an effort to heal that schism and to invite the Government to bring urban and rural communities back together for the common purpose of restoring our environment and raising living standards for all. By focusing resources on the south-west, as our nation's natural powerhouse, we can do that.

We have already heard the grim statistics, which make depressing reading for anyone who cares about the south-west. The prevalence of second homes and wealthy retirees among dispersed, rural and coastal communities masks huge underlying challenges, as do the seasonality and low pay of employment in the region. In education and skills, the south-west struggles. Soon-to-be-published research by Dr Anne-Marie Sim and Professor Lee Elliot Major of Exeter University shows that the south-west has the worst educational outcomes for disadvantaged young people in the country, and particularly low social mobility compared with other regions. School attainment gaps between poorer pupils and others are the largest for all English regions, and only 17% of disadvantaged children go to university, compared with 45% in London. Those who succeed often move away, up the M4 and M3 corridors to London and the south-east, leaving behind an older population for whom health and social care present many challenges for local government and the NHS.

[THE EARL OF DEVON]

As we have heard, connectivity is one of the key disadvantages, with road, rail and air travel all challenged and digital connectivity falling behind targets, leaving some rural communities in the digital Dark Ages, particularly during recent lockdowns. Utilities are also below acceptable standards, with the uptake of renewable energy hamstrung by capacity limits in the national grid, and sewage and water-treatment plants, as we have just heard, regularly poisoning our rivers due to lack of capacity.

These shortcomings are hardly a surprise, as there has been a track record of underinvestment in the region. There is a lack of access to finance that means that companies and entrepreneurs simply do not get the support they would elsewhere. For example, the local growth fund investment is at £134.40 per head for the region, which is considerably less than the national average at £150.90 per head and far below the investment in the northern powerhouse, which stands at £210.80 per head. There is similarly low investment from Innovate UK, at only £40.30 per head, compared with £172.50 per head nationally. Investment in transport stands at £308 per head against a national average of £474. These are stark differences, which show that the south-west is simply not being given the same opportunities as other regions.

Is there a solution to these issues? Of course there is. It is not simply the spending of more money; rather it is the directing of investment into the areas in which the south-west leads the country and indeed the world. The south-west is our nation's natural powerhouse. Not only do we bear the brunt of the weather—and therefore of climate change—with more sunshine, wind and rain than anywhere else, but the peninsula is unmatched in its natural capital, with an abundance of coastline, landscape and habitat, along with a green and blue economy which knows best how to manage and live in harmony with them. We boast a massive amount of renewable energy, as well as the specialist resources needed to harness it. This ranges from offshore and onshore wind and geothermal, lithium and tin extraction in Cornwall, to marine technology in Plymouth and Europe's pre-eminent cluster of climate scientists at the University of Exeter and the Met Office.

Kwasi Kwarteng MP, the Secretary of State for BEIS, accepts that the south-west is at the forefront of both the fight against climate change and the green industrial revolution. If the Government are serious about levelling up and about climate change and biodiversity, they can achieve multiple goals through a specific and dedicated focus on the south-west of England by supporting the Great South West's natural powerhouse campaign. Will the Government do this and, if not, why not?

2.31 pm

Baroness Bakewell of Hardington Mandeville (LD):

My Lords, I congratulate the right reverend Prelate the Bishop of Exeter on securing this debate so early in his parliamentary career. I also congratulate him on his excellent introduction to this subject matter.

The Government, in their weighty levelling-up document, concentrated almost exclusively on the north of England, and there was very little mention of rural

areas. The right reverend Prelate has rightly raised the plight of elderly people in rural areas. The Institute for Fiscal Studies, conducting its analysis of regional inequalities in different countries, found that the UK

“is one of the most geographically unequal countries in the developed world”.

This was not earth-shattering news for those of us living in rural areas in the south-west. While the south-west peninsula is beautiful and enjoys dramatic coastlines, it has serious issues of connectivity. One fact which I learned many years ago is that it is further from Bristol to the tip of Cornwall than it is from Bristol to Carlisle. Yet, we think of Carlisle as being very distant, while the coastline of Cornwall appears to be on our doorstep—at least emotionally.

Onward think tank research indicated areas where the south-west performs poorly against other regions: unemployment is falling more slowly, much of the work is part-time and poorly paid, there is a growing “skills shortage among young people”—

to which other noble Lords have referred—and both digital connectivity and transport are poor. Tourism is vital to the south-west, but the jobs created are poorly paid. The hospitality industry finds it difficult to recruit, with a shortage of chefs and those willing to wait at tables. Before the lockdown, it was difficult to recruit; currently, it is almost impossible. Those who previously did these jobs have moved on to less demanding roles.

Our young people, especially in rural areas, are often isolated with no access to public transport or the internet. They are dependent on either school transport or their parents—if their parents have a car. They leave home to go to college or university, and they do not come back. We need to provide an environment where they can flourish and find a job and a home in which to live independently. The productivity gap between Cornwall and Devon is clear, when compared with Gloucestershire and Wiltshire. There is no mention at all of Somerset, which appears to have been squeezed out between the four larger counties. The parent company of South West Water, Pennon, in its report *Levelling Up the Great South West*—a naff title if ever I heard one—indicated the clear gap between Cornwall and Devon and the productivity of the rest of the UK. This is damning indeed. We are hard working in the south-west; that is not the issue.

I remember many years ago fighting in the then South West Regional Assembly in Exeter for Objective 1 status for Cornwall. However, it would seem that this success has not brought the levelling up for Cornwall which we all hoped for. My noble friend Lord Teverson eloquently set out the case for Cornwall. Many commenting on the levelling up for the south-west have referred to rehashing of previous announcements; the rhetoric is good, but the detail is totally absent and there is nothing like enough money.

Earlier this year, the Government announced their bus service improvement funding allocations. Somerset bid for £163 million. This is the exact sum allocated to the north-east and North of Tyne. Somerset was awarded £11.9 million—a pathetic amount to fix transport connectivity in a county with huge rural areas in Exmoor, the Mendip Hills and the Quantocks. The

secondary school in Minehead covers an area of 600 square miles, with children leaving home extremely early and some having three changes of transport before arriving at school. Wheddon Cross is a transport interchange for these children, but it is absolutely nothing like any transport interchange you will find in Manchester or Tyneside.

The noble and learned Baroness, Lady Butler-Sloss, raised the plight of farmers, who are currently struggling with increasing feed prices, and the noble Earl, Lord Devon, reminded of us of when salmon were plentiful in Devon rivers. No doubt pollution has contributed to their demise.

The Government's plan to address regional inequalities appears to cover the ground: private sector, increased opportunity, health, education, policing, strengthening local leadership, pride of place and quality of life—all good stuff, but no detail. Those of us campaigning in the Somerset unitary elections in May know that “strengthening local leadership” means the will of the local people being swept aside as the Government's ideology of “bigger has to be better” holds sway. Strengthening devolution legislation means, as we saw yesterday, that mayoral elections will no longer contain a second choice by the supplementary vote system, but will revert to the old and stale first past the post scenario used for non-mayoral elections.

The plans for the south-west include 11 new hospitals—marvellous. However, we currently have excellent hospitals that are chronically and dangerously understaffed. In many cases, 50% of clinicians are off with Covid, and others are leaving their professions at all levels due to burnout, a feeling of total helplessness and years of being undervalued. My noble friend Lord Jones of Cheltenham offered a statistic that shows that there is a chronic shortage of dentists.

“Levelling up” is a phrase that has little meaning for us in the south-west. I wish I could be more positive, but years of experience tell me that successive Governments produce phrases, documents and rhetoric, but absolutely no action or commitment.

2.37 pm

Lord Khan of Burnley (Lab): My Lords, I thank the right reverend Prelate the Bishop of Exeter for his Question and his excellent introduction to the issue before us. He is right to highlight the current disadvantages for people in the south-west in education, housing, farming, transport, digital infrastructure and life chances for young people. I also thank all noble Lords for their thoughtful contributions, including discussing productivity, connectivity, careers and decently paid jobs.

The current economic settlement is not working. For decades, the places that used to power our country have got only the crumbs from the table. That has created huge inequalities, which Labour will focus on fixing. In the last decade, the Tories have stripped the nations and regions of funding and power. An IPPR North report shows that the Tories have taken £431 from every person in cuts to council funding and handed just £31 back in levelling-up funds. For all the talk about levelling up, we are being completely short-changed again by the White Paper. After 12 years, we are left with a list of 12 things the Government have failed to achieve—no new money nor new powers.

Boris Johnson's answer to our communities calling for change is to shuffle the deckchairs by tinkering with government structures and recycling announcements. This is not what was promised. We deserve far more ambition than this. We need to change the settlement for our country back in favour of those who built it. Labour will do that by ensuring that jobs and opportunities are spread fairly across the country, so that you do not have to move hundreds of miles just to find good work or prospects.

The UK is one of the most regionally unequal countries in the world, but inequalities can also occur between towns, cities and villages within the same region. In the south-west of England, there are prosperous towns such as Bath in Somerset and Poole in Dorset, but there are also areas that face deprivation and lack opportunities.

Despite this, the south-west receives less spending per head, and less spending on public services and transport per head, than the national average. Let me give a few examples. Stroud has recently applied for levelling-up funding to transform public services in its town centres. Truro in Cornwall suffers from high levels of antisocial behaviour. Latest police figures show that it has the highest levels of crime in the country. Every constituency in Cornwall except one has higher deprivation than the England average, including Camborne and Redruth, which is 23% higher.

The right reverend Prelate is right to point out that the narrative accompanying the Government's levelling-up strategy focuses on the north/south divide, to the neglect of other regional inequalities such as in the south-west. I say this as someone from a northern town. Both the north and the south-west of England have languished regarding key indicators such as life expectancy, educational attainment, well-being and wages. If the Government want to close the UK's regional productivity gap and boost living standards, they must promote cross-party support and develop a long-term strategy and commitment that lasts longer than a single parliamentary term or a single party's political agenda. Now is the moment to set a new direction of travel and for people start thinking about every government policy, in line with the UK regions; but certainly, the current plan and approach will not level up the UK.

It has come to my attention, not through research but through eavesdropping, that the right reverend Prelate the Bishop of Exeter and the Minister were at Trinity College, Cambridge together. The right reverend Prelate was a young chaplain and in those days, he was giving the Minister wise words and advice. I am not sure how much importance he attached to them then, but today the message is clear, and I hope the Minister will react to it. I look forward to his response.

2.42 pm

Lord Greenhalgh (Con): My Lords, I too congratulate the right reverend Prelate the Bishop of Exeter on securing this debate. He was known as Robert Atwell when he was chaplain during my early years as an undergraduate. He looked a lot younger then—but then, so did I. I used to row, which you cannot believe, given the physique I have now. He said, “You got on

[LORD GREENHALGH] the first boat, in your first term!” As a Roman Catholic, he got me into the chapel and made it very much part of college life. That is what he has brought to his current job. He really cares about his region, and it comes through palpably. He has raised a lot of very important issues.

I take issue with the idea that the Government do not have the credentials to speak for the south-west. Here today we have the noble Lord, Lord Khan of Burnley, a former cabinet member for Burnley. We also have with us a very distinguished leader for six years of Somerset County Council, which is a pretty good innings for the Liberal Democrats. But the Government Whip here has been—

Lord Teverson (LD): I said that the speakers were on this side. I was not in any way—

Lord Greenhalgh (Con): Fair enough, but the Government Whip here, my noble friend Lady Scott of Bybrook, was for 16 years—not just six—leader of Wiltshire Council.

A noble Lord: I have lived there for 60 years.

Lord Greenhalgh (Con): That is living there; this is leading a council for 16 years. I managed six, which is in itself an achievement. The knowledge, the experience and the drive that it takes to lead a council for 16 years is here supporting me. What is more, I have covering fire from my noble friend Lord Whitby, who represents the great Birmingham City Council, which he led with great distinction for many years—

Lord Whitby (Con): Nine years—

Lord Greenhalgh (Con): There you go; on this side of the House we have real experience. I want to deal with the accusation from the noble Lord, Lord Khan, that there is no money and no power. Let us deal with the money first and the power second.

On commitment to the south-west and the money currently being spent, these are staggering sums. There is an initial £131 million investment through round one of the levelling-up fund—that is money. The towns fund is investing £198 million across nine towns in the south-west—that is money. Eleven places in the south-west have received over £138.5 million of funding through the future high streets fund—that is money. The noble Lord should recognise that that is money. There is £92.6 million allocated to the south-west through the getting building fund—that is money. In 2017, the West of England Combined Authority agreed a devolution deal worth over £900 million in investment in the area over 13 years—that is money.

Let us think about the future, because now we are talking about real power: devolution and devolution deals. I know that a number will come to the surface in the next few years in the south-west, devolving real power away to the south-west. That is the power that follows the money.

I want to deal specifically with the right reverend Prelate’s issues; since he secured the debate, I should address most of my remarks to them. He talked about the capacity for innovation. One of the things I learnt

in preparation for this debate is that we are increasing public R&D investment to £20 billion by 2024-25. Of this, at least 55% will go to places outside London and the south-east, helping those places to develop competitive advantages. Obviously, I hope that much of that goes to the south-west. There is a lot of money there to deal with the deprivation that the right reverend Prelate has outlined. Certainly, the south-west has benefited from £303 million of Innovate UK funding since 2008. We continue to see R&D investment, which can only get bigger, going to the south-west.

The right reverend Prelate is also a great champion on issues of rural and coastal deprivation. He asked a couple specific questions about whether targeted interventions reach the rural hinterland. The Government will publish the second report on rural proofing in England this spring—imminently. It will set out how government departments are working to support levelling up in rural areas through targeted approaches where needed, and how we are strengthening the rural economies. More on that anon.

On connectivity and the patchy provision of rural services, last week the Government announced a further £32 million of funding to protect the crucial Dawlish rail link in Devon. This is part of £155 million to level up investments between communities in the south-west.

The noble Lord, Lord Teverson, wanted to know about the UK shared prosperity fund. It is a good question, but he will just have to wait a bit. The prospectus will be published imminently, but I take the point about having time to plan and having flexibility. As a former local leader myself, I completely agree with those principles, and they are points well made.

The noble Lord, Lord Teverson, who I think is a distinguished former Member of the European Parliament, also wanted to know whether EU funding levels will be matched for Cornwall and the Isles of Scilly. I have been told that the Government will match current EU funding levels in Cornwall and the Isles of Scilly and will publish details of allocations in due course. There is some information for the noble Lord that I think is positive.

Will there be flexibility? I think I have answered that. Let us get the detail about that on the table in future.

It is important to recognise that the Government set out an ambition that takes us to 2030, along with some clear missions, and through the spending review they have been driving the spending around those missions. They will measure those and publish an annual report, but I thank the right reverend Prelate for once again making us realise that it is not a north/south issue or a rural/urban issue: there is deprivation and issues that need to be tackled throughout all four nations of this great United Kingdom.

The Church plays an incredibly important role, particularly in education, and I recognise that. The right reverend Prelate mentioned the diocesan schools. In my patch, Hammersmith and Fulham, we have wonderful voluntary aided schools that provide first-class opportunities within the maintained sector for young people to get on in life. Long may that continue.

This has been a great debate. There is a lot to be said for the south-west—but you would never know it, listening to the noble Lord, Lord Khan.

2.49 pm

Sitting suspended.

Tax Gaps 2019-20 *Question for Short Debate*

3 pm

Asked by Lord Sikka

To ask Her Majesty's Government what assessment they have made of the HMRC report *Measuring tax gaps 2021 edition - tax gap estimates for 2019 to 2020*, published on 8 February.

Lord Sikka (Lab): My Lords, it is a pleasure to bring this debate. I will raise three broad questions with the Minister: first, on the quality of HMRC's analysis of the tax gap; secondly, on the composition of the tax gap; and, thirdly, on the administration of it.

What is the tax gap? It is a broad measure of non-compliance, defined by HMRC as the difference between the amount of tax that should, in theory, be paid to HMRC and what it actually collects. It says that the tax gap is around £35 billion a year or about 5.3% of the taxes that HMRC collects. In proportional terms, the tax gap has declined since 2010, though in absolute terms it has hovered at around £35 billion. That is assuming that one accepts HMRC's methodology, which I do not. Even by its own standards, HMRC says that it has failed to collect nearly £400 billion in taxes since 2010. I will argue that that amount is not appropriate either.

HMRC attributes the tax gap to eight broad categories—what it calls taxpayer behaviours. These relate to criminal attacks, evasion, the hidden economy, avoidance, legal interpretation, non-payment, failure to take reasonable care, and error. This categorisation by HMRC of the tax gap does not connect with its priorities and legal duties. In court cases brought by HMRC, it frequently argues on three grounds. The first is fraud, the second is negligence and the third is honesty. But that is not how HMRC analyses the tax gap—that is entirely different.

The reason for the tax gap and putting a name to it is important because it frames how the issues are understood and the policy options that can be exercised. HMRC states that tax fraud is:

“Any deliberate omission, concealment or misinterpretation of information, or the false or deceptive presentation of information or circumstances in order to gain a tax advantage.”

That is a broad definition of fraud. If one applies that to the elements of the tax gap in the information published by HMRC, one can see that £15.2 billion of the tax gap is attributed to fraud. That raises serious questions about what is to be done about it. My first request to the Minister is this: can the Government please look at ways in which to improve the analysis and presentation of the tax gap so that it links up with policy priorities and legal duties, rather than the departmental headings that HMRC uses at the moment?

Secondly, I have major concerns about HMRC's methodology for estimating the tax gap. Typically, the HMRC estimate is based upon errors and omissions in tax returns, but we know that many individuals and companies do not file tax returns. Some 300,000 to 400,000 companies are struck off by Companies House every year for failure to file annual accounts, even though they may have traded and made profits—they just become invisible. Many companies are invited to file tax returns but do not do so. They may even have employees but do not make PAYE payments or pay national insurance. That, again, suggests that just a focus on tax returns will not help to estimate the tax gap. Many individuals do not file tax returns and escape consideration by HMRC's tax gap model altogether. The number of tax audits undertaken by HMRC is not really that high either, so, again, it is extrapolating from a very small sample. In short, without going into a lot of technical details, the methodology for estimating the tax gap is highly questionable.

There are alternatives to HMRC's tax gap model, and they estimate that the gap is somewhere between £58.6 billion and £122 billion a year. This suggests that, since 2010, between £400 billion and £1.5 trillion of taxes have not been collected. That is a vast sum. However, even these models do not fully capture the leakage of tax revenues. Let me provide three illustrations—I could do more, but we do not have the time.

I refer first to a well-known case. In 2005, the parent company of BHS paid a dividend of £1.3 billion, £1.2 billion of which went to Lady Green, its main shareholder. She is resident in Monaco, which does not levy any income tax. So the dividends were not taxed in the UK or in Monaco—they were not taxed anywhere. A UK resident recipient would have ended up paying at least £300 million in tax on that dividend. This is not an old or isolated example. Social care, water, train and many other companies pay dividends to offshore entities which are not taxed in the UK or anywhere else. This tax loss does not form any part of HMRC's tax gap, and the Government have done absolutely nothing to curb this kind of tax avoidance.

My second example relates to the use of related-party transactions; again, the example is from BHS. In 2001, BHS sold some of its properties for £106 million to Carmen Properties Ltd, which is based in Jersey and controlled by Lady Green. Carmen then immediately leased the properties back, because BHS needed to use them. So from 2002 to 2015, BHS paid £153 million in rent to Carmen. These rents were tax deductible expenses in the UK and reduced BHS's tax liability, but on the other side, in Jersey, they were simply not taxed and were paid over to Lady Green—a nice way to dodge taxes. This type of financial engineering is highly common among companies and results in tax avoidance adding up to billions of pounds. This does not form any part of the tax gap, and the Government have done nothing to check this form of avoidance either.

My third example has been the subject of the OECD's base erosion and profit shifting—BEPS—project. It involves shifting profits from the UK to low or no-tax jurisdictions through intragroup transactions. Profits are shifted through interest payments on artificial

[LORD SIKKA]

loans, royalties and management fees, and now profit-sharing arrangements. Numerous companies are doing this. HMRC has done nothing to challenge this type of avoidance and has let off companies such as Starbucks, Microsoft, Boots, Facebook and many others. It entered into secret sweetheart deals with Google, Vodafone, Goldman Sachs and others, which then end up paying less. The cloak of confidentiality has prevented even the Public Accounts Committee investigating these deals.

HMRC's report says:

"Some forms of base erosion and profit shifting ... are included in the tax gap where they represent tax loss that we can address under UK law ... The tax gap does not include BEPS arrangements that cannot be addressed under UK law and that will be tackled multilaterally through the OECD."

This means that HMRC has absolutely no idea of the taxes lost due to profit shifting, and there is no estimate provided in the tax gap figures. My question to the Minister is this: can we have a more meaningful number for the tax gap, please?

I will say a few words about tax administration. HMRC staff do a heroic job. Dealing with the tax gap is very labour intensive, and investigating just one company like Google can tie down between 10 and 30 people for up to 22 months on average—that is an empirical number that I have just cited. In 2021, HMRC concluded 437 criminal investigations, compared to 864 the year before. Fraud investigations have also declined. In 2005, HMRC's staff was 105,000; most recently, it was just under 62,000. I urge the Government to pay attention to HMRC's resources, which have recently increased but are in real terms still well below the 2010 number.

Finally, can the Government be tougher on the tax avoidance industry? As far as I am aware, unless the Minister wishes to contradict me, not a single accounting firm whose tax avoidance schemes have been judged to be unlawful has ever been investigated, prosecuted or fined by the Government. Could the Minister explain why the Government are easy on the enablers? If they are easy, we cannot really address the tax gap.

3.11 pm

Lord Leigh of Hurley (Con): My Lords, I congratulate the noble Lord, Lord Sikka, on securing this important debate.

The HMRC report in question here today states that:

"We use a range of internal and external data and different analytical techniques to produce annual estimates, which we revise as more accurate data becomes available. These are our best estimates based on the information available, but there are many sources of uncertainty and potential error. For this reason, it is best to focus on the trend in the results rather than the absolute numbers when interpreting findings."

As the noble Lord, Lord Sikka, pointed out, it certainly is not a complete and full way of measuring things. Generally, the VAT tax gap, which is where I am going to focus my remarks, is measured using the top-down approach: that is to say finding the tax base—in other words, the theoretical amount of tax that should be paid—and comparing that to the amount actually paid. The alternative bottom-up approach uses HMRC operational knowledge to identify areas of loss and

then the two are combined to find some sort of common ground or estimate. Even HMRC does not seem to have confidence in its own figures. They are frequently revised and, as I say, it urges us to look at the trends rather than the absolute amounts.

My interest in the tax gap stems from learning about the work undertaken by *vatfraud.org* and RAVAS—Retailers Against VAT Abuse Schemes—led by the very able and admirable Richard Allen. This organisation pointed out many years ago the VAT loophole that existed as retailers, believe it or not, transported goods to the Channel Islands and then back to the UK, simply to avoid VAT under the low-value consignment relief scheme. HMRC was in complete denial about the problem and did not take adequate steps to alert Ministers to the issue. What was the shortfall to HMRC? HMRC estimated £85 million, but realistically it would have been much nearer to £300 million, and of course many businesses in the UK went bust at the time.

Subsequently, RAVAS looked at the much bigger issue of VAT abuse by online offshore retailers. In 2015, Mr Allen was approached by businesses which found themselves having to compete with Chinese traders who were not charging VAT but were sending goods from UK warehouses. The sums of money involved were eye-watering: it was estimated that at least £1 billion in VAT was being evaded every year on sites such as Amazon and eBay.

A dossier was given to the then Chancellor, George Osborne, with the assistance of my noble friend Lord Lucas and myself. Over the next five years, HMRC again gave every possible reason not to take effective action, claiming that the sums of money we said were being lost had been exaggerated. Eventually, an exposé by "Panorama", numerous debates in Parliament and the involvement of the National Audit Office resulted in measures that now bring in £1.4 billion per year of VAT that was otherwise being lost. This figure was confirmed by Jim Harra, no less, to the Public Accounts Committee in November 2021. In February this year, at question 39, he admitted that the new measures were

"bringing in much more of the previous lost VAT yield that we had anticipated"

and that

"we had a level of registrations far in excess of what we had forecast."

I was a witness to and a participant in all this. So, my point is twofold: first, a top-down approach would not have revealed this loss of tax; and, secondly, we must learn to listen to whistleblowers like Mr Allen for these types of abuses. Can the Minister tell the House what processes are in place to look at all possible tax loopholes and investigate whistleblowers' reports? I am sure there are many more opportunities to close the tax and VAT gap, but we must listen to the people on the ground who are good enough to let us know of the problems. By the way, it is to HMRC's eternal shame that Mr Allen was never recognised or thanked for his role in closing the loopholes. In fact, he ended up having to pay HMRC for the cost of his freedom of information requests. I hope the Minister picks this up and reflects on what happened.

Interestingly, Mr Allen has identified another area where there is undoubtedly a huge tax gap. This is a new form of abuse involving sellers who operate outside the jurisdiction of the new rules. They are not registered for VAT and have no need to be as they are based mainly in China and, as such, impossible to pursue. They sell their products directly to UK customers. Their websites target UK customers and are filled with reviews—probably fake—from UK customers, and the goods are sent by post so there is no VAT collection. Yes, HMRC does undertake some checks on the border, but it is impossible to look at every item, and attempts to ascertain value by, for example, weighing clothes are somewhat primitive.

Let us be clear: at the moment, if a seller is in China or any other country and posts a package to the UK with no VAT added, as they have not registered for VAT as they should have done, HMRC is in reality powerless to collect the VAT due. The simple solution could be a VAT passport on all goods, via a QR code, which closes down a VAT gap that has yet to be quantified or recognised. So it is a digital solution: a QR code is essentially a VAT passport. A foreign seller will then have to prepay any VAT due and a bar code scan can easily inform HMRC of the exact details of the consignment.

As every seller has a unique QR code, it will be easy to identify them and of course the recipient. As tax becomes digital it is up to us to embrace opportunities such as these. It is just one idea to reduce the real VAT tax gap which TaxWatch advises me is €23 billion in the UK. Embarrassingly, that places us second out of European countries in terms of absolute VAT loss and seventh in the table of VAT loss as a percentage of total available revenues. Perhaps the Minister tell the House if HMG are looking at bringing in a VAT passport. If they are not, do they have plans for an alternative method of capturing this VAT owed? The status quo is clearly short-changing the UK taxpayer. We can do better.

3.18 pm

Lord Davies of Brixton (Lab): My Lords, I thank the noble Lord, Lord Sikka, for raising this important issue and providing us with an opportunity to discuss the report from the Inland Revenue. I strongly support everything he mentioned in his questions to the Minister. I also thank the noble Lord, Lord Leigh of Hurley, who has snaffled one or two of my best lines.

What was clear from what was quoted of how the gap is defined is its uncertain nature and the uncertain way the figures are derived. The conclusion in the report itself is that it is not the absolute numbers that are of real significance but the way in which they move, which suggests we should focus on the trend, and I am sure that is correct.

These figures are derived using a variety of methods, and it has to be said that some are more convincing than others. My first question is: to what extent is it a priority for HMRC to refine? What work is it doing to refine the derivation of the figures? We know that it is hard-pressed, particularly with the impact of the virus, but it would still inform the House if we could be told how much work is being done to improve the figures.

Ultimately, it is like trying to prove a negative and we are never going to get it absolutely right or have absolute certainty about the figures.

A particular point of concern on which I would value the Minister's comments is that there is a subjective element to what is being produced here. The report refers to what "should" be collected. Should is a subjective word; it is open to interpretation and depends on the Revenue's own view as to what should be collected. There is a question of interpretation involved. Were it to adopt a more lenient form of interpretation, the tax gap would decline. The converse is also true: if it had a more aggressive definition, the tax gap would increase. There is always going to be an element of uncertainty, but I would still urge the Minister to demonstrate that this is really more than just a PR exercise and that we are working towards getting some sort of real figure.

Let us accept then that it is a form of performance indicator. If it is a measure of corporate effectiveness, how good is HMRC at collecting the money that it is due? It has to be said that the record is not all that impressive. There is lots of detail in the report, but if we simply look at the graph on page 5, we see that there has been a decline over the past 10 years or so, while the latest figures show a slight increase. I dare say that the figures for the following year will be unusual, to say the least, because of the impact of the pandemic, but given the extent of uncertainty about them, the figures have to all intents and purposes stayed the same. I may be asking too much, but I seek some commitment that the Government want to see the figure declining over time and not staying stable.

Other people have looked at this. The National Audit Office drew attention to it in July 2020 and praised the fact that the gap had been successfully reduced—two years ago, it appears there was a reduction; the more recent increase was not available there—and said it was good value for money. However, it also said that, where there had been success, the way it had been achieved had not been applied more broadly. This comes back to it being an issue of not just measurement but what lessons are being learned. Are the right lessons being applied?

The Commons Treasury Committee had a go at this as well. It asked for a strategic plan for reducing the tax gap. It puzzled me that the Government did not adopt the proposal. It would appear that they did not want to give the game away by telling the people who were creating the tax gap what steps would be taken to close it. I do not know what precise plan the Commons committee had in mind, but I would have thought that some strategic approach to reducing the tax gap would still be welcome.

Finally—this is more of a question—there was at some stage a supposition that making tax digital would help the situation, and that, were all the figures collected digitally and filled in online by everyone, the opportunity for the tax gap would be reduced, but that does not appear to have been the experience. Perhaps the Minister could enlighten us on that.

In my remaining two seconds, I will have a go at the suggestion made by Ministers, on occasion, that the tax gap is one of the smallest in the world. I come back to VAT. Claims based on international comparisons of the tax gap are almost impossible, in general, but they

[LORD DAVIES OF BRIXTON]
are possible for VAT—the European Union did it—and there our record was not particularly good. Attention was drawn to the fact that we were seventh in terms of the proportion and that many other countries are much more successful. Does the Treasury regard this issue as a priority? In this area, the most recent figures—this is going back a few years—show that we were not doing very well. What steps are being taken to improve the situation?

3.26 pm

Baroness Bennett of Manor Castle (GP): It is a pleasure to follow the noble Lord, Lord Davies of Brixton, and to join the small and distinguished pre-Recess group in this debate. I thank the noble Lord, Lord Sikka, for securing our chance to discuss this important issue.

Since it is this time of the Session, I want to be optimistic. I will look at how we can see some optimistic political directions, in the context of the tax gap. I begin by quoting Oliver Bullough's *Butler to the World: How Britain Became the Servant of Tycoons, Tax Dodgers, Kleptocrats and Criminals*:

"It will only be by imposing rational regulations and laws across the entire British archipelago, by enforcing them robustly and remorselessly and by investigating and exposing failures to do so that Brits appalled by the country's butlering industry can force it to seek a different way to earn a living. And they should not be afraid to do so. Thanks to the combined dislocations of COVID and Brexit, Britain is questioning its position in the world in ways that may not be repeated for a generation."

The noble Lord, Lord Leigh of Hurley, referred to the way in which this report looks very much at trends, rather than hard facts. There is clearly a political trend of great concern about these issues and of calling for action on them.

For those who have not read the book, there is another cause for optimism in it: the situation that we are in now, with the massive inequality, massive tax dodging and massive tax gap, has come forth only in the last few decades—it has not been sitting there through centuries of tradition. There has been big inequality and we had a trend known as the "great levelling" that went in a different direction between the 1950s and early 1970s, but different directions have been taken in the past and can be in the future.

Only by adopting a long-term consensus across the political spectrum to have an economy that meets the needs of people, while acknowledging that we have to live within the resources of our share of this one fragile and much-abused planet and are not competing with other nations to grab a fast buck by putting out the welcome sign to the dodgy, the shady, the straight-out corrupt and those who service them—the "enablers", in the jargon—can we tackle the official tax gap, as measured by HMRC but highly inadequately, as the noble Lord, Lord Sikka, outlined. As he also said, the enablers have escaped being investigated, let alone prosecuted, for tax dodging and other issues.

It is worth picking up the point of the noble Lord, Lord Davies, that we are talking of subjective things here. We may get all these really tight numbers and percentages but, as HMRC itself says, the tax gap is one between what

"should, in theory, be paid ... and what is actually paid"—so we are talking about theory.

It should be interesting to read this debate alongside that on a Motion of the noble Lord, Lord Browne of Ladyton, agreed in this Room on 3 February, which took note of

"the impact on global democratic norms and values from autocrats, kleptocrats and populists and the case for a coordinated response by the United Kingdom and her allies."—[*Official Report*, 3/2/22; col. GC 289.]

One could very easily add "tax dodgers" to that and acknowledge that, again, there is huge public concern about the security implications of this.

That is the dark side of it; there is also the grey side—the shady side, you might say. This is where we come to the theory of who should be paying tax. There is probably an even bigger group: the rootless multinational parasites which suck profits from communities around the globe and—where they are allowed to get away with it, such as in the UK—pay little or nothing back. They rely on the infrastructure paid for by all, such as the roads, policing, schools and hospitals. They rely on the natural resources of these islands, which should be there for the use—or non-use in the case of fossil fuels—of all, and the labour of the workers produced and reproduced by society. Yet they do not pay their way.

You could call this the Shell-Amazon problem for shorthand, given that just this week we learned that for the fourth year in a row Shell has paid no tax on North Sea oil and gas extraction. Picking up the point about international comparisons, I say that in Norway last year Shell paid \$4.5 billion in tax, production entitlements and fees in a very set of similar circumstances, and Amazon paid £3.8 million in corporation tax on £1.8 billion in sales. I am sure the Government will say they have a strategy for that. I have just been looking at their report from last year *Tackling Profit Diversion by Multi-national Companies*, which proudly proclaims that in five years £5 billion has been clawed back. That is less than double what Norway got from Shell in one year.

I have talked "big picture". What, aside from electing a Green Government who actually want to tackle the official and unofficial tax gaps, could be practically done? Here are a couple of practical suggestions for the Minister. First, we could establish Her Majesty's Revenue & Customs as an independent agency of government, answerable to Parliament. That would remove the power of politicians to strike secret deals with corporations and individuals, as the noble Lord, Lord Sikka, referred to. Secondly, we could entrench the anti-avoidance principle in UK tax law and oblige banks to provide information about companies automatically to HMRC. We used to hear a lot of talk about the anti-avoidance principle, and we really need to revive that.

What is happening instead? As was highlighted in the Spring Statement, HMRC is investing £161 million to ensure that businesses pay what they owe—although we seem to have a lot of focus on cab drivers and hairdressers, which is not what we are talking about here. The DWP is also spending £510 million—roughly four times as much—to prevent fraud and error in the benefits system and to collect more debt from people on universal credit. The DWP estimates that it can

claw back £3.15 billion from benefit claimants. HMRC estimates that it can get £3 billion from putting additional resources into chasing tax dodgers.

Back in 2015, I was saying that we have to stop making the poor, the disabled and the young pay for the greed and fraud of the bankers. Yet, visibly, it is those groups that the Government are continuing to chase for the pennies they have not got, while failing to act against the people who are truly causing massive damage to our society.

3.33 pm

Baroness Kramer (LD): My Lords, I can only agree with the noble Lords, Lord Sikka, Lord Leigh and Lord Davies, and with the Public Accounts Committee of the other place, that the tax gap is always cited as if it were a number of some precision. It is nothing more than a general estimate and it should be treated that way, not as divine truth. The Public Accounts Committee had some good ideas, particularly for sectoral tax gaps, so at least we could try to tie it up with the underlying real economy. At the moment, there are no correlations at all.

To me, what really matters most about the whole concept of the tax gap are the behaviours that it drives. HMRC appears to be absolutely fixated on it. In committee after committee, evidence from HMRC officials has convinced me that their primary mission in life is reducing the tax gap. By contrast, the fair treatment of taxpayers is a woeful irrelevance. This attitude means that they go after the low-hanging fruit.

I cannot rehearse all the arguments around the loan charge. We all believe that everyone should pay the tax they owe. I should declare that I am a member of the Loan Charge APPG. It has recently, yet again, written to the Government with 10 questions which tackle this issue of the lack of an adequate legal basis for the charge. A legal case found against the companies that hired contractors, not against the contractors. I could go on about retrospection. One of my main beefs with HMRC is that it issues tax claims with no actual calculations to show how the numbers are derived. For years, its treatment of individuals against whom it had claims was brutal and threatening. This has improved—but only after eight suicides. The APPG has again been pushing HMRC to set up a suicide prevention hotline.

I was on the Economic Affairs Committee, which looked at changes to off-payroll working which gave larger, private companies responsibility for assessing compliance with IR35 for the contractors they hired. The online CEST tool provides no determination in 20% of cases. The CEST assessment gives no room to the fundamental test of “mutuality of obligation”. Blanket rulings are common because companies do not want a fight with HMRC, so they simply decide to say that everyone is on payroll for tax purposes—although not, of course, for employment rights purposes. The company then subtracts its NIC payment from the fee normally paid to the contractor. Contractors are usually afraid to challenge such rulings for fear of being blacklisted. A contractor who appeals a decision made by a company hiring him or her can only appeal back

to the same company. Consequently, self-employment has fallen by nearly a million—down 20%. The consequences are genuinely serious for our economy, which needs the kind of project skills that are embedded in that freelance and contractor market, particularly at the high-tech end.

I do not always agree with everything that the noble Baroness, Lady Bennett, says. However, I agree with some aspects of her speech. HMRC deals very differently with big companies with their expert advisers and deep pockets. They negotiate and do deals. I am not going to repeat the cases that she and the noble Lord, Lord Sikka, used to illustrate this, but it is incontrovertible that most major companies have managed to arrange deals in which they pay very little, compared to the revenues that they generate in the UK. I join in asking the Minister why we do not have the full amount of transfer pricing and base erosion included in the tax gap. It is a major hole in all the numbers that we present.

I want to say something quickly about Making Tax Digital. I have often heard HMRC say that it will close the tax gap. Everything is motivated by it. The Chartered Institute of Taxation is pretty sceptical about it. The noble Lord, Lord Davies of Brixton, gave us the numbers. It has not worked. One of my frustrations is that HMRC has insisted that, to make tax digital and to collect more of it, it has to combine this with a change in the base period. All UK companies will now have to have a tax year-end between 31 March and 4 April, regardless of the seasonal patterns of their business. Little seasonal businesses, whose logical year-end is different, are now to be punished. The hospitality sector, farmers whose revenues depend on commodity prices and the weather, and retailers with seasonal goods, will have to guess at their future revenues for tax purposes. They will be hit very hard if they get it wrong. Making Tax Digital should have offered the possibility of flexibility and variation. Instead, simplification has been used to minimise the effort that HMRC needs to put into any of its activities. It is part of the failure to behave fairly to taxpayers.

I do not have much time to talk about fraud, and others have. One of my angers at HMRC in this process, if it is so dedicated to closing the tax gap, is that, after Covid struck, for six months it stopped answering its fraud hotline—the phone just rang and rang—and the online reporting form contained so many intrusive and personal questions that many whistleblowers were too frightened to use it. I am not at all surprised that we are looking at £15 billion of Covid-related fraud and an annual loss to fraud of £29 billion. I have some serious questions now about the future fund and may write to the Minister with a particular case where it looks as though misuse is being condoned.

I accept that there have been attempts at improvement; in the Spring Statement, the Government announced a new public sector fraud authority. I would like to hear from the Minister that this is not just Action Fraud rebadged, because that service has been damned for its failings by the public—there were scandals in the media—and declared unfit by the police. I want to know in more detail how this new body differs. HMRC

[BARONESS KRAMER]

has a new hotline. How does it differ from the old one, which was reasonably hopeless even when it worked? The Large Business Directorate is supposed to be getting tougher on big businesses. Can the Minister tell us how?

I always think that treating taxpayers fairly is the way to close the tax gap. It is not a side issue; closing the tax gap should dominate every decision that HMRC makes.

3.41 pm

Lord Tunncliffe (Lab): My Lords, I congratulate my noble friend Lord Sikka on securing this short debate.

As has been said, the tax gap for 2019-20 is currently estimated at 5.2%. That is down 0.1% from the initial estimate but remains marginally higher than the gaps for both 2017-18 and 2018-19. We will not see further figures from HMRC until 23 June, and it is far too early to know what impact this year's tax changes and other initiatives will have in future years. However, can the Minister comment on whether there is cause to believe that the gap will increase for 2020-21 and 2021-22?

As the HMRC report outlines, there are several reasons for tax not being paid. Some are perfectly innocent but, as the Government acknowledge:

“Legal interpretation, evasion, avoidance, and criminal attacks on the tax system also result in a tax”

gap. Can the Minister specify the balance between genuine errors and these other, more sinister causes?

The report states:

“It is impossible to collect every penny of tax that is owed.”

That may be true but, as we have heard on far too many occasions recently, it is not clear that the Government are doing enough in this area. Concerns over HMRC's ability to identify and tackle tax evasion and avoidance have existed for many years. The department lacks capacity and expertise, and the well-documented gaps have not yet been sufficiently plugged. Media sources have disclosed various dodgy dealings, whether by firms or individuals, but the Government's decision-making in the aftermath of such revelations has often failed to live up to their tough rhetoric.

The Chancellor chose to hike taxes on working people yesterday, despite a manifesto commitment not to. That follows his previous decisions not to build safeguards into his coronavirus support schemes, allowing fraudsters to get away with billions of pounds of public money. At the same time, benefits have been cut in real terms. The Chancellor could have eased the burden on the lowest paid but chose not to. These are not the only choices the Government have made. For years, the Treasury has funded expanded investigatory units at the Department for Work and Pensions, to identify mistakes or fraud in the social security system and ensure that moneys are recouped.

We do not disagree with stamping out benefit fraud—far from it. People should not abuse the system. However, the resources put into the DWP to tackle benefit fraud and errors far outweigh those given to HMRC to tackle tax evasion and avoidance—and to recoup money

claimed fraudulently from the Treasury's coronavirus schemes. The Minister will no doubt be aware of the work done by TaxWatch UK in December last year, which highlighted the significant disparity in the treatment of social security claimants and corporate fraudsters.

In December, the DWP was given £510 million of additional funding to tackle benefit fraud. This funding, covering a three-year period, was in addition to £103 million already allocated at the spending review. It expands what is already a significant anti-fraud operation at the department. Last March, the Chancellor announced the £100 million Taxpayer Protection Taskforce to recoup money wrongly claimed under coronavirus support schemes. An additional £55 million came in the Autumn Budget.

Why has tackling coronavirus fraud been given just a quarter of the budget given to the DWP, even though the amounts lost to coronavirus-related fraud are higher? The Minister will no doubt tell us that we need not worry, as the Chancellor corrected the disparity in the Spring Statement; £48.8 million was allocated over three years to the establishment of a new public sector fraud authority. But it is not clear how much will be recouped because of that investment. Can the Minister clarify? Some £161 million is being invested in HMRC compliance efforts over five years, but how many additional investigators does this amount to?

The 2021 Spring Budget predicted that, despite additional spending on compliance at the time, less would be collected year on year until 2023-24, due to HMRC focusing its efforts elsewhere. What difference will this new funding make? With some HMRC staff being reallocated to the new Covid fraud task force, are there enough people left to adequately deal with day-to-day tax investigations? If not, how quickly can additional staff be recruited and trained?

This top-up to HMRC's budget is estimated to secure an additional £3 billion in tax over five years. That amount is not insignificant, but, equally, it is just £0.6 billion per year—or 0.1% of the 5.2% tax gap. These amounts and initiatives give the impression of a Government who are tinkering at the edges, rather than getting to grips with long-running problems. That is a political choice and it is simply not good enough.

3.48 pm

Baroness Penn (Con): My Lords, I thank the noble Lord, Lord Sikka, for securing this debate, and all noble Lords for their contributions. Although these ranged over a wide number of areas, I think the common thread of agreement was that every effort should be made to narrow the tax gap, and that is something that the Government will continue to bring forward further measures to achieve.

As set out by the noble Lord, Lord Sikka, HMRC publishes comprehensive estimates of the UK tax gap, including both direct and indirect taxes, annually. In fact, HMRC is one of only two tax authorities in the world to do this in such a comprehensive manner, underlining its belief in transparency. The latest publication estimates the 2019-20 tax gap as 5.2% of total expected liabilities, or £35 billion. The Government recognise that this figure is still too high.

However, this estimate also underlines the long-term downward trend in the tax gap, which, in 2005-06, stood at 7.5%. In fact, the most recent tax gap is at a near record low, which means that almost 95% of total tax due is paid. None the less, as has been acknowledged today, the current tax gap is slightly larger than that of the previous year, which stood at 4.9%—although, as several noble Lords have noted, I encourage the Committee to avoid drawing strong conclusions from a single year's results. By way of explanation, the increase was mainly driven by changes in the VAT tax gap. My noble friend Lord Leigh is right to say that the VAT gap is, at times, subject to change. Such revisions are evidence of HMRC's commitment to transparency and the complexity of the calculations. As the noble Lord, Lord Davies of Brixton, said, they also underline the importance of considering trends rather than figures for individual years. However, I stress that HMRC's VAT gap estimate, and the methodology, are robust and in line with international best practice.

The noble Lord, Lord Tunnicliffe, asked whether there is cause to believe that the tax gap will increase for the following year. Although it is difficult to predict the potential impact of Covid-19 and the related recession on the tax gap, it is not necessarily the case that the tax gap will rise, as there are complex interactions that could change both the drivers and opportunities for tax non-compliance to occur. The VAT gap for 2020-21 has already been published and is at 6.7%, down from 8.4% in 2020. The tax gap for 2020-21 will be published on 23 June. Following the recession brought about by the financial crisis in 2007-08, the tax gap due to non-payment increased as businesses became insolvent while owing tax. The impact of the pandemic on businesses may be different, but if businesses fail, the tax gap due to non-payment may increase. The noble Lord also asked about the balance between genuine errors and more sinister causes, and other noble Lords talked about the breakdown in the tax gap provided. The breakdown by behaviour is illustrative, but the latest publication shows that, in 2019-20, failure to take reasonable care and error collectively accounted for around 29% of the tax gap. Legal interpretation, evasion and criminal attacks were at a similar size at 16%, 16% and 15% respectively. Non-payment was at 11%, the hidden economy was at 8% and, finally, avoidance accounted for the smallest proportion of the tax gap at 4%.

The noble Lord, Lord Sikka, asked about the Government looking at ways to improve analysis of the tax gap so that it better matches the Government's priorities and policies. As I have said, tax gap breakdown by behaviour is illustrative and more detailed breakdowns are not available at a granular level. However, HMRC does not agree with TaxWatch figures and estimates that fraud and evasion account for 30% of the tax gap. HMRC has previously published levels of specific fraud, such as missing trader intra-community—MTIC—fraud, and has seen a decline from a peak in 2005-06 where it was £2.5 billion to £3.5 billion, to zero to £0.5 billion—as published in *Measuring Tax Gaps 2019 Edition*. HMRC did not publish an updated time series for MTIC fraud in its 2020 publication as fraud has remained at lower levels.

The noble Lords, Lord Sikka and Lord Davies of Brixton, asked about HMRC's methodology in calculating its tax gaps. The tax gap estimates are official statistics produced in accordance with the Code of Practice for Statistics. This ensures that the statistics published by the Government serve the public and are of high quality. In May 2019, the Office for Statistics Regulation conducted a compliance check on the extent to which HMRC's publication meets the standards of the Code of Practice for Statistics and commended HMRC's preparation, production and publication. The tax gap methodology has also been extensively reviewed and given a clean bill of health by the International Monetary Fund. Tax gap estimates are reviewed each year to reflect updated data and methodologies.

On the points raised by my noble friend Lord Leigh, the Government are grateful to him and Retailers Against VAT Abuse Schemes for their work to highlight areas of non-compliance from overseas businesses selling goods into the UK. Now the UK has left the EU, the Government have used this freedom to create a fairer and more robust system for the collection of VAT on overseas goods. On 1 January 2021, the Government abolished low-value consignment relief, which was subject to widespread abuse, and moved the collection of VAT on most goods from overseas with a value not exceeding £135 away from the border. Now, overseas sellers and online marketplaces, where they facilitate a sale to UK customers, must register, charge and pay VAT to HMRC. The new treatment ensures the continued flow of goods at the UK border, clamps down on non-compliance and protects revenue.

In 2021, the Office for Budget Responsibility estimated that the changes will raise over £1.4 billion, with similar levels in future years, reflecting a change in where VAT liability falls following Brexit. HMRC continues to review the impact of the policy, including which options exist to tackle non-compliance by overseas sellers. Officials are aware of the VAT passport proposal and are considering it, alongside other proposals to tackle non-compliance.

The long-term reduction in the size of the overall tax gap has not happened by accident. This improvement is a result of the Government's focus on tackling the small minority who deliberately try to defraud the Exchequer, as well as on helping taxpayers to get their tax right by promoting good compliance and reducing opportunities for error. That is why, within little more than a decade, the Government have introduced over 150 measures to tackle tax avoidance, evasion and other forms of non-compliance. These measures, alongside HMRC's wider work, have secured and protected over £250 billion since 2010.

We also continue to play a leading role in clamping down on international tax avoidance and evasion, through the G20 and other bodies. Several noble Lords asked about some of the international dimensions to this, in tackling profit diversion, the base erosion of profits and other international actions. To the noble Baroness, Lady Kramer, I say that the UK has led the way internationally in making sure that multinational companies pay their fair share. HMRC has secured more than £6 billion in extra tax from multinationals, thanks to the diverted profits tax introduced in 2015 to tackle those who shift their profits abroad to avoid paying tax that they rightly owe in the UK.

[BARONESS PENN]

Several noble Lords asked why base erosion is not included in the tax gap. As noble Lords noted, HMRC does include some forms of base erosion and profit shifting where it represents tax loss that we can address under UK law, but not BEPS arrangements that cannot be addressed under UK law. It is worth noting that, as new measures introduced in accordance with the OECD's BEPS project take effect, the Government's ability will be greatly strengthened to address BEPS under domestic law.

The noble Lord, Lord Tunncliffe, asked why resources were being put into the DWP to tackle benefit fraud and about other measures to tackle public sector fraud more widely. Just like other forms of fraud, benefit fraud is stealing from taxpayers and the Government do not tolerate any fraud in the benefit or wider government system.

The noble Lord, Lord Tunncliffe, and the noble Baroness, Lady Kramer, asked about the new public sector fraud authority. Its aim is to reduce fraud levels across government. We might expect the most immediate benefits to come from actions such as bolstering our data-analysis capabilities, which represent around £22 million of the package the Chancellor announced and are expected to have an audited return on investment of three to five times that. It might be worth my writing to noble Lords with more detail about how the new public sector fraud authority will work, because there is a lot more information coming on that.

Noble Lords asked a number of specific questions about additional investment in HMRC. I will also write on that, given the time.

The noble Lord, Lord Sikka, and the noble Baroness, Lady Bennett, made some claims about sweetheart deals. I must be absolutely clear: HMRC does not do deals with anyone. Tax disputes are resolved in accordance with the law, as set out in the published code of governance, overseen by the Tax Assurance Commissioner.

I am afraid I am running out of time. The noble Baroness's point about HMRC treating taxpayers fairly was very important. I know it is something HMRC has worked on recently and will continue to work on. The Government think Making Tax Digital has been effective in helping to reduce the tax gap.

To conclude, closing the tax gap is an incredibly important area for the Government, on which we have taken real action. I welcome this opportunity to debate it and we will strive to reduce the tax gap through compliance work and improvements to the tax system.

4 pm

Sitting suspended.

Joint Comprehensive Plan of Action

Question for Short Debate

4.02 pm

Asked by Lord Polak

To ask Her Majesty's Government what steps they are taking to ensure the United Kingdom and other signatories establish a second negotiating track on "regional issues" should all parties return to the Joint Comprehensive Plan of Action.

Lord Polak (Con): My Lords, first, I refer the Committee to my registered interest as President of the Conservative Friends of Israel. It will surprise no one when I state that I would prefer that the JCPOA itself would take into account regional issues. Had it done so in 2015, things would have looked very different. It was a tragic miscalculation then, and it is unforgivable now to make the same error in today's fragile and dangerous world. As Winston Churchill famously said in a speech in the Commons in 1948, "Those who fail to learn from history are doomed to repeat it". It is widely accepted that the failure to cover Iranian missile delivery systems in the JCPOA of 2015 was a mistake, but today, while the negotiations are going on in Vienna, those very same blind spots have reappeared.

In previous arms control treaties, the UN required the supervised removal or indeed destruction of all ballistic missiles with a range of more than 150 kilometres. All those offensive and destructive missiles were banned and could not be manufactured or transferred to proxy organisations. The question must surely be asked why such requirements were not set out in the JCPOA seven years ago. For the past seven years, this vacuum has allowed Iran to develop its missile power in numbers, range and accuracy.

Can my noble friend the Minister help me? If it is indeed a fact that, upon returning to the JCPOA talks, President Biden stood together with France, Germany and the UK, and committed himself to establishing a second negotiating track that would focus on prohibiting the use or distribution of such missiles, can my noble friend describe how we are exercising our responsibility to ensure that President Biden follows through with this commitment?

It is clear that a second track is more necessary than ever. Only last month, the IRGC fired a barrage of missiles in northern Iraq, targeting the US consulate in Erbil. This attack is a stark reminder: while the world is focused on the Ukraine, Iran remains committed to spreading terrorism and violence in the Middle East and beyond. This is just one of the many attacks that the IRGC has carried out. As I stated in the Chamber on 19 January, the IRGC claimed responsibility for the downing of the Ukraine International Airlines Flight 752 in January 2020. The IRGC actively pursues the destabilisation of the Middle East by lending financial, military, economic and social support to Hamas, Islamic Jihad and Hezbollah. Thus the need for a second negotiating track is vital to secure the region, as the IRGC's increasingly extensive and deadly arsenal of ballistic missiles, naval missiles, naval mines and rockets are more dangerous than ever.

I have previously called for Her Majesty's Government to proscribe the IRGC, as has been done with Hezbollah and Hamas. In reminding the Committee that Hezbollah was a creation of the IRGC, it is very hard to comprehend, that while proscribing Hezbollah, we have not proscribed the parent body, the IRGC, and I urge the Government to do so.

I turn to a shameful display of double standards. At the end of February, the UK, along with the US, the EU, Australia, Japan and many other countries, correctly began a barrage of sanctions on Russia and its institutions, in response to the military activity at

the Ukraine border. As the appalling military activity escalated into the fully fledged attack on Ukraine, these sanctions have been intensified. This is right and this is just, and we must do all we can to support President Zelensky and the Ukrainian people. I commend the Prime Minister, the Foreign Secretary and Defence Secretary for their leadership. However, just as we are engaged in sanctioning Russia, the JCPOA talks in Vienna are currently negotiating sanction relief for Iran. Iran is a regime that is responsible for multiple war crimes, and the continued spread of terror and instability. I ask myself, why would Western states, which have taken severe measures against Russia, seriously contemplate lifting sanctions against the Iranian regime? I do not understand this, and I do not understand these double standards that are being practised.

Iran is posing the most dangerous threat to stability. Its influence stretches far beyond its borders. The Quds Force, which is an arm of the IRGC, is responsible for building an arc of influence throughout the Middle East, by supporting pro-Iranian activities in Iraq, Syria, Lebanon and the Palestinian territories. The IRGC has some 190,000 active personnel and is continuing to carry out gross violations of human rights, killing many civilians domestically and internationally.

Can my noble friend the Minister tell me what he believes to be the views of our allies in the Gulf region towards France, Germany and the UK in pursuing the new JCPOA agreement? Do the views of those experiencing the Iran-backed atrocities count? I hope that we are not returning to a bygone era where, from the comfort of thousands of miles, we impose solutions.

It seems clear that, rightly, the West has taken a staunch hard line against Russia. The same cannot be said about Iran. The JCPOA is a weak and one-dimensional response to the terror-supporting Iranian regime. This is absolutely not the time to reduce sanctions on Iran, but rather to impose heavier sanctions—sanctions that arguably brought Iran to the negotiating table in 2015. The Iranians respect strength and take advantage of weakness. Now is the time for strength in a troubling world; the same strength that is standing up to Russia must be repeated in standing up to Iran.

4.10 pm

Lord Hannay of Chiswick (CB): My Lords, it is a convention to congratulate the noble Lord in whose name a debate is being held. On this occasion it is more than a convention, since the noble Lord, Lord Polak, has carefully drafted the title of the debate so as to recognise that, however much we may deplore and indeed condemn some of Iran's regional activities, to have linked those issues with the resumption of the JCPOA on Iran's nuclear programmes would have doomed the venture from the outset. That trap has been avoided—although I noticed that the noble Lord managed to slip back into it several times—and that is welcome. Resumption of the JCPOA is a matter of the highest priority and remains so despite the distractions of the crisis in Ukraine. With negotiations in Vienna at a delicate stage, I do not intend to say any more on that matter, except to point out that the JCPOA is so far the only way that has been put forward of avoiding Iran acquiring the capacity to make weapons-grade material, without the use of force.

The “regional issues” in which Iran is deeply involved are numerous—far too numerous, I would say. They include Yemen, where the announcement of a two-month truce is obviously welcome but does not take us very far, Syria, Lebanon, Gaza, Iraq, Gulf security and Afghanistan—quite a list. In some, that involvement is clearly contrary to our own interests and to the overall peace and security of the whole Middle East region; in others, Iran's role is ambiguous and in some, such as Afghanistan, it has the potential to be positive. The one common feature is that we need to engage in a continuing dialogue with Iran on all of them. In recent years we have not done that, but the hard fact is that none of those trouble spots can be calmed down or resolved without the involvement of Iran, the most populous, and one of the most powerful, states in the region. Nor can they conceivably be resolved singlehandedly by Iran on its own terms. So the case for more active regional diplomacy on our part is a compelling one, and I would welcome it if the Minister would recognise that.

However, I hope that we will look beyond the individual problems, if we engage in a dialogue with Iran on these issues, and take a broader regional approach, an approach that recognises one, perhaps unwelcome, truth—that there will not be peace and stability in the Gulf and the wider regions of the Middle East and central Asia if Iran is not encouraged to play a constructive role commensurate with its size, geographical situation and long historical and cultural record. The most ambitious form that such an approach might take would be the establishment of a regional grouping which would commit all its members to respect the independence and territorial integrity of their neighbours, refrain from meddling in their domestic affairs and build up much closer economic co-operation between them. That may sound a trifle ambitious in present circumstances, but without some overarching set of rules and objectives, individual disputes will be all the more difficult to resolve peacefully. It is better surely than to see the region slip further towards chaotic turmoil—and better, above all, than to see it become the focus of a nuclear arms race.

Can the Minister say, at the end of the debate, whether what I have said bears any resemblance to the Government's views and objectives?

4.14 pm

Lord Lamont of Lerwick (Con): My Lords, I draw attention to my entry in the register of interests as chairman of the British Iranian Chamber of Commerce and the Government's trade envoy to Iran.

From the start, I acknowledge absolutely some of the points made by the noble Lord, Lord Polak, about the concern that people have about Iran's role in the region, its human rights record and the threat to Israel. I acknowledge those concerns; none the less, I wish to argue in favour of the JCPOA.

One of the criticisms is that it covered only the nuclear issue and did not cover Iran's role in the region or its support for organisations such as Hezbollah. Despite the powerful case made by my noble friend Lord Polak, I think it would be a big mistake to reject a new JCPOA on those grounds alone. An effective

[LORD LAMONT OF LERWICK]

nuclear agreement is well worth having on its own. It was extremely complicated and difficult to negotiate as it was, without getting wound up in other issues. Nuclear proliferation is not a trivial matter. We have seen with Russia how the West's ability to respond is constrained by the fact that Russia is a nuclear power. Imagine how difficult it would be to deal with Iran and the Middle East if Iran was a nuclear power. Iran feels that it was cheated over the JCPOA. It kept to the agreement but President Trump, for no good reason, decided to tear it up. Iran seeks the restoration of what was agreed before, but not implemented, and it will not accept the sudden imposition of extra conditions.

My noble friend Lord Polak asked how sanctions can be lifted when we are maintaining sanctions against Russia. The sanctions that are being lifted—if I am wrong about this the Minister will correct me—precisely apply to the nuclear programme. They were applied to deter Iran from its nuclear programme. If Iran comes into compliance with the JCPOA, we surely want to build on a relationship with it and discuss other issues. It seems only reasonable that we should lift the sanctions that specifically applied in relation to the nuclear programme. There are lots of other sanctions that will remain. The proscription of the IRGC as a terrorist organisation is a bit of a side-track because there are so many sanctions on it already.

If the JCPOA were implemented, what would it mean? It would mean that advanced centrifuges would be demolished, stockpiles of uranium would be diminished and shipped out of the country and there would be even more inspections than there are now. Imagine the situation in which the JCPOA is not concluded. Iran will continue enriching, perhaps to weapons grade. It may chuck out the inspectors. It might withdraw from the non-proliferation treaty; we forget that Iran is a signatory to that. This would leave America with an appalling dilemma of whether to ignore what Iran was doing or to take military action against it.

My noble friend Lord Polak is right that there is a need to address the regional issues in the Gulf, but that needs to be done on a multilateral basis. He referred to missiles. We cannot call for the ending of Iran's missiles without looking at those of Egypt, Saudi Arabia, the UAE and Israel—which has the Jericho missile, which has a much longer range than any other country's missiles. If we are to move on to discussing these issues, that needs to be built on the confidence that will have come from implementing the JCPOA. Iran has its own security concerns. They need to be recognised and taken into account in any multilateral negotiations. Above all, Iran's biggest fear is invasion. It suffered an invasion from Iraq, its neighbouring Arab country, and lost more lives than we lost in the Second World War.

Henry Kissinger said that Iran has to decide whether it is a cause or a country. That is right, but he went on to say that, in principle, the US should be open and prepared to reach a geopolitical understanding and develop a compatible system of regional order with Iran. It has to take into account Iran's concerns, but I agree that eventually there should be talks and negotiations on these wider issues.

4.19 pm

Baroness Deech (CB): My Lords, the dire situation in Ukraine has meant that we have lost the focus that we should be directing on an equally dangerous situation regarding Iran. In advancing towards a renewed JCPOA and in trying to escape from reliance on Russian oil and gas, we may end up funding the development of another nuclear state whose political stability, human rights record and disregard for international law is at least as bad as, and probably worse than, Russia's.

President Biden is leading the craven negotiations with a state, Iran, that has had no compunction in breaching the terms of the 2015 agreement, and whose record is one of imposing the death penalty on minors and protesters, extreme violence against religious minorities and violation of women's rights, inter alia. The debate for today envisages both the possible return to the JCPOA and the outlook for a regional agreement. We can see that the world is a much more dangerous place than it was in 2015, and the use of nuclear weapons is a reality.

The original JCPOA has been a dangerous failure. It has served only to postpone the problems. The missiles proliferate, and Iran works to destabilise the region through terrorism, making no secret of its ambitions to create nuclear weapons. What for? It was right to impose sanctions on Iran, and the bottom line is that this is what we should continue to do, because no deal with Iran is ever likely to bring peace. The Abraham Accords were and are a step forward, but rather than them rolling on and expanding, the possibility of a renewed JCPOA has frozen normality efforts in the Middle East. President Biden has failed to incentivise nations to make peace with Israel. His main achievement in this area has been to make one reconsider one's opinion of President Trump's foreign policy.

Not only Israel but the Gulf states are opposed to the renewed agreement—hardly worth the paper it is written on—with Iran. Iran has continued its nuclear programme to a level just below that required for a nuclear bomb, and, in defiance of the UN, has expanded its ballistic missile programme. Israel obtained the archives that showed up Iran's lies. We should apply our regard for the rule of law even-handedly. Iran supports various terrorist activities, as the noble Lord, Lord Polak, said. Our strategic review noted Iran as a primary threat to world peace.

Any new agreement needs to tackle those issues and be immediately enforceable through the reimposition of sanctions. Because of Iran's nuclear advances, a return to the old JCPOA will be a return to an even worse agreement. All limits on Iran's nuclear programme would expire in 2030. Any attempt to eliminate its stockpile of enriched fuel would mean its moving to another country, possibly Russia, which is keeping on side with Iran and plans to evade trade restrictions with it in a new JCPOA. This is doubly dangerous.

There is more than a danger—a probability—that money from sanctions relief would be placed back in the hands of the Islamic Revolutionary Guard Corps. Tehran has said that taking the IRGC off the US terror list is a condition of a new agreement. This organisation exists to promote the Islamic revolution, cultivates terrorist networks through the region, attacks

shipping, and should be proscribed by the UK. President Biden, not noted for his foreign policy dexterity, is weak enough to agree to de-list the IRGC. Will the Minister explain the UK's attitude to this disastrous move?

There is just one glimmer of hope in these negotiations: an opportunity to establish a regional mechanism for reducing conflicts and increasing co-operation between states in the region. Will the UK advocate for regional agreement in the context of the current negotiations? If the UK feels it must go forward with a new JCPOA, will the Government at least make it into a broader agreement, addressing regional security, or press for a second, follow-on negotiating track on regional issues? This would also provide some reassurance to the rightly doubtful American lawmakers.

Some Israeli defence experts prefer a bad deal to no deal, hoping that they will get a few years of calm to prepare more defences against Iran and build a stronger Middle East alliance against it. Interestingly, the majority of moderate Arab responses to the JCPOA now are: first, that the US is losing its Arab allies and friends; secondly, that one year after Biden came to power, the Middle East is less secure and stable because of Iran; thirdly, that the Arabs feel betrayed and abandoned by the US, which has lost its credibility and prestige in the Middle East; and fourthly, that a new deal with Iran would pose a real threat, not only to the Arabs but to Israel and the US as well. We are between a rock and a hard place.

4.25 pm

Lord Leigh of Hurley (Con): My Lords, I join the congratulations to my noble friend Lord Polak on securing this debate. It is always daunting and an honour to follow the noble Baroness, Lady Deech. Of course, I always listen to my noble friend Lord Lamont with respect and interest.

Despite Biden's presidential campaign commitment, there have been few indications that the US and other JCPOA signatories aim to open up a second negotiating track following what are called the "regional issues", which are essentially Iranian support for regional terrorism, and its ballistic missile development and diffusion. There have been few indications of support for opening this track by the E3 European signatories, including the UK. The UK must use its leverage with the Biden Administration, following their commitment to return to the JCPOA, to establish a second negotiating track on regional issues, as the Question suggests.

Iran has been flexing its muscles in breaching the already deeply flawed JCPOA, which it was successful in persuading the West to sign, and has been breaking other resolutions around missile development and terrorism since Obama's time, but since Biden's time it has pushed the envelope to the limit. A recent International Atomic Energy Agency report on Iran's nuclear programme noted that the stock of enriched uranium amassed by Iran in breach of its 2015 nuclear deal is growing to the point that its most highly enriched material is most of the way to a common bomb yardstick. The report argues that Iran is in the final stretch of producing the material needed for a weapon. Its stock of uranium enriched up to 60% fissile purity has almost doubled to 33.2 kg. A senior diplomat said

that that is around three-quarters of the amount needed, if enriched further, for a nuclear bomb, according to the definition of a nuclear bomb.

The IAEA has found particles of processed uranium at three apparently old sites that Iran never declared. The agency has been seeking answers from Iran but has repeatedly said that Tehran has not provided satisfactory answers. Iran wants the IAEA investigation ended as part of an agreement, but western powers have argued that the issue is beyond the scope of the 2015 deal, to which, of course, the IAEA is not a party. Iran has been very cunning. Its facilities are geographically distributed and often underground, so are very hard to destroy.

Meanwhile, Iran is the founder and primary political, military and financial backer of Hezbollah, a UK-proscribed Shia terrorist organisation based in Lebanon. It has evolved into a hybrid organisation carrying out international terrorist attacks and regional military operations. Iran has provided Hezbollah with hundreds of millions of dollars in support, as well as military resources. Hezbollah is believed to possess as many as 150,000 missiles—10 times its capacity during the 2006 war with Israel. I declare for the record that I am a member of the APPG on Israel.

In Gaza, Iran has long financially and politically backed terrorist groups such as Hamas and the Palestinian Islamic Jihad. Its support has increased in recent months, including its provision of weapons and military know-how. As recently as January 2021, the IRGC Aerospace Force commander, Amir Ali Hajizadeh, stated:

"All the missiles you might see in Gaza and Lebanon were created with Iran's support."

Thanks to Iran's technological support, Gaza's terrorists were able to use more advanced weaponry, including long-range rockets, heavier warheads and drone technology.

The UK should use its leverage with the US to press for a second negotiating track with Iran on these regional issues. Having supported the Biden Administration's efforts, against some people's better judgments, to revive the JCPOA, the UK is well placed to discuss with the US establishing a second track of negotiations to end Iran's regional destabilisation immediately following the conclusion of JCPOA negotiations.

Finally, as has been mentioned, Iran continues to insist that the IRGC be delisted as a foreign terrorist organisation in the United States. The UK Government have not revealed their intention with regard to the UK's listing of the IRGC as a terrorist organisation. The UK's integrated review—a landmark document setting out the UK's role in the world—noted Iran as a primary threat to global peace and security. Given that the IRGC meets all the criteria for proscription set out in the Terrorism Act 2000, I say to the Minister that now should be the time for the UK to undertake proscription of the IRGC and to urge the US not to delist it.

4.30 pm

Baroness Bennett of Manor Castle (GP): My Lords, I join others in thanking the noble Lord, Lord Polak, for securing this debate. One of my fellow Peers here

[BARONESS BENNETT OF MANOR CASTLE]

today expressed some surprise at my presence, given the range of other topics on which I engage. Of course, if we had more Greens in the House, your Lordships would hear from me less—and I would be very happy with that.

But I have a particular interest in Iran, which dates back many years to when I looked academically at the place of feminist movements within Iran in the fall of the Shah—it was a major one, for those who are unaware of that—and the way in which they were viciously swept aside by what became the current theocratic regime. There are also, of course, my numerous encounters with this region as a journalist for 20-plus years, many of which were spent in international news. One of the reasons I always knew that I would leave journalism is that the same cyclical, depressing, disastrous and deadly stories came round again and again. Eventually, you reach the stage where that is very hard to take.

I also think the Green perspective on foreign and international affairs is a different one, which can be useful to this debate, and it lines up with what might be described as more mainstream perspectives. One of those is that we believe that everything is linked to everything else, which makes a five-minute speech very difficult. It is impossible to look at just one issue as a cog in a machine and say, “We’ve fixed that”, without acknowledging the entire context in which it is operating.

Before this debate I looked at some very interesting, detailed work from Chatham House, which is calling for a “JCPOA plus” process which “must lengthen and strengthen the deal”.

Here I agree with the noble Lord, Lord Lamont, that this is not an “instead of” situation but an “in addition to” arrangement. Regional challenges must be managed through multilateral negotiating tracks. That means we have to think about the context of the wars in Yemen and Syria, building greater solidarity among the Gulf Cooperation Council countries, in the Israel-Palestine conflict and through the creation of meaningful confidence-building measures. We have to think about the place of the UK in all this rather differently to the way in which we traditionally have and perhaps still do—humbly, acknowledging our tremendously difficult history in the region and the continuing situation of issues such as UK arms sales to Saudi Arabia.

I also want to put this in the context of a feminist foreign policy. It may surprise this Committee—it certainly rather surprised me—that the last time I talked about feminist foreign policy in the House it was something of a hit on TikTok. That was not something I expected, but I think that is a sign of the world looking for different ways of looking at our international situation given where we are now. So what does that mean? It means a fundamental shift away from a total focus on hard security—nuclear and military weapons issues—to thinking about the environment, hunger and pandemic relief.

It is worth looking at the context of the region. The MENA region has 50 million undernourished people. The climate emergency and the crisis of water supply press particularly hard across this whole region. Two-thirds of its food is imported; we should think about what we

know about the global food security situation now. SDG 2, zero hunger, looks further away by the day. Iran imports sunflower oil, wheat, corn, barley and soya beans from Russia and Ukraine—predominantly Russia. It has had much less rainfall, and yields are expected to be down by 30% this year. It is impossible to look just at nuclear without looking at all of this context.

The other side of a feminist foreign policy is that it is important to focus on women’s rights. That is particularly true in the context of Iran, given its hideous record in this area. We should note that women in Iran have in recent years been at the forefront of leading civil disobedience on a scale not seen since 1978-79, going back to where I started. It is really important to stress when we are talking about feminist foreign policy that that has sometimes been interpreted as the idea of us going in as saviours. Instead, let us think about the agency of women in Iran and the region and how they can be involved and engaged in this process. This is a matter of understanding security very broadly. If we look only at that single cog, without the total context, we are always at risk of doing more harm than good.

4.36 pm

Lord Purvis of Tweed (LD): My Lords, it is a pleasure to follow the noble Baroness in these debates. However, she has unexpectedly given me a moral dilemma over more Greens or fewer speeches from her. If she will forgive me, I will ponder this over the Easter Recess and come back to her when we return. But she is absolutely right. In my contribution to the debate we had in Grand Committee on International Women’s Day, I raised the lack of involvement of more than half the population in many of these debates, if it is either autocrats, rulers or leading politicians. That is a very significant factor.

I too welcome this debate. Having had the pleasure and the privilege of visiting the Middle East on many occasions over recent years, any opportunity to debate the JCPOA or wider regional issues is important. While there has been even more flux in the Foreign Office, with yet another reorganisation of ministerial portfolios where the Middle East has changed, we are grateful in this House for the consistent and regular presence of the Minister who is responding to today’s debate.

I too declare my interests in the register. Last week, I was in Baghdad. I was due to be in Erbil, but, because of the Iranian incursion, those arrangements were of course changed and I travelled to—this is welcome to say—a more peaceful Baghdad. I do not share the analysis of the noble Lord, Lord Polak. I believe that the missiles that were launched on the outskirts of Erbil were directed from Iran as a message to the Kurdish politicians on whether they support Iran, the decisions on the election of the new president and the position of the formation of the new Iraqi Government.

That brings it into context, to some extent, as literally last week, I passed the war memorial of the martyrs. There were over 1 million deaths in that war. This is still very live. It is absolutely right, but there is not always an easy situation of taking an absolute

stance on what could be considered a lack of equivalence on positions of morality. The noble Baroness, Lady Deech, highlighted one example of what is grotesque in the Iranian regime, namely the mass executions and the executions of minors. It is not that long ago that I was asking the Minister questions about the consequences when our Saudi Arabian allies have mass executions—81 on one day—and do not prevent minors going through capital punishment.

This raises the question, as in the Question we are debating, of what the regional issues would be. Of course, if they are for all the partners in the JCPOA, it is not necessarily the case that we and our allies will always have the same interests at play. When we have been invited to include our Gulf allies and friends, it is clearly not necessarily the case that we will all be aligned on all our individual country priorities. This is a time of greatly worrying flux within the region. It is an uneasy situation after the carnage in Syria and Libya, a retreat from parliamentary democracy in Tunisia, the blockade of Qatar in recent years and varying policy positions on Yemen, where people are still suffering greatly and will suffer even more because of the knock-on consequences of Russia's aggression on Ukraine.

But it is not easy to disaggregate the consistency of all the interests. The position of Iran's Islamic Revolutionary Guard Corps and the Quds Force is obvious to me, as it has been to others. I drove past the mangled vehicle of Qasem Soleimani, who was killed by an American drone. It is obvious to me that there is malign influence from there. But it is not easy to deny the fact that our Gulf allies have paid hundreds of millions of dollars to a whole sweep of countries from the Maghreb right through to Kabul that do not necessarily like parliamentary democracies because they may see them as weak and vulnerable to Iranian influence. But we support parliamentary democracies, and we want them to flourish. We have to make, as I think the noble Lord, Lord Hannay, said, moves that are pragmatic but sensible and realistic.

Finally, I want to raise a specific point with the Minister with regard to American foreign policy. The United States has set up new multinational programmes that are seeking funding. These are the Global Fragility Act and the Middle East Partnership for Peace Act. I understand that the United States is seeking UK support for those funds, and I wonder whether the Minister could reply to me either today or in writing on what the UK's final position is.

I know I have run out of time, but let me give my closing remarks. The Negev talks between the United States and the Foreign Ministers and leaders of the other Gulf states were quite remarkable to see. Previous to that, King Abdullah was in Ramallah, meeting the Palestinian President, calling for calm at this time, which is potentially really tense, when the holy festivals of Easter, Passover and Ramadan all take place together. I hope there will be calm, and I hope there will be peace at this time.

My final remarks are to wish all colleagues a happy Easter, Passover or Ramadan, and those with no faith at all a restful recess at least.

4.42 pm

Lord Collins of Highbury (Lab): My Lords, I too thank the noble Lord, Lord Polak, for initiating this debate and, once again, giving me the opportunity to agree with the Minister before he speaks; I have no doubt that he and I will be saying the same thing. It is good that the noble Lord, Lord Polak, has given me that opportunity.

It is absolutely right that the Government support efforts to restore the JCPOA. The aim in the immediate term must be for Tehran to reverse its enrichment programme to within limits agreed in the initial agreement. The US's re-engagement with Iran should be a part of this. But I do accept—and the noble Lord and others are right to draw attention to—the wider issues that are not currently considered by the negotiations. Certainly, for too long, the political leaders of Iran have acted outside the international rules-based order. While this is in part due to its nuclear policy, the JCPOA says nothing about its ballistic missile programme, which is designed to deliver nuclear weapons. But I think, as many noble Lords have said in the debate, that the issues are not mutually exclusive.

Our concerns about human rights, as the noble Lord, Lord Purvis, said, do not stop us working with other allies in the Middle East and Saudi Arabia in particular. The Minister has shared his concerns with me about Saudi Arabia's human rights record. But there is a need for some of the regional issues to be properly addressed, as the noble Lord, Lord Hannay, said, on a multilateral basis. Those have to be undertaken in a longer-term approach in the Middle East. When I say things are not mutually exclusive in terms of reaching an agreement with Iran on the nuclear programme, that does not exclude addressing the serious threat that Iran poses to other neighbours in the region and Israel in particular.

We clearly need to move Iran's continued support for terrorist groups and militias up the international agenda, and, although it is important to monitor and restrict Tehran's nuclear capability, we cannot pretend that it is the only obstacle preventing stable relations with Iran. We should also consider that, despite the release of Nazanin Zaghari-Ratcliffe and Anoosheh Ashoori, Iran continues to engage in state hostage-taking, with many others still arbitrarily detained. Its human rights violations against its own people have been noted by noble Lords in the debate, and these persist.

If negotiations to return to the JCPOA are to be considered successful, they must, in the long term, go beyond Iran's nuclear policy and consider not only the regional issues that noble Lords have highlighted but the wider policy issues that I addressed. I welcome this debate—it is a good opportunity—but turning our backs on the opportunities that the JCPOA gives us would be the wrong move at this stage.

4.46 pm

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): My Lords, I thank my noble friend Lord Polak for tabling this very important debate. Although it is the last one before the Easter Recess, we have again seen the quality of the contributions. I had a private exchange with the noble Lord, Lord Collins, before we formally

[LORD AHMAD OF WIMBLEDON]

started, in which we counted the times that, either through his fault or mine, the usual channels scheduled debates to do with foreign affairs as the last business before the Easter, summer or Christmas breaks. We will look at the numbers between us.

This is a very important time to have this debate because the world, as the noble Baroness, Lady Deech, reminded us, is ever-changing. The challenges in Ukraine and the impact that that crisis is having, not just on our continent but way beyond, are important considerations. Therefore, it is important to engage. I assure the noble Baroness, Lady Bennett, that our Government talk to the Greens. Indeed, earlier this week, I met with Foreign Minister Annalena Baerbock in Berlin to see how we could work together on the crisis in Ukraine and the impact in areas such as Moldova. We will continue to do so.

But today we are talking about security in relation to not just Iran but, as the noble Lord, Lord Hannay, reminded us, Iran's impact on the broader region of the Middle East. This remains of the utmost importance to the UK. In this regard, Iran's destabilising activity in the region continues to undermine it, as my noble friend underlined in his introductory remarks. So far this year, Iran has claimed responsibility for the ballistic missile attack on a residential compound in Irbil on 13 March—I know that the noble Lord, Lord Purvis, was in the region recently. We have seen some positive movement and progression in Iraq, but the issues in Iran cannot be ignored.

There have also been a number of Houthi attacks on our Saudi and Emirati allies, including three strikes on the UAE in January and a strike on Jeddah on 25 March. I am sure that all noble Lords join me in condemning these particular attacks, although I note what the noble Lord, Lord Hannay, reminded us of: perhaps—I use that word deliberately and cautiously—the truce in Yemen may bode well not just for the start of Ramadan but for weeks and months ahead.

My noble friend's question is predicated on the revival of the JCPOA, so I will first briefly update noble Lords on the status of negotiations. Discussions have been going on for a very long time—over a year—and we have reached the end of the talks in Vienna to restore the JCPOA. As the noble Lord, Lord Hannay, reminded us, this deal is not perfect, but it is the best thing we have to ensure that Iran does not progress to developing nuclear weapons—the noble Lord, Lord Collins, mentioned this too—which would be in the interests of no one. There is a deal on the table which would see Iran return to full compliance with its JCPOA commitments and restore extensive monitoring by the International Atomic Energy Agency. I assure all noble Lords of that, and I know that it was an important consideration during the talks.

Iran's escalation of its nuclear activities over the past three years has threatened international peace and security, and brought us close to a crisis point. A return to the deal is therefore in our interests, with caveats—my noble friend Lord Leigh mentioned the role of IAEA, which has reached various agreements,

including on the existing investigations—and provides the foundation to ensure that Iran's nuclear programme remains peaceful over the longer term.

The noble Lord, Lord Collins, my noble friend Lord Polak and the noble Baroness, Lady Deech, among others, talked about what is not within the deal, and of course the issue of ballistic missiles readily comes up. I assure noble Lords that the UK continues to have serious concerns about Iran's ballistic missiles. Iran continues the development of this programme, including conducting missile tests on 8 March and on 24 and 30 December. However, UN Security Council Resolution 2231, which was unanimously adopted, both underpins the JCPOA and calls on Iran not to undertake activities relating to ballistic missiles. We readily examine options and adherence to this very issue. The UN ballistic missile restrictions remain in place until 2023 but we are in constant reviewing talks with our partners, including within the multilateral system, to ensure Iran's adherence to these important resolutions too.

My noble friend Lord Lamont mentioned the UK's and the EU's JCPOA commitments in relation to sanctions. I can confirm that, as part of their commitments, the UK and the EU are due to lift certain nuclear-related sanctions only which are specified in the JCPOA. As I have said, there has been an announcement that Iran and the International Atomic Energy Agency have agreed a process for engagement on outstanding safeguards issues. We will continue fully to support the role of the IAEA. I reassure the noble Baroness, Lady Deech, that the sanctions remain consistent just with the nuclear deal, but other sanctions on Iran continue to apply.

While we have concluded the discussions, some bilateral issues remain between Iran and the US which are still being discussed. Of course, we remain committed to ensuring that this deal comes into existence once again.

As noble Lords have pointed out, although the JCPOA deal is primarily a step to reverse the Iranian nuclear programme, it should also, as my noble friend suggested, make a positive contribution—we hope and pray—to building prosperity and broader security in the Middle East. But that is an important consideration, which remains pending. The UK Government have repeatedly condemned Iran's destabilising activity in the region, including its political, financial and military support for militant and proscribed groups. My noble friend Lord Polak and the noble Baroness, Lady Deech, talked specifically of that, and this destabilising activity was acknowledged too by my noble friend Lord Lamont.

Iran's actions pose a direct threat to our interests and to the safety of our allies. In addressing these destabilising activities it is important that we work with our partners, as noted by the noble Lord, Lord Collins. We are doing just that. When I say our partners in the region, that includes, importantly, the State of Israel. It remains a top priority, and we are committed to the security of all our allies in the region. We will continue also to work in support of stability and security in Iraq, pointed to by the noble Lord, Lord Purvis. As other noble Lords, particularly the noble Lord, Lord Hannay, said, it is important

that we work constructively to ensure that this is the first step so that we look to end the conflicts in Yemen and Syria, where Iran also has influence and a role.

In this regard, we will continue to hold Iran to account for supplying weapons to proxies and militias and, as I have said, for all breaches of UN Security Council resolutions. We will help to maintain maritime security in the region with our contributions to the international maritime security construct and combined maritime forces. I assure the noble Baroness, Lady Deech, that we will also maintain a range of sanctions to constrain the destabilising activities of the Islamic Revolutionary Guard Corps. A question was raised about sanctioning the whole organisation. I have already stated our deep concern about its activities. Noble Lords have heard me say before that the list of prescribed organisations is kept under constant review, but I cannot say any more than that at this juncture.

My noble friend Lord Polak importantly talked about the second track and having it engaged. Ultimately, the UK wants Iran to become a positive and constructive influence in the Middle East and on the world stage. We believe that constructive dialogue is the best route available to work through regional security issues. Our hope is that a return to the JCPOA will support a pathway to a regional dialogue, and the United Kingdom stands ready to support talks between Iran and the Gulf. We are clear, however, that any regional negotiations must be led by the region. It is not for the UK to dictate terms.

The UK remains committed to supporting our partners on any regional negotiations, and we are already consulting partners on how we can work together to address the region's important security challenges and long-term stability. The noble Baroness, Lady Bennett, and the noble Lords, Lord Collins and Lord Purvis, talked about the importance of human rights. One of my responsibilities is as Human Rights Minister for the UK, which sometimes brings about the most challenging discussions with countries that do not

adhere to what I would define not as our values but as shared human values. Nevertheless, it is important that we engage constructively, and I assure the noble Baroness, Lady Bennett, that women's rights are very dear to my heart. I launched the Commonwealth women mediators' network, and evidence is in front of us that when women are involved in building peace, security and stability, the deal lasts longer. We will continue to campaign and work constructively in pursuit of that aim. The noble Baroness also talked about the importance of ensuring the impact of climate. Surely the non-proliferation of nuclear weapons is a forward step on that very objective.

In thanking noble Lords once again, particularly my noble friend for bringing this debate forward, I state again that while the UK Government support a return to the JCPOA and Iran's nuclear programme being brought back under the scrutiny and control of the international community, we regard the JCPOA as the first step, a stepping stone towards addressing Iran's broader destabilising actions, towards, we hope, working with regional partners for greater security across the Middle East. The noble Lord, Lord Purvis, talked of the blessings of the season. As someone who believes most certainly in the positive progress made through the Abraham accords, which have brought countries that were foes together, not just recognising Israel but working with Israel, I hope that with the three great Abrahamic faiths being brought together perhaps the foundations are being laid, through the Abraham accords, the JCPOA and further regional discussion and security, for security for not only the region but the broader world.

The Principal Deputy Chairman of Committees (The Earl of Kinnoull) (CB): My Lords, that completes the business before the Grand Committee this afternoon and the Committee stands adjourned.

Committee adjourned at 4.59 pm.

