

Vol. 824
No. 56



Thursday
20 October 2022

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

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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
UUP	Ulster Unionist Party

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House of Lords

Thursday 20 October 2022

11 am

Prayers—read by the Lord Bishop of Oxford.

Oaths and Affirmations

11.05 am

Several noble Lords took the oath or made the solemn affirmation.

Arts: Energy Cost Support Question

11.07 am

Asked by The Earl of Clancarty

To ask His Majesty's Government, further to the rising cost of energy, what support they will provide for arts venues, museums, libraries and other community spaces.

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Kamall) (Con): My department, the DCMS, has engaged with the Department for Business, Energy and Industrial Strategy to ensure that the energy bill relief scheme is supporting businesses and other non-domestic customers, such as arts venues, museums, libraries and other community spaces. The support provides a discount on gas and electricity unit prices applied to energy usage initially between 1 October this year and 31 March next year. DCMS continues to liaise with all the different sectors under our portfolio to support BEIS's three-month review of the scheme to determine what support might be needed.

The Earl of Clancarty (CB): My Lords, the arts and cultural sector emerged late out of Covid and some spaces are still recovering. In terms of current problems, to take the example of theatres, threefold and more increases in energy bills are being reported, even allowing for government support. Apart from the clear concern of arts and community spaces about getting through the winter, what reassurance can the Minister give that they will not fall off a cliff edge at the end of March, bearing in mind that energy cost for many spaces is not all about heating but includes other significant year-round usage?

Lord Kamall (Con): The Government fully realise that after March some organisations may need assistance. One of the reasons that we have a three-month review, which started in October, is to see how effective the scheme is and to look out for unintended consequences and perverse incentives. After the review, we want to make sure that we target those organisations that really need help after March—some of the more vulnerable ones that we may not have picked up initially—and know how best to help them.

Lord Bassam of Brighton (Lab): My Lords, I first declare an interest: I am a trustee of two galleries and my daughter works for V&A Dundee. Museums and galleries have to keep to specific temperatures and light levels to ensure the protection and security of valuable collections, so reducing energy consumption is just not an option. Modern Two, part of the National Galleries of Scotland group, has closed due to rising energy costs, and other galleries and museums are warning of closures. What support is the DCMS going to provide to protect our cultural assets from cuts and closures beyond the end of the six-month energy price cap? Does the Minister think that closed galleries are a reasonable price for the public to pay for the Government's incompetent mismanagement of our national economy?

Lord Kamall (Con): My department is in conversations with museums and others and is fully aware. I am sure that many noble Lords will recognise that my department does not just wait until it is contacted by the sector; we are in constant dialogue with different parts of the sector. One of the things we have been discussing is how we protect vulnerable collections and what sort of extra protection might be needed.

Baroness Bonham-Carter of Yarnbury (LD): The cultural sector needs support. Alongside the effects of the pandemic and now the rising cost of energy there is also the knock-on effect of inflation, which inevitably means that fewer people are able to afford to visit art venues which involve paying. Does the Minister, whom I welcome to his role, not agree that part of the solution is a reduction in VAT on tickets? This would help venues to absorb some of their increased running costs. A temporary VAT reduction was introduced during the pandemic. The sector is facing another crisis. Does the Minister agree that the same remedy should be applied?

Lord Kamall (Con): Officials in my department are constantly talking to the sector to understand the best way to support it, and we want to listen to it rather than assume that the Government have the best answer. One thing that is quite clear—I am sure that the noble Baroness will recognise it—is that during Covid we had a Cultural Recovery Fund. We continue to talk to all areas of the sector to make sure that people still have access, up and down the country, whatever their background and wherever they live, to the rich culture of this country. It is very important, especially during difficult times.

Lord Cormack (Con): My Lords, the noble Lord, Lord Bassam, made some very important points. Many people have been suggesting that galleries and libraries could be places of refuge where people could go to find comfort. If that is the case, will the Minister make proper arrangements to ensure that galleries are introduced to the people who go to them and that they get some cultural benefit as well as physical warmth?

Lord Kamall (Con): In a recent conversation with my officials, we were talking about how galleries, museums and other community spaces may well be used this year by people who do not normally attend them. I do not want to overplay this card, but it may

[LORD KAMALL]

well bring a new audience to libraries. Central government needs to be careful because local government is very fierce and tells us that it knows what is best for local communities, so we are working at local level with galleries, museums, libraries et cetera to look at whether they can be warm hubs or whether there are other solutions.

Baroness Bull (CB): My Lords, at the height of the pandemic, local arts centres demonstrated their commitment to their communities by pivoting business to meet their needs by supporting education catch-up and health and well-being and even providing food banks. It is likely that they will attempt to do the same in the current crisis, opening as warm banks and possibly offering well-being activities too. What will the Government do to incentivise and encourage partnership working between local authorities, statutory services, the voluntary sector and the cultural sector to maximise this kind of much-needed provision and make sure that it is advertised and available to the people who need it most?

Lord Kamall (Con): The noble Baroness makes a very important point about partnerships. Government partners, the sector itself or even individual galleries cannot do this alone; we have to work in a clear partnership. It is quite clear that public libraries are run by local authorities, but some are run by local communities and are a great example of civil society. We want to make sure that we understand the picture. We are talking to local authorities, the sector, the Arts Council and UK Theatre, for example, to understand the granularity of these needs and the best way to help people during this difficult period. We know very well the role that the cultural sector has played in the past. It will continue to play a role and we hope it will be open to new audiences.

Lord Harrington of Watford (Con): My Lords, I declare my interest as a trustee of the Royal Albert Hall. I would like to ask the Minister to grant it and other such institutions the same sympathy and consultation facilities that were given by the commendable acts the Government took to help us during Covid.

Lord Kamall (Con): I thank the noble Lord—or was it my noble friend? I could not see him—

Noble Lords: Behind you!

Lord Kamall (Con): Ah, it was my noble friend; I thank noble Lords. Next time I will bring my rear-view mirror. One of things we have to be very careful about are those organisations that are commercial but also receive taxpayer or lottery funding. It is important that we understand which sectors needs support. We are constantly in conversation with individual venues, and the umbrella organisations of different sectors. We want to understand how the plan that we have put in place works and where it might not work, so we can look at the plans beyond March next year.

Baroness McIntosh of Hudnall (Lab): My Lords, I can assure the Minister that the entire sector needs support at the moment. Of course he is right that

choices have to be made. We are well aware that some of those choices may be very uncomfortable and will be threatening to a number of sectors. Could he reassure the House that the DCMS will fight the corner of the cultural sector when these challenges come forward? It can look very successful from in front, because it is a very successful aspect of our economy, but behind the scenes it is really struggling and it will need all the support it can get from the department.

Lord Kamall (Con): The noble Baroness makes a very important point about the importance of our cultural sector to our economy, but also to the social life and well-being of so many people across the country. Sometimes that cannot be measured in simple econometric terms. I remember, from my time as Health Minister, how much social prescribing was helpful. Cultural organisations and individuals play a role in well-being, and help people get through difficult situations. I assure her that I am so excited to have this job because I am now the Minister for Civil Society—my dream job. I want to work right across the sector, with the heritage sector, the museum sector and others, to champion them, not only to the outside world but also within government.

Lord Parkinson of Whitley Bay (Con): My Lords, rising energy bills are affecting businesses across the economy, but I am glad to hear my noble friend recognise the particular role that cultural organisations play in community life. We saw that recently, after the death of Her late Majesty the Queen, when all the major cultural organisations along the South Bank opened their doors—and their loos—to the many people who wished to queue to pay their respects. Some larger organisations have formed consortia to buy their energy up front and in bulk. Have the Government given any thought to encouraging smaller organisations to see how to do this? Might there be a role for the Arts Council or other umbrella organisations to negotiate better deals on their behalf?

Lord Kamall (Con): I take great pleasure in thanking my noble friend, my predecessor, for his question. I pay tribute, once again, to him for the work he did during the Queen's funeral, working together across the sector and with the cultural organisations in the examples he gave. This scheme is led by BEIS. We have to work very hard to make sure that BEIS understands any specific needs of the cultural sector, and those of community organisations and civil society. I do not know about the specific example he gives, but it seems very sensible and I will take it back to the department.

Unemployment Figures

Question

11.18 am

Asked by **Lord Haskel**

To ask His Majesty's Government what assessment they have made as to whether unemployment figures provide an accurate picture of the situation in the labour market.

The Parliamentary Secretary, Cabinet Office, and Parliamentary Under-Secretary, Department for Work and Pensions (Baroness Stedman-Scott) (Con): My Lords, no specific assessment has been made. DWP monitors a range of labour market statistics to understand the labour market situation, including the overall employment rate and economic inactivity rate as well as unemployment. The unemployment rate is accurate and independently produced by the Office for National Statistics. We welcome the fact that unemployment is at its lowest level in 50 years, but we are also expanding the help and opportunities for the growing number of economically inactive people.

Lord Haskel (Lab): I thank the Minister for that reply, but the statistics do not properly identify the approximately 9 million inactive people—yes, 9 million—who are ready and willing to work but are unable to do so because of caring responsibilities, mental or physical illness, because they have been let down by back-to-work programmes and failed by the Government or because of changes in the world of work. Since the pandemic, the number has grown by 640,000, whereas in other similar economies the number is declining. What are the Government doing to properly identify and address this inactivity? With low unemployment and many job vacancies, they should be doing this as part of the growth agenda.

Baroness Stedman-Scott (Con): I completely agree with the noble Lord on the points he raises and the fact that there are 9 million economically inactive people. We have a breakdown of the groups that they fall in. We know that 1.7 million are looking after family at home, and 2.5 million are people with sickness issues. That is why we are increasing our efforts to increase the support we give. The noble Lord points out that these people have very complex issues; there may be more than one or two reasons for them not working. I am very pleased that we were able to look at the noble Lord's son's report on this and, in fact, give it to the Secretary of State, because she is very keen to read and understand it.

Baroness Manzoor (Con): My Lords, I very much welcome the Government's apprenticeship schemes and the support that the Government gave to businesses. Apprenticeships are of course an important route into employment, particularly for some of our young. However, as my noble friend will know, the numbers of apprenticeships have fallen quite significantly. What are the Government doing to support young people, and to identify the barriers that businesses are experiencing, to ensure that these schemes can continue?

Baroness Stedman-Scott (Con): I believe that there are a number of activities that the Department for Education is working on to ensure that employers take full use of apprenticeships, and that the National Careers Service and Jobcentre Plus are also encouraging young people to take up apprenticeships. They have a big impact on their lives and are in fact some of the best ways to enter the world of work.

Baroness Falkner of Margravine (CB): My Lords, can the Minister comment on a particular sector which is very adversely affected in terms of economic inactivity: that is, older women, particularly ethnic minority women, who suffer from digital exclusion? Is she able to say what conversations her department is having with employers to facilitate training to bring back into the workplace older women who now, due to the Covid changeovers in working practices, have become excluded due to technology?

Baroness Stedman-Scott (Con): I sometimes worry about using the term "older workers", but rising economic inactivity in the over-50s is contributing to shortages in the labour market. We are working with employers: one example in terms of technology and skills is the STEM returners work task force that we have introduced. In that way, we are trying to upskill people who have left the workforce and get their skills back on STEM so they can go into high-paid work.

Baroness Janke (LD): My Lords, with job vacancies at record levels—for care workers it is 52%, the highest level since records began—what are the Government doing to invest in the supply of much-needed care workers? Is it not time that the Government addressed the pay of care workers, currently less than that of supermarket workers, rather than trying to find solutions by recruiting workers from the poorest countries in the world, where they are desperately needed at home?

Baroness Stedman-Scott (Con): We are cognisant of the vacancies in the care industry. We are promoting work, in partnership with the Department of Health, but we want employers to pay the right rate for the job. The Government cannot subsidise employers, so that is what we will encourage them to do.

Lord Green of Deddington (CB): My Lords, this is obviously a hugely important issue and the statistics are very difficult to make sense of, so it is a remarkably good Question. Does the Minister realise that the importation of workers on a scale that is likely to have any significant effect on the economy would be huge in terms of immigration? Will she therefore make sure that the Government fulfil their promises to the electorate on the sheer scale of overall immigration?

Baroness Stedman-Scott (Con): I am not wishing to duck the issue, but the answer to that question should really come from the Home Office. I will take it back and ask the Home Office to respond to the noble Lord.

Lord Browne of Ladyton (Lab): My Lords, the number of inactive people in this country of working age is increasing inexorably. In the last three months alone, it has increased by 80,000 people, and of the 640,000 who have become inactive since the onset of the pandemic, 55% say that they are long-term sick. Instead of tinkering about at the edges of this problem, as Kwasi Kwarteng was intending to do with benefits, all of the informed experts who write extensively on this are saying that we need significant investment in health, social care and childcare to release the potential of these people who are being wasted. Is the noble

[LORD BROWNE OF LADYTON]

Baroness's department encouraging the current Chancellor of the Exchequer, when he makes the economic Statement that we are all waiting for, to announce the sort of investment that will release that capacity? We will otherwise not get anything like the growth we need.

Baroness Stedman-Scott (Con): I take the point that the noble Lord makes. Those people who are long-term sick may have mental health issues that are complex, and the mental health support service is an essential element to it. As regards influencing the Chancellor, I am not aware that my Secretary of State has spoken to him, but I will ask her and respond to the noble Lord.

Lord Hamilton of Epsom (Con): Is my noble friend not worried about the operation of universal credit, which of course is paid as an in-work benefit? People can work for as little as two days and still qualify for universal credit. Should this not be looked at quite closely?

Baroness Stedman-Scott (Con): I say to my noble friend that we are increasing the AET hours from nine to 12, and then from 12 hours to 15. We are trying to get to a minimum of people working part-time, but it must take into account the barriers that they face. There is no point in trying to push people into work if it creates more havoc in their life without the proper support to get into work and stay there.

Lord Wallace of Saltaire (LD): Does the noble Baroness recognise that there is a clear link between the lengthening waiting time for operations and those who are outside the labour force? Is that not one of the problems that the Government need to address—to speed up operations—if they want to get people in middle age back into the labour force?

Baroness Stedman-Scott (Con): I believe that the Secretary of State for Health, Thérèse Coffey, is focusing on this. I am sorry; I am really not trying to duck the issue, but the fact of the matter is that it is one for the Department of Health to look at. Clearly, we need more people to clear the backlog.

Baroness Sherlock (Lab): My Lords, I think the Minister is here to answer—

Lord Blunkett (Lab): My Lords—

Noble Lords: Front Bench.

Baroness Sherlock (Lab): Sorry, David.

Lord Blunkett (Lab): Go for it.

Baroness Sherlock (Lab): I am grateful to my noble friend and will try again. The Minister is here to answer for the whole Government, but if she does not want to answer for anything but her own department, can I tell her that one-fifth of adults between 50 and 65 who have left work are currently on NHS waiting lists? Does she accept that the very least her department

could do is ensure that it can assure those people that, as well as that problem, it is not about to cut the value of their benefits as well?

Baroness Stedman-Scott (Con): We will have to wait and see what is in the Secretary of State's review of uprating. We have honoured the pledge we made on the triple lock and I am afraid that until we get to 25 November I will not be able to answer that question in all truth.

Minister for Equalities *Question*

11.28 am

Asked by Baroness Thornton

To ask His Majesty's Government what the responsibilities of the Minister for Equalities will be, and whether they will update the gov.uk website to list those responsibilities.

The Parliamentary Secretary, Cabinet Office, and Parliamentary Under-Secretary, Department for Work and Pensions (Baroness Stedman-Scott) (Con): The Minister for Equalities' role represents all aspects of the women and equalities portfolio in Cabinet. The portfolio has not changed and includes all areas of his predecessor's portfolio. This was confirmed by the Prime Minister's spokesperson shortly after the appointment of the Minister for Equalities and has been reflected on GOV.UK. The Cabinet role will be supported by the newly appointed Minister for Women in the other place and by me here in the House of Lords.

Baroness Thornton (Lab): I thank the Minister for that Answer, but I am still curious as to why Minister Zahawi is nervous of having women and equalities in his job title; you would think he would be proud to carry a title showing concern for over half the population. Even more puzzling—maybe it shows the priority this Government are giving to equalities issues—is that it took six weeks and my questions for the responsibilities to be put on GOV.UK. Well, better late than never. When can we expect an equalities impact assessment of the mini-Budget and how it will affect women, black and minority ethnic communities, disabled people and others with protected characteristics?

Baroness Stedman-Scott (Con): I do not know when an impact assessment will be available, but I am sure one will be. On the whole question of having "women" in the title, the designation of job titles is way above my pay grade. I cover all aspects of the portfolio in the Lords, and I would rather be defined by what we do and not what we are called.

Baroness Hussein-Ece (LD): My Lords, I too checked the Government's website this morning, after recent events, to check who is responsible for women. I saw that Katherine Fletcher MP is down as the current Minister for Women, which of course we welcome—the more Ministers we have focusing on these issues, the better. Figures show that women have been brutally exposed to and are bearing the brunt of the cost of living crisis. They are disproportionately affected by

surging poverty levels. That in turn affects their families and children particularly. I am sure that the Minister, who we know is extremely sympathetic to these issues, has heard harrowing reports of women missing meals in order to feed their children. Will there be an impact assessment specifically on the impact of the cost of living crisis, given the stark figures? If there has not been one, are there any plans for one—particularly for disabled women and women from minority communities, who are really suffering? Their children are suffering as well. Will the Minister take this up?

Baroness Stedman-Scott (Con): I will be very happy to take it up.

Baroness Gohir (CB): My Lords, I am very concerned about the push in society to erase the word “women”. It is very worrying. It is disempowering to 50% of the population; it makes women’s experiences invisible. Will the Equalities Minister, as one of his responsibilities, protect the word “women” and prevent it being replaced by gender-neutral language—particularly in public service institutions where Governments have power to do something?

Baroness Stedman-Scott (Con): I think that is a very important intervention and the noble Baroness can see from the House’s response that people agree with it. I have my first meeting with Nadhim Zahawi next week and I will put that on the agenda.

Baroness Fox of Buckley (Non-Affl): My Lords, there is nervousness about using the word “woman”. Last night at the PinkNews Awards, Keir Starmer declared that he would make it a crime to misgender. That means people might use the word “woman”, but nobody will define what a woman is. Maybe that nervousness is because people are frightened of misgendering and getting dragged into the gender wars. Can the Minister assure us that “equalities” means that biological women will not have their rights sidelined by an equalities agenda based on gender identity?

Baroness Thornton (Lab): Why has he dropped “Women” then?

Baroness Stedman-Scott (Con): One at a time, please. As far as I am concerned, I agree completely with the noble Baroness and will try to ensure that that happens.

Lord Bellingham (Con): My Lords, this House has a really superb reputation for equality, inclusion and diversity. Can the Minister explain why it is necessary in these challenging economic times for the House of Lords to be advertising for a new inclusion and diversity officer on quite a hefty salary?

Baroness Stedman-Scott (Con): That is a very good question. I do not know as I have not seen the advert but I will go away and find out. I am sorry that I did not know that that position had been advertised and cannot answer the question accurately. I think I am going to be speaking to the Clerk of the Parliaments to get an answer, but it is a very good point.

Baroness Penn (Con): Does my noble friend agree that there is one area where, to advance women’s equality, we need to improve men’s rights? That is on paternity leave. If we want parents to be able to share caring responsibilities, we need to give them more equal rights. That means improving paternity leave and pay. However, given current economic circumstances, maybe a smaller step the Government could take would be to make paternity leave a day one employment right, as it is for maternity.

Baroness Stedman-Scott (Con): That is another very good point. In 2019, the Government consulted on high-level options for reforming the parental leave and pay system, including making changes to paternity leave. We are currently considering responses to the consultation and will respond in due course.

Baroness Watkins of Tavistock (CB): My Lords, could the Minister demonstrate how, with this very broad role, she is actively engaging with women and ensuring that they are linked to the issues that other noble Lords have raised, and promoting equality for women in this country in her daily workload, including tackling low pay in care and the NHS?

Baroness Stedman-Scott (Con): The noble Baroness again raises the issue of people in the care industry on low pay. Obviously, we need to increase pay so that people can live a decent life, but as far as my job is concerned, I am full strength on equalities issues relating to women. I have just come back from the G7, where I represented women. I spoke really vociferously because, as I said in my speech, women are underrepresented, they are underpaid and they are underutilised.

Lord Blunkett (Lab): My Lords, my views on identity politics are pretty well known both in this House and publicly. I might help the Minister by suggesting that it might be that the inclusion and diversity post is about ensuring that all people from all backgrounds—whether they have disabilities or not—feel included in and are given the support they need to fully participate in this House. Would that not be a good thing?

Baroness Stedman-Scott (Con): It certainly would be a good thing and I am sure people in this Chamber are listening to the recommendation of the noble Lord.

Baroness Browning (Con): Will the Government reconsider the decision to abolish the Women’s National Commission, which represented over 100 different women’s organisations around the country? I speak as a former government co-chairman of the Women’s National Commission. The opportunity for women to meet and speak to a Government Minister who then took up the cudgel for whatever the issue was with any other government department had a lot of value at the time. I hope my noble friend will reconsider it.

Baroness Stedman-Scott (Con): I had no knowledge of this organisation, but I am very happy to ask the question in the equalities department and come back to the noble Baroness in writing. I will place a copy in the Library.

Baroness Barker (LD): Can the Minister tell the House whether the Government base their equalities policy on evidence or, as the Prime Minister does, on campaigns run by certain groups following a distinct ideology against women?

Baroness Stedman-Scott (Con): As far as I am concerned, evidence is the only thing on which to base a decision. My understanding is that that is the position of the Government.

Baroness Fookes (Con): My Lords, among all the excitement about what people are called, would it not be better if we return to a common-sense approach where courtesy and kindness to all prevail?

Baroness Stedman-Scott (Con): I could not have put it better myself. I hope we all take up the cudgel on that.

Baroness Chakrabarti (Lab): My Lords, with the greatest thanks and courtesy to the Minister for mentioning the gender pay gap earlier, does she agree that when the state cares about an area of law or regulation, it takes some direct responsibility for its enforcement, whether it is school standards or environmental protection? Is it not time that we considered amending the Equality Act so that a state agency takes responsibility for enforcing equal pay?

Baroness Stedman-Scott (Con): On the gender pay gap, we have set up a reporting system: we are requiring employers to report their gap, and our gap is now down to 14%. It is not good, but it will get better; we are focusing our efforts on that. In relation to the technical point made by the noble Baroness about having somebody responsible for that, I am being asked a lot of questions today that I have to take back. I hope that nobody takes that as me trying to avoid answering the question.

Warm Hubs *Question*

11.39 am

Asked by The Lord Bishop of St Albans

To ask His Majesty's Government what steps they will take to support the establishment and maintenance of warm hubs in England.

The Parliamentary Under-Secretary of State, Department for Levelling Up, Housing & Communities (Baroness Scott of Bybrook) (Con): Warm hubs, as with Covid support, are a fantastic example of the way in which faith and community groups can work together with local authorities to provide support and help for their communities. The Government strongly support these initiatives, but local government, which knows the needs of its communities, is best able to give support. We have made an increase of £3.7 billion to local government this financial year. We have also made available £1.4 billion through the household support fund.

The Lord Bishop of St Albans: I thank the Minister for her reply. Warmwelcome.uk is a coalition of many Christian charities that so far have signed up more than 1,600 halls, organisations and buildings to act as warm hubs providing lunches after school, homework clubs and so on. What consideration has been given to using these places of meeting to communicate and help people understand whether they can access other benefits, health advice, local charities and other support that is available during these very troubling times?

Baroness Scott of Bybrook (Con): The right reverend Prelate is absolutely right. Warm hubs are there to do one specific thing, but we have the opportunity to make them not just warm, welcoming places to go but places where people who might be lonely will not be as lonely, with ongoing support for loneliness, which we know is a cause of mental health issues. He is right that hubs are an opportunity to ensure that local people get the support and knowledge they need and are entitled to, including information on such things as flu and Covid vaccines. We should be using them, and to that end I will talk—and have already talked—to the Local Government Association about best practice to move this forward.

Baroness Uddin (Non-Aff): My Lords, I thank the right reverend Prelate for this important Question. The Minister will be aware that there are deep issues with the shortage of funding within all local authorities. They are having to scrape the barrel to fund services for children, adults with learning difficulties and a whole range of others. Can the Minister say with serious courtesy and conscience that the sixth-largest economy in the world can justify failing large sections of the community and rely on the use of these hubs? The most significant amount of work has been done by charities and interfaith organisations. Can we seriously say that we are satisfied with this?

Baroness Scott of Bybrook (Con): My Lords, the Government have given large amounts of money to support people, households and businesses with their energy issues. I do not agree with the noble Baroness; I think communities are where these things are best delivered, and communities and local government know how to deliver them in the best way. I know that local authorities are always strapped for cash, but it is a matter of prioritisation for those local authorities and we have increased their grant by £3.7 billion this year. There is also the household support grant, a third of which is for supporting families and a third for pensioners. The other third is not ring-fenced and can very well be used for these sorts of projects.

Baroness Barker (LD): I commend my Liberal Democrat colleagues in the London Borough of Sutton, who have already announced that they will use their libraries as warm hubs throughout the winter. Does the Minister agree with me that many commercial businesses inevitably have to use energy for their business? Will she ensure that some of the funding that goes to local government enables it to turn businesses, where possible, into warm hubs? I am thinking of places such as shopping centres, for example, which have to have a minimum amount of heating.

Baroness Scott of Bybrook (Con): The noble Baroness is right: we must never forget the private sector. We talk a lot about the public sector, the voluntary sector and the faith sector, but there is always the private sector. The private sector is getting energy bill relief from the Government, as are the voluntary and public sectors, so they are also getting support on their energy. I quite agree that, if we can encourage more private sector companies to look at this locally, it will help them as well as the people they support.

Baroness Bull (CB): My Lords, given that my question earlier was about joining up, will the Minister answer the same question I asked her colleague from DCMS? What can the Government do to encourage and incentivise local authorities, statutory providers, faith organisations, the voluntary sector and the cultural sector, including libraries, to work together to maximise this kind of provision and make sure that it is advertised and made available to those people in the community who need it the most?

Baroness Scott of Bybrook (Con): I do not think we are starting from the beginning. I googled “warm hubs” today, and I suggest that noble Lords do the same. Across the whole country, these partnerships are happening now. I spoke to the chairman of the Local Government Association last night, and I encouraged it to ensure best practice—this is now happening with our partners in faith and other community groups and the private sector—and to put that information out so that all local authorities do it. Look at Leeds. Today it has put out a map of where all its warm hubs are in the city. That is a wonderful idea and should be taken up by others.

Lord Hamilton of Epsom (Con): My Lords, it is quite clear that higher energy prices are going to have the effect of cutting the amount of energy that people use. Have the Government done any calculations on the demand for energy dropping as a result of higher prices?

Baroness Scott of Bybrook (Con): I am very sorry, but I do not know the answer to that. I will go to BEIS, which is responsible for this, ask it for an answer and make sure that the whole House gets that answer.

Baroness Hayman of Ullock (Lab): My Lords, in addition to supporting organisations in providing warm hubs, since 2011 the Labour-led Government in Wales have invested almost £400 million into more than 67,000 homes to improve energy efficiency. Will the Minister commit to improving energy efficiency in homes across the UK? I ask her to begin by accepting the amendment from the noble Baroness, Lady Hayman, to the social housing Bill, to which noble Lords agreed earlier this week.

Baroness Scott of Bybrook (Con): I think the time has come for that amendment, but the noble Baroness is right. Warm hubs are about this winter and the immediate. We have a longer-term plan: Help to Heat is the Government’s investment of £12 billion into

schemes to ensure that homes are warmer and cheaper to heat. They include boiler upgrades, local authority delivery schemes for sustainable warmth competitions, home upgrade grants, the social housing decarbonisation fund and, of course, the energy company obligations. There are a number of schemes that the Government are investing in, as is the private sector, to make sure that, in the long term, our homes are better insulated and can keep warmer on less energy.

Baroness Jolly (LD): My Lords, a lot of the solutions we have heard today are very much urban-based. I live in the middle of Cornwall, where we have 10 miles between villages. Picking up on libraries, which is a good idea, that is not quite as workable. Do the Government have any bright ideas on the rural sector?

Baroness Scott of Bybrook (Con): I do not think the Government necessarily do, but local government certainly does. If you google them, you will see the number of village halls and parish councils in these small rural areas that are doing exactly what the more urban areas are doing. We have village halls all across the country, and they can use the energy scheme for businesses and the voluntary sector. Working with their local councils, they can also get small grants to support their local villages. Also, in most of our rural villages there is a church. Working together with faith communities and parish councils, you can deliver in rural areas.

Baroness Watkins of Tavistock (CB): My Lords, I will make a constructive suggestion in relation to rural areas; I wonder whether the Minister can help on this. We need a national campaign to encourage people in small villages, such as the one I live in, to welcome people into their homes for coffee or tea and to enable people to walk to a local warm hub, which could just be a local person who reaches out. I believe that many people would be committed to doing that. My anxiety is that we will end up with loads of people feeling that they need to go to a warm hub and sit still, which is not a solution either.

Baroness Scott of Bybrook (Con): I am more than happy to talk further with the noble Baroness. Some of these things are happening, but it is a matter of making sure that we keep them all together and that good practice is transferred across the country.

Hereditary Peers By-election *Announcement*

11.50 am

The Clerk of the Parliaments announced the result of the by-election to elect a hereditary Peer, in place of the Earl of Listowel, in accordance with Standing Order 9.

Twenty-two Lords completed valid ballot papers. A paper setting out the complete results is available in the Printed Paper Office and online. That paper gives the number of votes cast for each candidate. The successful candidate was Lord Hampton.

Lord Grocott (Lab): My Lords, I did not want to test the patience of the House, and there will be so many more opportunities if they keep coming at this rate. If there are any anoraks like me who look at these results, they are well worth reading—I enjoyed reading them. In yesterday’s election, in which 190 people voted, there were 17 rounds of voting to sort them out, under the electoral system that the House has determined. Had they declared the result after the first round, exactly the same two people would have been elected as was the case after the 17th round. These elections cost us: we pay an outside organisation to do it. The winning candidate got 36 votes, and the turnout was 28.6%. I am bidding to become the Lords’ answer to Professor Sir John Curtice.

Communications and Digital Committee

Deputy Chairmen of Committees

Procedure and Privileges Committee

Services Committee

Justice and Home Affairs Committee

Public Services Committee

Motions to Approve

11.52 am

Moved by The Senior Deputy Speaker

Communications and Digital Committee

That Lord Parkinson of Whitley Bay be appointed a member of the Select Committee, in place of Baroness Buscombe.

Deputy Chairmen of Committees

That Baroness Williams of Trafford be appointed to the panel of members to act as Deputy Chairmen of Committees, in place of Lord Ashton of Hyde.

Procedure and Privileges Committee

That Lord True and Baroness Williams of Trafford be appointed members of the Select Committee, in place of Baroness Evans of Bowes Park and Lord Ashton of Hyde.

Services Committee

That Baroness Williams of Trafford be appointed a member of the Select Committee, in place of Lord Ashton of Hyde.

Justice and Home Affairs Committee

That Lord McInnes of Kilwinning be appointed a member of the Select Committee, in place of Baroness Pidding.

Public Services Committee

That Baroness Chisholm of Owlpen be appointed a member of the Select Committee, in place of Lord Davies of Gower.

Motions agreed.

Violent Crime, Gang Activity and Burglaries

Motion to Take Note

11.52 am

Moved by Lord Snape

That this House takes note of (1) the current level of violent crime, gang activity, and burglaries, and (2) the strategy of His Majesty’s Government for addressing these problems.

Lord Snape (Lab): My Lords, violent crime and the fear of crime concern many people in this country. I will illustrate some statistics, particularly in the West Midlands area, which I am familiar with—I represented part of it in the other place for some years. I am grateful to the police and crime commissioner of the West Midlands, Mr Simon Foster, for providing these statistics.

The Office for National Statistics’ figures for violent crime, which is mentioned in the Motion, show that there were over 1.5 million such incidents in the current year, from March 2021 to March 2022. There were no fewer than 710 homicides in the United Kingdom, which represents a 25% increase year on year.

Of course, other crimes fall within the category of violent crime, and I shall deal with them solely in the West Midlands in the next few minutes. Some 3,601 rape crimes, for example, were recorded in the West Midlands in 2021, representing a 562% increase in rape offences from 2012. Similar increases in other sexual offences short of rape were recorded, particularly over the last year for which statistics were collected.

There was a 116% increase in homicides in the West Midlands between 2014 and 2022. I could continue with offences of violence against the person, but one in particular that concerns people countrywide is the increase in domestic burglary, particularly in the West Midlands, where there was an 88% increase between 2014 and 2019.

On gang activity, which is also mentioned in the Motion, the Children’s Commissioner estimates that some 27,000 young people are active in gangs engaged in criminality in the United Kingdom, particularly the movement of drugs through county lines. “County lines” is where illegal drugs are transported from one area to another, often across police and local authority boundaries, usually by children or vulnerable people who are coerced into such activity by gangs. The county line is the mobile phone line used to take the orders of drugs. Importing areas—areas where the drugs are taken to—are reporting increased levels of violence and weapons-related crimes as a result of this trend.

In 2019, the NCA estimated that over 2,000 individual county lines were in operation. It said:

“These deal lines are controlled by criminal networks based primarily in urban hubs and facilitate the direct purchase of illicit drugs, primarily class A (crack cocaine and heroin), by drug users in smaller towns and rural areas.”

The three urban areas most affected by county lines are London—obviously—Liverpool and Birmingham. When the Minister replies, could he say what activities the Government are planning to reduce the involvement of children, particularly young children, in such county lines?

According to police statistics, there were almost 50,000 knife crimes in the year to March 2022. In the West Midlands, there is considerable concern about such incidents, with an increase of 163% between 2010 and 2021. It is of course easy for His Majesty’s Government to blame knife crime in London on the Labour mayor. The previous Home Secretary—I cannot remember who that was because there have been so many—was adept at blaming Sadiq Khan, although surely the Government must bear most of the responsibility for criminal activity and the response to it in the capital.

Countrywide, there were 192,060 burglaries between March 2021 and March 2022. That is 526 every day, or one burglary every 164 seconds. As I indicated earlier, there has been an 88% increase in domestic burglaries in the West Midlands between 2014 and 2019. I will detain your Lordships on burglaries for a moment because I feel strongly about this. I have lived at my present address in south Birmingham for 32 years. In that time, I have been subjected to no fewer than five burglaries, two of which were successful—from the burglars’ point of view—and I assure your Lordships that few incidents are more depressing than arriving back from London to find your front door smashed and every room in the house turned over. Burglars are not known for tidying up before they leave; the contents of every drawer and cupboard are taken out and strewn across the place.

Although it is sometimes said that burglary is a victimless crime because we claim on our insurance, it is sometimes months after the event that we realise that certain items are missing. Many of the items stolen are not particularly valuable financially but mean a great deal to the people concerned. In my case, among the things stolen was a silver casket I received from the borough of Sandwell with my citation as a freeman of the borough. They dropped the medal and the citation itself in the garden, so at least I can still prove that I am still a freeman of the borough of Sandwell but the solid silver casket disappeared with the other valuables. Various other silver items were taken on this occasion, which, quite frankly, were irreplaceable: a silver tankard which I and other members of the Bredbury and Romiley Urban District Council received when we were abolished—by a Tory Government, incidentally—following the Local Government Act 1972. I cannot replace that and it was not worth very much, but these are the sort of items and the sort of distressing results of the number of burglaries that take place in the United Kingdom.

The Home Secretary—at least, the Home Secretary until yesterday—made a speech to the Conservative Party conference recently, promising to restore police

numbers to those we enjoyed when the Conservatives first came to power in 2010 and that a police officer would visit every burglary. No consultation has taken place with the Police Federation about the practicalities of such a scheme but, then again, it served its purpose by drawing a standing ovation at the Conservative Party conference. Alas, her opportunities to draw such a standing ovation in the office of Home Secretary have now been curtailed by her own act of yesterday, but it placated the crowd at the time. Indeed, it roused it to some degree of enthusiasm.

I have dealt with the outline of the situation so far as the terms of the Motion before us are concerned, but I could not leave this subject without talking about police morale generally. Under a Conservative Government—a so called Government of law and order—police morale has plummeted considerably. The vice-chairman of the Police Federation of England and Wales has lobbied the Government over many years, particularly about the reckless cuts made to police forces during austerity, which have resulted in rising levels of crime. He said that

“we are seeing this pressure disillusion colleagues with years of experience, driving them to leave the service due to pay and morale issues and the devastating impact of unfair and discriminatory pension changes.”

I spent a couple of years when a Member of the other place as a home affairs spokesman and spent some time during that period accompanying police officers on their duty, some in the Metropolitan area and some in the West Midlands. I read lately of the problems in the Metropolitan Police area and the decision of the new police commissioner to get rid of, as he puts it, literally hundreds of police officers for improper behaviour. Of course, I support that. However, I have to say, without in any way defending the sort of behaviour that the new police commissioner outlined, that I was struck by the youth of some of the police officers I accompanied and by the sort of tasks they had to undertake.

One that sticks firmly in my mind was accompanying two police officers, a man and a woman, in their mid-20s to the flat of an old person who had not been seen for some months. It was necessary to break down the door accompanied by a member of the local authority. The sight and smell of a corpse that had been in that property for some three months remains with me after 30-odd years. When we give police officers tasks such as that at a fairly young age, it is perhaps inevitable that they develop a carapace—a thick skin—concerning the duties they have to undertake. We followed that up within a couple of days by picking up a hopelessly incontinent drug addict from the arches near Waterloo Station. We should appreciate that young police officers perform tasks that no one else would want to do and, while quite properly taking action against those who misbehave, we should recognise that, for many of them, coming to work means the sort of role that I have just outlined.

As for police officers in the West Midlands, I am grateful to the police commissioner for some of the facts and figures on financial cuts to policing in the West Midlands since 2010. In 2010, the West Midlands had a total of 8,765 police officers. Austerity meant that 2,221 were cut and £175 million slashed from the police budget. That is 25% of police officers in the

[LORD SNAPE]

West Midlands, plus hundreds of essential police staff, including 300 community support officers. At the same time, there were huge cuts in the services vital to preventing crime in the first place, such as youth clubs, mental health services, local council funding and probation services. When these arbitrary cuts are made, it is often forgotten that although the Government of the day can show an instant saving, the cumulative cost of those savings far outweighs the initial amount saved. So many young people in the West Midlands being deprived of some of the services that I have outlined has resulted in the increase in crime that I have mentioned. As of March 2022, because of the Government's change of heart, the total number of police officers in the West Midlands now stands at 7,642 but that is still over 1,000 officers short of the situation back in 2010 when that Government came to power.

As of today, we are to have a new Home Secretary, Mr Grant Shapps, who is taking over. He has had a versatile career since he entered the House of Commons. He has changed his name a few times as well, but I will come to that in a moment. He has been the Transport Secretary, the International Development Secretary, the Conservative Party chairman, the Housing Minister and now he is the new Home Secretary. He is a very versatile chap. According to this morning's *Guardian*, he is a man of many roles and many names. He has been known as Mr Michael Green, Mr Sebastian Fox and, most unlikely of all, as Ms Corinne Stockheath during his career. Which name and guise he will adopt in his present role, only time will tell. I hope he will prove a better Home Secretary than he was a Transport Secretary. Noble Lords might recollect that I have bored the House on numerous occasions with transport stories. He was notorious for every problem being a photo opportunity when he was Transport Secretary. One would hope that he will change his tune in his new and extremely important role.

For a Government who pride themselves on their economic abilities, this Government have virtually bankrupted the nation. For a Government who wrap themselves in a flag of patriotism on every occasion, they have reduced the British Army to its lowest level for two centuries. For a Government who brag about law and order, there is nothing at all to brag about, given the situation that many of our people in this country find themselves in at present. I beg to move.

12.09 pm

The Lord Bishop of St Albans: My Lords, I thank the noble Lord, Lord Snape, not only for obtaining this timely debate but for his introduction to it. I declare my interest as a vice-president of the Local Government Association.

I will focus on just one specific area of this huge topic, which I imagine many of us will want to address: knife crime. The diocese I serve encompasses Hertfordshire and Bedfordshire; in Bedfordshire, knife crime has increased by a third since 2010. There are various estimates about the increases over the last year, but it is something in the region of 10% across our nation. There was a fall during the lockdowns, but we are now rapidly reaching the same levels as pre Covid and the projections are stark—so it is deeply worrying.

It is engendering huge levels of fear: as I go around talking to people, many of the elderly are fearful of their houses being broken into, although they are statistically unlikely to be the victims of knife crime. However, when you go into schools, it is a topic of which many young children are terrified, not least as they make their way to and from school. Hospitals are dealing with soaring numbers of stab victims: 4,112 cases were recorded last year, a 2% increase on the previous year. Of those, 855 were in London, 405 in the West Midlands, 310 in Greater Manchester, 240 in West Yorkshire hospitals, 175 in South Yorkshire and 140 in Merseyside. In other words, this is not just a case of stories being particularly highly reported in the papers of London; it is something that affects areas—particularly urban but even sometimes rural—across our country. It is particularly concerning that a recent report suggests that only one in six crimes involving a knife in London has been solved by the police over the last two years.

I know that others will comment on the police, but we need to start by thanking them for being on the front line, which is the most terrifying place to be when you are confronted with a knife. Having been out sometimes with a night shift to watch what our police are having to cope with, I have nothing but admiration for them putting their lives on the line and having to deal with situations I would not know how to begin with—and some of them are doing it night after and after. We really need to support our police. This is why we need to ensure that the promises that have been made to recruit 20,000 new police officers are met, and that we get those people in place. The latest I can find out on recruitment is that we are sort of half way there. I will ask the Minister a bit more about that at the end. We need to have people on the ground who are policing, and we need to support our police and everybody in our criminal justice system.

Having said that, when someone is convicted, it is too late: we need to get far ahead on preventing it before we are simply dealing with the effects. As noble Lords know, some people say it costs—we hear various figures—something like £40,000 a year to keep someone in a young offender institution. It would be far better if we were spending that money on preventive work with youth workers and other people to get ahead of the game. We need to try to work out how we can support the police and get ahead of this terrible problem that is affecting so many communities.

How can we work to beat our swords into ploughshares and our knives into useful tools? In the areas where I work with voluntary groups and churches, there is an awful lot of work going on and a lot of analysis about how we can build the sort of communities that are likely to reduce the levels of knife crime. This is not a problem for just the left or the right; we need solutions from all political sides if we are going to get on top of this. According to a very interesting analysis I read, there is poverty of resources, poverty of relationships and poverty of identity.

On the poverty of resources, we are not investing in the way that we used to in youth work, and we are not investing in enough groups, sports and other activities to give young people activities to engender their sense of competition, pride and so on. We really need to

think about how we are investing in this. In the communities in which I work, so many of our youth centres are being sold off. I think I am right in saying that my diocese now employs more youth workers—as a voluntary organisation—than Hertfordshire County Council and the Bedfordshire unitary authorities combined. That is good, but we need to invest more and recognise that there is a poverty of resources.

From the perspective of the right, there is a poverty of relationships. We have a crisis of children being brought up in families with absent parents and where there are no role models. A lot of the extended family has gone—where, for example, when a marriage broke up there was probably an uncle who would come round and be in loco parentis. A lot of that has gone. We need to look at how we can invest in our family life and how we think about young people having real mentors who can hold them responsible. It is vital that we think about these role models.

Finally, on the poverty of identity, many young people feel as though there is nothing to which they can aspire. They are being sold an awful lot of guff in the media about how everybody can be successful and famous. It is no wonder that they are dismayed when they know there is no way out of their local community. How can we provide ways for these young people to see that there are alternatives to finding their identity and role in society that are not based on holding a knife and saying, “Do what I say, or else”? Some of the very interesting work that has gone on with our churches has involved knife amnesties. Some noble Lords will have seen the extraordinary sculptures made of the knives that have been handed in; we had one recently in one of our churches in Luton.

I will ask the Minister three questions. First, may we have an update on the recruitment of police and police community support officers? That needs to include how many are leaving, not just how many we are recruiting: are the total numbers going up, because we need to ensure that we have the resources on the ground? Secondly, may we have an assessment of the success of serious violence reduction orders in reducing knife crime? Thirdly, may we have an assessment of the troubled families programme, which ran from 2013 to 2020 and worked with over 400,000 families? What lessons did we learn and are we implementing them?

12.17 pm

Lord Bach (Lab): My Lords, I congratulate and thank my noble friend on securing this debate. I intend to speak about my experience as the police and crime commissioner for Leicester, Leicestershire and Rutland between 2016 and 2021, in particular in the area of serious violence and particularly as it affects young people. To be fair, it is an area in which the Home Office has acted over the last few years, significantly with the introduction of the serious violence duty—the guidance was published in May last year, the month I stood down.

However, to begin, it is important to state in the clearest possible terms, so it is never forgotten, that a major factor in the depressing figures around crime mentioned by my noble friend, including serious violence,

was the early decision taken by the coalition Government to sharply cut the number of police officers in England and Wales year after year from 2010. This was a disastrous decision, the consequences of which are felt today everywhere. My feeling is that my friends on the Liberal Democrat Benches now regret their part in this, but I have never heard an apology from the major party in that Government, which continued the policy after 2015. There was no acknowledgement that the policy was wrong, counterproductive and hugely expensive in human and financial terms.

Of course, very late on, the Conservatives came to their senses and now boast constantly about the 20,000 new officers being created in the next three years. That is not enough to get back to the 2010 figures, but they are still not apologising for those wasted years. Will the Minister, who is new to his job—I welcome him very much to it—apologise today for cutting police numbers in that way and can he confirm that police cuts will not play a part in the cuts the Chancellor promised earlier this week? I am not sure that all Conservatives have learnt the lesson.

In Leicestershire, there were 2,317 police officers in 2010. At its lowest, the figure went down by 23% to 1,777. By 31 March this year, it was 2,242, with an agreed extra 100 officers by 31 March 2023, at last reaching the 2010 figure. I am afraid that my successor cut the 100 extra planned for this year, even though it was agreed by all parties. Claiming that it was unaffordable, he called in the Home Office civil servants to back him up. Unfortunately for him, both they and the then Policing Minister disagreed and the plan for an extra 100 was given a clean bill of health. The extra 100 officers would have mostly been in by now. Given the recent violence and unrest in the great city of Leicester and the need for four other forces to supply reinforcements at enormous cost, I hope the present police and crime commissioner regrets his damaging and irresponsible decision.

In 2006, there was one officer per 430 residents of Leicestershire and Rutland. In 2018, that one officer was for 615 residents. Last year, the figure was 500 residents. By March next year, it should have been 488 residents, but now it will not because of the cut of 100 officers. That is a sad story. My question to the Minister is this, although he may not be able to answer it: has the Home Office made any representations about the decision taken in that particular part of England, which is obviously against government policy?

I want to say a word about serious violence. Noble Lords will know of the Scottish violence reduction unit based in Glasgow, led by an ex-police superintendent, Niven Rennie, which over the years has inspired other police forces and police and crime commissioners in England and Wales and has, I believe, influenced the Government favourably too. We in Leicestershire were certainly inspired listening to him speak at a conference at our multiagency committee, the strategic partnership board, held at police headquarters in Leicester.

The principle behind all this is common sense. If action can be taken early with young people who have suffered what are called adverse childhood experiences, or ACEs, and suffered trauma as a consequence, and who may be susceptible as a result to committing

[LORD BACH]

criminal and even serious criminal behaviour, including violence, that multidisciplinary action may prevent them becoming involved in crime in the first place and, if they do, give them a second chance to get out of it. Examples and evidence of success are there. Of course, it takes a long time.

The Government were impressed enough to give grants for the setting up and support of violence reduction units in 18 of the 23 police force areas, including Leicestershire. Ours has been going for three years now, brilliantly led by Grace Strong. It has much police force involvement, of course. It is a multiagency network, existing to tackle and prevent serious violence and violent crime, particularly that involving young people.

To give an example of what it does, it has organised a small team, often made up of young people, who visit the local A&E at the Leicester Royal Infirmary to try to talk to victims and perpetrators of knife crime, who of course end up in hospital, at what is called the changeable moment—that crucial moment—with the hope of persuading them that knife culture and violence is wrong and counterproductive. I think that is a wonderful initiative.

We set up something called people zones in my time in Leicester. These are small, specific geographical areas in which we established multiagency groups to deal with preventing all offending, from anti-social behaviour at one end to serious violence at the other. I am extremely proud of this initiative and am glad that my successor, who I have perhaps been a bit hard on in this speech, has confirmed the scheme. I congratulate him on doing so.

I end by saying how right the right reverend Prelate was in saying that we owe so much to our police. I learned that very much as a police and crime commissioner.

12.26 pm

Baroness Donaghy (Lab): My Lords, I thank my noble friend Lord Snape for initiating this debate. I have lived in Peckham in south London for over 40 years. I am afraid that it has had its fair share of knife crime. One claim to fame is that we have one of the world's expert consultant surgeons on knife injuries. His name is TJ Lasoye, and he ought to get a knighthood or something. He spends his time going round schools telling children what the real effects of injuries are. Some children did not believe that stabbing somebody in the temple hurt or caused any problems. He devotes his time to the seriousness of knife crime.

I witnessed an invasion by a gang at King's College Hospital, where he works. They came to look for the knife victim to finish the job. It was a terrifying experience which affects the local community every day. Having said that, it is a warm, wonderful community. It has more churches per square inch than probably anywhere else in the United Kingdom and so deserves better from the government policy on law and order.

One of the worst aspects of a failing Government treating deadly serious subjects as if they are a game in a children's sandpit is that it drags all of us and the work we try to do down, and ignores the misery and

stress of people waiting for justice, walking the streets in fear or working in a failing service and longing for early retirement. The only way to improve things is to have a general election, but we know that that is the one issue that unites the Conservative Party—not to go to the country until they absolutely have to. I understand that 5 January 2024 is the absolutely final date, so that is 442 days to go.

Although the resignation of the Prime Minister would not improve a single statistic in the sorry state of law and order, as outlined by my noble friend Lord Snape, it would be one of the only other options to achieve some stability. I checked the rules on the pensions of Prime Ministers and senior officeholders—moved, incidentally, in the House of Commons by a former Member of this House, Lord MacGregor. We were on the Committee on Standards in Public Life at the same time in the early 1990s, and I can only imagine what Lord MacGregor's view of the current situation would be.

Anyway, back to the Prime Minister's pension. If I understand the rules correctly, she is entitled to a Prime Minister's pension when she leaves office. I would not like to see her go into poverty like the WASPI women who have been deprived of state pension money because they were not given sufficient notice. The WASPI women did nothing wrong, such as taking the "Great" out of Great Britain. If I have misread the rules on the PM's pension and she is not so entitled if she goes, say, tomorrow, for the sake of argument, I would be happy to contribute to some crowd-funding venture, if that would persuade her to go.

I was distraught when I heard that Suella Braverman was sacked as Home Secretary yesterday, because the other half of my speech was devoted to why she was unfit for high office. She was Attorney-General in 2020—a government law officer. Not only did she not resign when the Government announced that they intended to override the Northern Ireland protocol, she publicly defended the situation. When Mr Brandon Lewis, as Northern Ireland Secretary, said that the new Bill in 2020 to amend the UK's Brexit deal with the EU

"does break international law in a very specific and limited way",—[*Official Report*, Commons, 8/9/2020; col. 509]

Sir Jonathan Jones, the Permanent Secretary of the Government Legal Department, the most senior lawyer advising the Government, resigned over this statement. The noble and learned Lord, Lord Keen of Elie, resigned as a Government Minister in this House—a careful and thoughtful man who took 48 hours to do so.

This was a serious issue leading to serious resignations. Mr Brandon Lewis's statement was not contradicted by No. 10 Downing Street. Clearly, we would not wish to put Mr Brandon Lewis anywhere near the law and order brief. Oh, wait a minute, he is Justice Secretary. I always have this image of a young urchin in Peckham, where I live, being held by a security officer for stealing juice and a bar of chocolate from the local supermarket saying, "I did break the law, but in a very specific and limited way."

I turn to one of the aspects of the Government's strategy to tackle crime and gang activity. I do not have time to deal with the virtual collapse of the

probation and social work services, which is a stain on our country. A lot more could be said, if I had the time. But I do want to say something about our police and prison officers. Ms Braverman, when she was still in office, promised the Conservative Party conference that there would be 20,000 more police officers by March 2023. Is that still the Government's policy? Does it simply make up for the 20,000 reduction when the Conservatives came to power? Is it sufficient when we have 4 million more people in the country? Nothing was said about prison officers. Will the Minister indicate the Government's plan for recruiting more prison officers?

As chair of ACAS, 20 years ago I participated in a two-day residential seminar on how to improve working conditions in the Prison Service. The issues identified have worsened tenfold since that time. If prison officers are not valued for the important work they do, how will we achieve better safety, security and skills training in our prisons?

The noble Lord, Lord Snape, has already referred to Ché Donald, the national vice-chair of the Police Federation, who said that the increase in the number of police officers is desperately needed, but also pointed to other issues of stress and disillusion, pay and the impact of unfair discriminatory pension changes. These are such basic HR issues that only a Cabinet of millionaires could fail to see their importance. The pensions issue alone, capping the pension contributions of public service pensions, has had the consequences that I predicted when it was first imposed—a 10% cut. Ask any HR officer if he would like to hang on to 10% of his staff and not lose those skills, training and experience—

Lord Davies of Gower (Con): I remind the noble Baroness of the eight-minute speaking time.

12.35 pm

Lord Bird (CB): I would like to congratulate those governors of certain prisons who, I have been told, are wise enough not to allow the release of prisoners on a Friday. This is because out of the 70,000 a year who move out of the Prison Service, about 500 a month go straight into homelessness and the problems that they had before they came in. Lo and behold, in spite of all the efforts of people—probation officers, prison officers, policemen, members of the public and homeless organisations, et cetera—we still find that people end up back in prison.

I do not know how many governors do this; it is difficult to find out. As noble Lords know, governors are like captains of ships, who can do all sorts of things that we would like them to do. Some of the do and some of them do not. I used to go into a prison very regularly and talk to the prisoners. I had a brilliant time and took the mickey out of them and told them they were not as bright as me, because I was out and they were in. I had fun about it and actually built up a kind of attitude around education and social change. But lo and behold, another governor comes in and I find it incredibly difficult to get in because they do not have the same concerns.

When I spoke to a conference of governors and senior officers in the Prison Service, I asked how many of them had rehabilitation in the first five items of

things that they considered. Not one of them had rehabilitation, because they had the usual stuff: security, so that the chaps and chapesses do not get away and officers are not attacked and hurt; and so that people do not commit suicide. They had those considerations and very few officers had rehabilitation.

I am really pleased there are governors—and I thank them—who have faced up to the fact that if prisoners are let out of prison on a Friday and they have had problems before, they will not be able to get to social security or support systems and will get into trouble over the weekend. Lo and behold, they might find themselves doing things that, after the event, they did not want to be doing. As I said, 70,000 prisoners a year leave the Prison Service and about 500 fall into homelessness.

We spend about £3 billion on our prisons. That is not a lot of money; it adds up to about £44,000 for each prisoner, but if they have problems and are likely to try to commit suicide or are violent, that figure can go up another £10,000, £20,000 or £30,000. We have prisoners who cost £100,000. As the right reverend Prelate said, we are spending the money in the wrong place. We are not spending it on prevention.

When I was banged up, it cost £63 a week, I think. That seems low, but it was three times what my dad was earning as a plasterer—so there is a kind of weirdness. I would like to see the complete and utter reformation of not just how we treat prisoners but how we treat crime. The noble Lord, Lord Snape, talked about the enormous increase in burglary in the West Midlands. What is burglary? You can call it burglary, but you can also call it an economy. You could call it a form of trade. You could call it all sorts of things.

Something is going desperately wrong in our country when we are putting so much effort into all sorts of things but we are not putting any effort into dismantling poverty. What do you think knife crime is? I will tell you what it is. I remember, as a boy, being a member of a gang and having a flick-knife. I went round imposing myself on people who did not have a flick-knife. We did not use knives as often then because we had hanging over us the threat that, if we killed somebody, we ourselves would be killed—if we were over the age of 18.

I am not very liberal about the fact that what we have now is a complete devaluation of human life. When there is poverty, how do people who are stuck in poverty express themselves? How do they make themselves something on the block, something in their block of flats or something on the street? I know that, if I was back there, I would be seeking some kind of identity. A knife is a brilliant way of getting some identity. If, at the same time, you are surrounded by TV, Netflix and all this other rubbish that shows the devaluation of human life, with no spirituality or love for each other, you will not give a toss if that knife goes into somebody and reduces them to nothingness.

We are in the middle of a crisis. We are not in a crisis just because Truss has screwed things up. That is a manifestation of a crisis. There is a deeper crisis. When I came into the House of Lords, I came here to dismantle poverty. I did not come in to make the poor a bit more comfortable or move the chairs on the

[LORD BIRD]

“Titanic”. We really need to stop, think and wonder why we let our police officers down. I know them. I know the guys who are coming back beaten up by what they have to see and the lives they live—like our prison officers, teachers and people in the community. It may sound weird, but I think we really need to reinvent our thinking around crime. We have to sit back and say, “Whatever we’ve done is not working”.

12.43 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I wish I could speak with the same passion as the noble Lord, Lord Bird. I thank my noble friend for introducing this debate: it is very timely.

Recent ONS figures show that police recorded crime data for “violence against the person” offences in the year ending March 2022 showed an 18% increase on the 1.8 million offences recorded in the year ending March 2021, and the similar figure in the pre-coronavirus year ending March 2020. The 710 homicides recorded for the year ending March 2022 was a return to pre-pandemic levels, while knife-enabled crime recorded by the police saw a 10% year-on-year increase to more than 49,000 offences in the same period. There were increases across all knife-enabled violent and sexual offences, with the sole exception of attempted murder. Violence with injury offences increased by 22% to more than 560,000 in the year ending March 2022 compared with the previous year. This was also 5% higher than the levels recorded in the pre-Covid year ending March 2020.

While overall levels of homicides fell during 2021—a decrease that coincided with the pandemic and related restrictions to social contact—it is the case that young people, particularly girls, have been disproportionately affected, as recent terrible headlines have reminded us. In a survey this year, the ONS found that people now feel less safe walking alone, in a park or in an open space. Young people in particular feel unsafe using public transport after dark. We are going backwards rather than improving lives for the better.

Of course, recent statistics on crime levels have been affected by the coronavirus pandemic. There are also difficulties around how data is collected, whether it is by crime surveys or as crimes reported to the police. However, there is no escaping the stark truth that, despite more than a decade of tough talking by the Government, we are still facing truly shocking levels of violent crime in this country.

Many of these crimes are driven by drugs and gang activity. Gang involvement with drugs is often, and most destructively, manifested through county lines activities. I saw the impact of this in my housing work, and I will focus my comments on violent crime as it affects young people—specifically county lines drug dealing and the dangers for young people, particularly those in care or in vulnerable families who get caught up in gang violence and knife crime. My noble friend outlined how county lines operate.

The Government have declared that this a priority for the police to tackle. In October 2021, they published their *Beating Crime Plan*, and money has been spent on dedicated task forces and 18 violence reduction

units. They have also set up the youth endowment fund to fund early intervention projects. We have been given the stats to show that this is having some impact. Policing responses have interrupted and closed down some gang activity. In 2019, the National Crime Agency estimated that there were more than 2,000 individual county lines in operation. It revised that in April last year to nearer 600, ascribing the reduction to increased policing and new guidance on tackling this issue.

However, there is no room for complacency. The National Youth Agency warns that the county lines business model is adapting, making offending harder to detect and increasingly resilient to disruption by law enforcement. This is far more deeply embedded than can be resolved by policing alone. The threat of gang-led county lines drug dealing to young people and the risk of violence and exploitation remain at shocking levels. It is estimated that 20% of those involved in county lines are children. The most common age range is 15 to 16, but the NYA notes anecdotal reports of children as young as 7 or 8 being exploited.

It is our most vulnerable children who are most likely to become ensnared. This means those who lack a safe or stable home environment; those who have prior experience of neglect, physical and/or sexual abuse; those who have mental health or substance misuse issues; those who have been excluded from mainstream education or are in care; and those who are homeless, in social housing or in insecure accommodation. They are the most vulnerable to exploitation.

We know the criminal exploitation of children is a common feature of county lines activity, yet we still have no statutory definition of child criminal exploitation. This potentially makes it all the harder for our public services to work together to identify how much support a child needs or, indeed, the level of risk surrounding an exploited child. Can the Minister tell the House when the Government will implement in law a definition of child criminal exploitation?

If we are to tackle the threat from gangs and violence associated with county lines, we must have sufficient youth services and support for young people living in areas of deprivation and disadvantage. Further, they must be trained and upskilled so that they can build capacity and outreach in order to work with vulnerable young people wherever they are. Sadly, along with years of cuts to policing and the courts—this has been mentioned already—we have had years of cuts to funding for youth services. The provision of safe spaces and group activities for young people, with trained youth workers and skilled volunteers, is enormously patchy. This leaves young people vulnerable and prey to gangs. Again, from my work in housing, I have seen where youth workers now have so few resources that they are not able to offer alternatives to keep young people out of gangs and off the street.

The YMCA report *Out Of Service* noted that, since 2010, more than 4,500 youth work jobs have been cut and more than 750 youth centres closed. In 2010-11, local authorities spent an estimated £1.36 billion in real terms on youth services in England. By 2018-19, the real-terms reduction was £959 million—a 71% cut during that period. The consequences of these cuts during 12 years of this Government are seen in our

shocking levels of knife crime, rates of serious violence and the rise of mental health difficulties among young people. Youth services are a lifeline for many young people, but these cuts have left many without local safe spaces or support.

The NYA's 2021 report, *Between the Lines*, called for a high-level government strategy—a youth workforce development to recruit, train and deploy 10,000 full-time qualified youth workers. This goal should sit alongside the target of 20,000 more police officers outlined in the Government's *Beating Crime Plan*. The NYA is now also calling for revenue investment to recruit a further 20,000 youth support workers and 40,000 trained volunteers. Have the Government listened to the call from the Home Affairs Select Committee last year for a youth service guarantee? How have they responded?

If it is the case that violent crime is disproportionately committed by young people, we need investment to deliver viable alternatives. We must increase support for those initiatives that have proved successful. All this points to the vital importance of the levelling-up agenda and investing in skills development to put people on a more productive path.

The pattern of job-related crimes is changing all the time. Our most disadvantaged communities and our most vulnerable young people continue to live with serious crime and the reality of gang violence. We need to tackle the roots of these problems, but we are running out of time if we are to keep our communities safe.

12.51 pm

Lord Austin of Dudley (Non-Aff): My Lords, I thank the noble Lord, Lord Snape, for securing this important debate. He commented on the fact that the former Home Secretary received a standing ovation for announcing that the police would in future visit every home that had been burgled. It was amazing that she thought it was something to boast about or something that should be applauded. It is a complete disgrace that the police have not had the resources to visit homes that have been burgled. In the majority of cases, people who have been burgled have not even had the police visit them at all. It amazes me that you expect to be applauded for presiding over a situation such as that and announcing that it is going to be changed.

I want to raise two issues, both shocking instances of gang violence. The victims in both cases were children. I draw your Lordships' and the Government's attention to the shocking murder of Dea-John Reid. He was a 14-year-old black lad from Birmingham, killed by a gang in the city last year. What more can the Government do to secure justice for him and for his family? I have spoken about this case in the House before and I shall do so again and again until justice is secured for his family.

One evening in May last year, after an altercation between two groups of teenagers—the sort of thing that happens routinely—Dea-John was chased down a busy street by a group of five males, including two grown men, shouting racist abuse. One of them, who was 14 years old at the time, killed him with a knife. A 14-year-old black boy was chased by a gang and stabbed to death. His mum, Joan Reid, said he was “hunted by a lynch mob reminiscent of ‘Mississippi Burning’”.

Following an earlier altercation, the boy who killed Dea-John had phoned George Khan, aged 38, who was drinking in a pub with his friend, 35-year-old Michael Shields. They collected the three boys in Khan's car and, the court was told,

“set off to hunt down the Dea-John group”.

According to the prosecuting barrister:

“Khan carried the plan to seek retribution forwards and actively encouraged the attack.”

A witness said that Khan pointed and shouted, “Oi, you ...”, using the N-word. Dea-John and his friends ran but he went in a different direction from the group to get away. Khan and the other defendants ran after him. A witness said that the men had their tops off, using them to cover their faces. They were carrying weapons. Khan allegedly shouted “Bang him up” and “Eff him up” to one of the teenagers. These were grown men. If that is not incitement, tell me what is.

The 14-year-old lad had asthma, ran out of breath, was caught, stabbed and killed. Imagine it: on the streets of Birmingham last year, a boy chased by a racist mob, cornered, stabbed and killed. This is incredible. No one doubts that those five people were responsible, but four of the five defendants who chased him, including the two adults, were found not guilty by an all-white jury. The fifth, aged 15, was convicted of just manslaughter. He will be free in less than three years. Someone in Birmingham asked me what lessons have been learned from this—a gang shouting racist abuse and the stabbing of a black boy?

The noble Lord, Lord Snape, will remember Birmingham in the 1980s, as I do. Failings of the police and the criminal justice system resulted in riots on the streets. Handsworth, Lozells—on fire. There is never any justification for such behaviour.

Dea-John Reid's mum called for calm in the black community. It listened, because it trusted the authorities, but it has clearly been let down. Why are those men walking free? Was there a problem with the evidence? Did the CPS not prosecute it properly? Did someone get to the jury? What happened? Why has there not been an immediate public outcry about this?

If this had been in London, it would have been a national scandal. It was a racist attack—an issue about knife crime, community safety, policing and the failure of the criminal justice system. The Opposition should be all over this, holding the Government to account. Why am I the only person who has raised this in a detailed way in either Chamber of Parliament? I want Ministers to look at it. I think the Attorney-General should refer it to the Court of Appeal. I know that we cannot have political direction of the police and the courts, but this cannot be allowed to stand. Will Ministers call in the chief constable and the CPS of the West Midlands to find out what has gone on. Could other charges be brought, such as affray or racially motivated assault? Something has to be done to secure justice for this family and for the black community in Birmingham.

The second case I want to raise is the racist attack on a group of Jewish children celebrating Hanukkah in Oxford Street last December. They were attacked by a mob of anti-Semites who made Nazi salutes, yelled, “Eff Jews; eff Israel”, spat at the children and threatened

[LORD AUSTIN OF DUDLEY]

to smash the windows of their bus. The whole terrifying incident was caught on camera yet, despite clear CCTV evidence, mobile phone footage and multiple witnesses, investigators concluded their investigation, and the attackers remain at large.

The noble Lord, Lord Carlile, who is a former government reviewer of anti-terror legislation, said:

“The police must start to prioritise violent and explicitly racist attacks, especially where there is photographic evidence of a kind which would enable the perpetrator to be identified.”

Referring to this, and to another attack in London last year, he said:

“Both of these cases are examples of institutional failure to prioritise significant cases involving serious danger to members of the public. Letting this slide makes other incidents and even possible terrorist incidents more likely.”

The Board of Deputies has demanded an urgent meeting with the Home Secretary. Dave Rich, the director of policy at the Community Security Trust, said:

“This comes in the same week that the Home Office revealed only eight % of all racist and religious hate crime lead to a charge or summons.”

The Campaign Against Antisemitism said:

“If even high-profile hate crimes such as this are not solved and the perpetrators brought to justice, what hope do the many other crimes against Jewish people have of being satisfactorily investigated?”

That campaign, the *Jewish News* and the *Jewish Chronicle* have jointly offered a reward of £30,000 leading to the conviction of any of the perpetrators. I draw attention to my declaration in the register as a columnist for the *Jewish Chronicle*. Will the Minister or his colleagues speak to the Met and find out what else can be done to bring those responsible to justice?

12.58 pm

Lord Davies of Brixton (Lab): My Lords, I join previous speakers in thanking my noble friend Lord Snape for introducing this important debate. It is clear from what we have been told so far that the Government are not doing enough to address the problems. There is not a simple solution, but I do not think the solutions are mysteries. We know where we need to go; it just takes an effort of will and the resources to achieve it. We know that the solution does not rely on tough talk. We have to reject the “bad actor” model of crime as a simple way out. We have to recognise that society as a whole has a responsibility to set the circumstances in which crime will not flourish. The obvious example of this is poverty and what society can do to alleviate the circumstances in which crime will develop. I think that is well understood. What is also understood, but I want to say more about, is the intersection between crime and poor mental health.

I need to be clear that I am not saying that people with poor mental health are a cause of crime. They are actually far more likely to be victims of crime than the culprits. There is no doubt, however, that improvements in mental health services can have a major impact on the current levels of crime, including violent crime and gang activity, both in reducing the incidence of crime in the first place and then in more effectively supporting the measures that we can take to ensure that the perpetrators of crime can escape the cycle of their criminal activity.

I draw particular attention to the joint inspection report by the Inspectorate of Constabulary, the Crown Prosecution Service, the Inspectorate of Prisons, the Inspectorate of Probation and the Care Quality Commission. Last year they produced a report that set out some important conclusions about what needs to be done. They identified how thousands of people with mental illness are coming into the criminal justice system each year, but their needs are being missed. That, of course, is a tragedy for us as well as for the individuals concerned. There is a shortage of services and there are long delays in accessing what services are available—made worse by the pandemic, of course. A specific problem is delays in reports for the court and for transferring extremely unwell prisoners into secure mental health hospital beds. Clearly, these problems do not help. They let down the individuals and society as a whole.

One interesting reference in the report is the finding that police officers had a good understanding that the causes of minor crime required a health response rather than a crime response. This is a key issue. I hope we will address these issues in the context of the forthcoming mental health Bill, and I hope the Minister can tell us in his reply that the Government understand the nature of this problem and that dealing with the issues that people have identified today is a priority.

Secondly, I want to say something as a resident of the inner city, where youth crime is a particular concern. It needs to be understood that it is not a middle-class panic about crime in the inner city. The people who really suffer from crime in the inner city tend to be those who are least well off; they are the real victims of what is going on. It is not a question of victims versus criminals and a case of just locking them up, going hard on them and throwing away the key. Most of the young people who tragically fall into this cycle of crime are victims of crime themselves and have gone through difficult and challenging childhoods. It is not just a question of telling parents to be tougher; those parents are struggling as well. The parents themselves have often had complex childhoods, and they need support. That is the pattern and, if we do not fund services correctly and fully, we will see these problems repeated generation after generation.

I thank my noble friend Lady Warwick of Undercliffe for a very clear and good exposition of the issues involved, particularly in county lines crime, and the fact that children are being exploited. I very much hope the Government will give a clear response to the points raised. It is a wide problem, but it is worth emphasising again that there is a specific issue of local services, both from councils and from community groups. It is a totally false economy to cut back support for this work with young people, because we pay a higher cost in the longer term. I ask the Minister to say something specifically about the support provided by public services and the community to support young people so that they do not fall into this cycle.

In my final minute, I want to say something about the police. We very much rely on the police to look after us, and that is right. That is why it was of particular concern to get the report from the noble

Baroness, Lady Casey. It seems that the Metropolitan Police is addressing these issues, and we need to recognise the good work it is doing. Last night the Met Excellence Awards showed the good side of what the police can do. We have to encourage that and root out the problems identified by the noble Baroness's interim report.

1.06 pm

Lord Brooke of Alverthorpe (Lab): My Lords, I express my gratitude to my noble friend Lord Snape for introducing this very important debate. I also welcome the Minister to his new role. I think it is going to be rather a bed of nails for him. My noble friend and I last worked together on the Select Committee on Crossrail, which after long delays is finally with us. The Minister who is now the new Home Secretary supervised a long delay. Let us hope he will not take so long in dealing with many of the issues confronting us today.

We have had a very important debate, covering a wide front—perhaps there is something there for us to reflect on when we come to address some of these fundamental issues. One thing that came through very clearly is the requirement for more money to be spent in this area. It behoves us to see how we can raise the money. Invariably, it will mean that taxes have to be found in one way or another, but I also share the view of the right reverend Prelate the Bishop of St Albans and the noble Lord, Lord Bird, that there ought to be more fundamental work done in shifting from dealing with the problems that arise in crime to looking at the fundamentals that cause crime in the first instance. That takes us back to really basic issues about the family and so on. Yes, poverty is a very big factor in dealing with this, but the other factor is the poverty of spirit that we now have in the country. We really ought to go back to some basics. Even though we were in poverty, people in my youth did not necessarily commit crime. Therefore, it is not solely an issue that stands on its own ground.

I am grateful to the Lords Library for providing us with an excellent, comprehensive briefing. I am also grateful to the Alcohol Health Alliance for the briefing it provided me on crime and alcohol. It will probably not surprise noble Lords that I will say a few words about the link between crime and alcohol. If I had more time, I could spend as much time on drugs as well, because these are two really major factors that cannot be ignored in the context of trying to find solutions.

Some 53% of police time on casework is spent on alcohol-related issues, in the widest possible sense. That is a very big amount of time. Serious violence is often linked in some way to alcohol. In more than a third of homicides, either the victim or the suspect has consumed alcohol prior to the incident. Alcohol-related violence accounts for two-fifths of all violence in England and Wales, and one in 10 people experiences alcohol-related anti-social behaviour every year. Evidence has demonstrated that the most deprived groups in our society bear this burden to the greatest extent.

Alcohol use can also increase the occurrence and severity of domestic violence, with approximately 1 in 3 victims reporting that the perpetrator was under the influence when they were attacked. Again, those in the

lowest socioeconomic groups experience up to 14 times as many incidents of alcohol-related domestic violence, compared to the least deprived.

As my noble friend Lord Snape reported, alcohol is often used to exploit children in the context of county lines. He talked about the county lines problem, and you often do find that there is an alcohol factor. Alcohol-use disorders are significantly more numerous within the prison population. Despite this, the number of those in alcohol and drug treatment in prison has steadily dropped in recent years, again because of a shortage of cash. Volunteer organisations are finding that because of shortages of prison staff, it is very difficult indeed to help people with alcohol and drug problems because they cannot gain entry as they used to and so, in turn, the voluntary services they can offer are not being made available on quite the previous scale. That is no fault of the prison officers. There are just not enough of them to provide the facilities required to admit people from outside.

In England, alcohol-related crime is estimated to cost £11.4 billion per year. Cuts and freezes to alcohol duty since 2012 are estimated to have led to more than 111,000 additional crimes in England. There has also been a large loss of revenue because of the Government's decision to freeze or cut those duties, although in fairness to the new Chancellor of the Exchequer, one good thing he has done is to reverse the previous Chancellor's decision to freeze duty on alcohol in the mini-Budget, which is a very welcome change.

With the right package, we can reduce alcohol-related harm by limiting the affordability and availability of alcohol. Two measures were recommended by the World Health Organization as two of the most effective and cost-effective interventions to reduce alcohol consumption and tackle alcohol-fuelled crime. The first is reducing affordability, which is directly linked to consumption levels. As with petrol, if you increase the price, less of it is used. Increase the price of alcohol and there is less consumption. There is much evidence to indicate that this works. We have minimum unit pricing in Scotland, and the Welsh Government have adopted it too. It is high time that the Government turned their attention to this.

In the absence of MUP, Ipswich pioneered "reducing the strength" schemes, reducing the strength of alcohol in the area. There was a very substantial gain in reducing the incidence of street drinking—a 23% reduction by persuading people to move from high-alcohol to lower-alcohol drinks. Anti-social behaviour went down, crime fell in stores and crime overall fell in the Ipswich area.

The second initiative is to reduce availability of alcohol. Why are we able to purchase alcohol all through the night at petrol stations? That invariably will cause trouble. It is not of benefit to society, so we hope again to look at that wide availability.

If I had the time I could speak at length on drugs. There is a fundamental link between alcohol and drugs and violent crime, burglaries and gang activity. Importantly, we now have the Government's 10-year drug strategy, which I welcome. It is time that they set up an inquiry to see whether we should have a similar strategy for alcohol, particularly in relation to crime and violence.

1.14 pm

Lord Paddick (LD): My Lords, I thank the noble Lord, Lord Snape, for the opportunity to debate these issues. It has been an interesting debate, with much of the focus being on policing and resources.

When I joined the Metropolitan Police, in 1976, sometimes it was very busy, you were rushing from one call to another, and it was difficult to empathise with the third burglary victim you visited that day. At other times, there was time to sit on a wall on a housing estate and talk to the skinheads and punk rockers—I am that old. However, not any more. Police are seriously under-resourced and overstretched. Difficult decisions had to be made to cut costs. It is unfortunate that we have not been able to hear from the noble Lord, Lord Hogan-Howe, about the very difficult decision that he had to make when he was Metropolitan Police Commissioner, in the light of those cuts. It is very easy for me to say that I would not have made the cuts that he did. I was not the commissioner at the time and so did not have the accounts.

The noble Lord, Lord Bach, talked about cuts during the coalition. Cuts were universal during that time, and we have seen the consequences of unfunded public spending. But, as the noble Lord said, the Conservative Government continued to cut after 2015, when the 2015 Liberal Democrat manifesto said that we wanted to increase public spending in line with economic growth.

Public trust and confidence in the police are essential. The significant reductions in—and, in places, almost total absence of—visible policing, with cuts in police community support officers, have not been restored by this Government. There has been decimation of frontline supervision. Putting a chief superintendent in charge of multiple London boroughs, given that I just about managed to effectively lead one London borough, Lambeth, as a commander—the equivalent of an assistant chief constable—illustrates why we have some of the current problems with the Met.

I fear that it has gone past unreasonable cuts to police budgets. There may now be a culture whereby cuts are used as an excuse not to provide the service the public requires and deserves—a policy-driven situation. Police officers on the front line want to give members of the public the service they deserve, but they are unable to. For example, there was a burglary at the block of flats where I live, and there was CCTV footage of the suspect. Nobody came, and the crime was written off within days. I spoke to a serving superintendent who said that many crimes that could have led to prosecutions are now being written off, rather than being investigated.

As the noble Baroness, Lady Donaghy, and the noble Lord, Lord Bird, have said, this is about the whole criminal justice system, not just the police. When I made an allegation of homophobic abuse, the police were great. It was a hate crime, to which they responded very positively. Then we went to court, my husband was a witness, and we were both treated as though we were the ones on trial—we were the ones in the dock. He is Norwegian, and he says that he would never give evidence in a British court again after the

way he was treated. The examples given by the noble Lord, Lord Austin of Dudley, are of course far more compelling.

We operate a system of policing by consent, and the support and co-operation of the public are essential to the police operating effectively. That means we have fewer police, unarmed police, who rely on the public being their eyes and ears and dialling 999 when they see something suspicious and giving evidence in court as witnesses, rather than large numbers of armed police officers acting without the active involvement of the public.

If the public do not like and do not trust the police, it is not just a PR disaster; it makes the police ineffective. We cannot have, and do not want, a police officer on every street corner, routinely armed—policing by force rather than by consent—but without the active support of the public, the current system fails.

I will comment briefly on the remarks of the noble Lord, Lord Davies of Brixton, talking about young people being seen not as criminals but as victims. When I was the police commander in charge of Brixton, I said that if you randomly stopped a young black man in Brixton, they were statistically far more likely to be a victim than a perpetrator of crime. Unfortunately, that was not the way a lot of officers treated them. That is why the report of the noble Baroness, Lady Casey, is so important. It is not just about what is morally right about political correctness: it is about treating everyone with dignity and respect, and the fundamental effectiveness of the police, by getting the public on their side.

The Government are clouding the crime figures, claiming that crime is falling, by ignoring the fact that criminals are increasingly moving online, committing telephone fraud by conning vulnerable people—many of them elderly—who can lose their life savings. They are not including these crimes in their publicity. They claim that crime is falling, but when you include online crime, it is actually increasing. But there is hope. The current Commissioner of the Metropolitan Police, Sir Mark Rowley, whom I do not know, seems determined to turn things around. Nationally, the police have committed to attending every burglary. In my opinion, either a forensic examiner or a police officer should attend, but only if it is necessary should they both attend.

As the right reverend Prelate the Bishop of St Albans said, the issues of gang violence and knife crime are complex and deep-seated. Restoring a visible police presence may at least stop the vulnerable from carrying knives for their own protection, but only if they believe that the police will be there to protect them, whatever the colour of their skin.

Concerning gangs—here we go, I am going to be controversial—drug law reform needs to be seriously looked at, to take drug dealing out of the hands of criminals and put illegal drug dealers out of business. The two main political parties in this country need to get over the ideological aversion to serious drug law reform. People are dying: from knife crime, from drug misuse and from overdose—including a former partner of mine—because of ideology.

As the noble Baroness, Lady Warwick of Undercliffe, said, county lines is child criminal exploitation, and the victims of that exploitation need to be treated as such. As the noble Lord, Lord Brooke of Alverthorpe, has again reminded us, alcohol misuse is an even bigger problem in terms of the damage that it causes and the drain on police resources.

Not only has the Conservative Party lost the confidence of the public for financial competence; it can no longer claim to be the party of law and order.

1.23 pm

Lord Coaker (Lab): My Lords, it is a great privilege to take part in the debate. I congratulate my noble friend Lord Snape on introducing this incredibly important topic which we discuss here today, and also so many members of your Lordships' House, who have made really important statements and contributions to this debate.

I will start by saying that the statistics tell us to an extent what is going on, but every statistic is about an individual, a family, a community. I think of the point that the noble Lord, Lord Bird, reminded us of: many of those individuals live in incredibly difficult circumstances of poverty et cetera. Those are never an excuse for a criminal act but are something that we ought to understand. I think that the noble Baroness, Lady Warwick, in her contribution, pointed out that it is not only the police but the youth services and all the other services that people depend on that actually matter. Homelessness and housing are clearly one of those as well.

Let us remind ourselves: just over the last few weeks, we have read of horrific crimes. Just a few weeks ago, a nine year-old girl was hideously killed in Liverpool. In the summer, an 87 year-old pensioner was killed in Greenford. Another nine year-old was killed in Lincolnshire. There are regular murders on our streets: as the noble Lord, Lord Snape, pointed out, over 700 homicides last year. I would point out that, whether the statistics are going up or down, that is an awful lot of crime, and violent crime, that is taking place.

I ask the Minister: it would be helpful to know what the actual figures are. It is not helpful that the Office for National Statistics says one thing and the police recorded crime figures say another—which is why I say that violent crime is too high however you measure it. That is the real issue.

My father was a police officer. He was not in the Metropolitan Police when the noble Lord, Lord Hogan-Howe, was commissioner: it was before then. It was a long time ago. But I know, as the son of a police officer, that he said it was important that, whatever the level of crime, you treat every single crime as the most important crime. That is the point. We can argue about statistics and get carried away with them, but it is actually the crime itself which is important.

The noble Baroness, Lady Warwick, and I think the noble Lord, Lord Bach, and others, mentioned the county lines phenomenon. Let me give one statistic that I think should shock us all: 27,000 children are involved in county lines, according to the Children's

Commissioner, some of them under the age of 10. That is an absolute disgrace, and something that this Parliament and our country should be jumping up and down about: that criminal gangs are exploiting children, some as young as eight, in county lines. You can argue why that is, and what has happened, but it should be a priority for any Home Office Minister or Home Secretary to do something about it.

In too many communities, that happens, and it seems that we fail to tackle it. As the noble Lord, Lord Bach, pointed out, however many police officers have been recruited now, what we need to know is whether they are simply replacing the thousands of police officers that were cut and the neighbourhood policing teams that were slashed, or are we actually seeing an increase in the numbers of officers on our streets?

Let me just ask the Minister some specific questions. Can the Minister tell us what the latest police recorded crime figures for this year are for gun and knife crime? Despite the recent announcements by police chiefs, over the last three years a burglary was reported in 21,000 neighbourhoods in England and Wales, but in 17,000 of those areas, not a single burglary was solved. How will the Government ensure that the recent announcement by police chiefs that a police officer will visit the victim of a burglary is followed through, and that that shocking statistic, which was unearthed recently, will not be repeated in the future?

Is it not true that rape and sexual offences are at a record high, with a woman who is raped having only a one in 77 chance of seeing her attacker prosecuted? Is it not true that police forces are now solving only 6% of reported crimes, down from 15.5% six years ago? How many cases of violent crime are waiting to go to court? There are 58,000 cases waiting to go in front of a judge and jury. The average delay between a crime and verdict is nearly 15 months. How will that reduce violent crime, and why is that not a priority for the Government to solve?

The Government have published their crime plan, because it does not have to be like this. Poverty needs to be tackled, youth services need to be improved, local government needs to be given the money it needs to deliver the services people require, and police numbers need to be dramatically increased with the restoration of neighbourhood policing.

The majority of violent crimes are committed by a small number of offenders, as the noble Lord, Lord Hogan-Howe, would be able to point out. How are the Government targeting the offenders who offend again and again to give communities a rest from them but also to give them a chance of preventing their reoffending? My noble friend Lord Davies and others have talked about mental health.

The majority of violent crime takes place in a limited number of hotspots across the country. What are the Government doing to tackle those hotspots of violent crime, where—whatever the level of poverty among the families and communities, to be fair to them—the victims of violent crime are nearly always other people within that neighbourhood? What are the police doing about that?

[LORD COAKER]

I want to make an important point to the Minister. It has been demonstrated that the argument that if you push down on hotspots then they occur somewhere else is not true. The evidence does not point to that. If you tackle violence in an area, you reduce violence overall, and that is what has to happen. Can the Minister give us an update on that?

There is no doubt that the Government's crime plan says that they are going to take action. I say to the Minister that there are a number of particular things that they need to do: the restoration of local government services and youth services; the restoration of neighbourhood policing; targeting particular individuals who perpetrate the majority of offences and concentrating on those offenders; and targeting hotspots. If we were to do that, we could make a real difference.

I said to the Minister that I would cut my remarks short to give him time to respond. The fact is that it is violent crime, crime on the individual such as burglary, that people fear most. What people want to know, and what the Government should push, is that if people report a crime they will be visited by an officer and it will be taken seriously. In that way, we can push down crime wherever and whenever it occurs. We cannot have a situation, whether it is serious crime or less serious crime, where the response to too many people is, "You can have a crime number". We will not get rid of or reduce crime if that is the response. I do not believe that is what the police want. The first thing we should say to the police is that where a crime occurs we should investigate it, try to find who the perpetrators are and put them before the courts.

1.32 pm

The Parliamentary Under-Secretary of State, Home Office (Lord Sharpe of Epsom) (Con): My Lords, I thank the noble Lord, Lord Snape, for securing this debate and I am grateful to all noble Lords who have participated in it. Tackling crime is a key priority for any Government. As set out in our *Beating Crime Plan*, we are particularly determined to see reductions in homicide, serious violence and neighbourhood crime. These offences strike at our sense of security in our homes, on our streets and in our country, which is why combating them forms a key part of our *Beating Crime Plan*.

As the noble Lord, Lord Paddick, noted, at the heart of efforts to reduce crime will always be the police. I pay tribute to the work of the many dedicated police officers who do the difficult and sometimes dangerous job of keeping our communities safe, day in and day out. I note the comments of the noble Lord, Lord Snape, about police morale but, as an ex-policeman myself, joined on the Front Bench today by my noble friend Lord Davies of Gower, another ex-policeman, we can say categorically that morale is affected by many factors, internal and external.

I detected a degree of gang activity on the Opposition Benches when it came to members of the Government. I will not engage with all of it. I am afraid I will not apologise to the noble Lord, Lord Bach. I appreciate that the speech by the noble Lord, Lord Bird, was passionately delivered, and I will make

sure that the Ministry of Justice is alerted to his contribution in *Hansard*. I say to the noble Lord, Lord Brooke, that I will visit a petrol station after I have given this speech.

We need to make sure the police service is properly supported and resourced. That is why the Government set a target to recruit an additional 20,000 police officers across England and Wales through the police uplift programme by March 2023. These are new posts. We are on track to succeed: as at 30 June 2022, 13,790 additional officers had been recruited. To the right reverend Prelate's point, we are actually better than half way.

It is worth remembering that, as the noble Lord, Lord Paddick, pointed out, the nature of crime has changed and moved, as have our times. If this descended into a debate solely about numbers, we would not be taking into account technology, tactics and all the rest of the factors that go into effective policing.

I turn to some of the specific crime types that are referenced in the title of this debate and that noble Lords have discussed in their contributions today. The Government are determined to reduce serious violence and bear down on violent criminal street gangs. We are pursuing a robust twin-track approach that combines tough enforcement with measures to prevent young people becoming involved in the first place. I will talk to this strategy more in a moment, but first I shall outline the data. I accept the points made by the noble Lord, Lord Coaker, about data; it can of course be used in many ways. He asked me a number of detailed questions about data. I will write to him on all those, because I simply do not have time to address them all. I hope that is acceptable.

I start with serious youth violence. I remember that behind these numbers and percentages, which are of course very dry, there are real people; I am not forgetting that. Serious youth violence, as measured by hospital admissions among under-25s for assault by a sharp object, is falling. In the year ending June 2022 it had fallen by 11% across England compared with the year ending June 2021. We know that those figures, as with all crime, have been affected by the pandemic, and we are not complacent in our efforts to continue to do all we can to reduce violence.

I noted the comments from the noble Baroness, Lady Donaghy, about the surgeon in Peckham, and I commend his efforts. I am afraid she rather lost me at the PM's pension; I will not go into that. I also noted and was moved by the comments from the noble Lord, Lord Austin, about Dea-John Reid. Obviously, my thoughts and prayers are with his family. That is an appalling set of circumstances and I will investigate a little more.

To go back to the serious violence and gang situation, the Government have made £130 million available this financial year, 2022-23, building on similar levels of investment in previous years, to tackle serious violence including murder and knife crime. This includes £64 million for our network of 20 violence reduction units, which are delivering a range of early-intervention and prevention programmes to divert people away from a life of crime, and £30 million for Grip, a police programme that—to the point made by the noble

Lord, Lord Coaker—uses a highly data-driven process to identify violence hotspots, often to individual street level, and target operational activity in those areas.

I shall give the noble Lord one specific example of how this works. In a hotspot policing pilot in Southend-on-Sea in Essex, which has recently adopted Grip, a 30% reduction in serious violence on days when patrols took place compared with days when they did not was noted. As he rightly points out, the activity was not displaced. VRUs and targeted police enforcement programmes have prevented an estimated 49,000 violent offences in their first two years of activity.

The noble Lord, Lord Snape, specifically asked me about the West Midlands. It has had £16 million devoted to this programme since 2019, and £5.9 million this year. Its VRU is projected to support more than 21,000 young people in the region next year. The West Midlands is also very active in Grip.

We are determined to do more and to strengthen our response, including in the prevention space, which is why we have invested £200 million through our 10-year youth endowment fund to test and evaluate what works in reducing violence. Next year we will commence the serious violence duty, which will require specified agencies across England and Wales to work together collaboratively, share data and information, and put in place a strategy to prevent and reduce serious violence within their local area.

We will also pilot serious violence reduction orders, which will provide the police with the power to stop and search adults already convicted of knife or offensive weapons offences. Serious violence, as has been noted across the House, destroys lives, shatters families and plagues our communities. The Government remain wholly committed to confronting these crimes wherever and whenever they occur.

The noble Lords, Lord Snape and Lord Coaker, both referred to the homicide figures. The figures in England have remained relatively stable in recent years. That is not an endorsement, I have to say; I still think they are shockingly high. There were 710 homicides in the year to March 2022, while in the year to March 2020 there were 714. Obviously there was a decrease in homicide in the lockdown year.

I turn to county lines gangs, which were noted, movingly, by the noble Baroness, Lady Warwick of Undercliffe—I share her opinion on and outrage about child exploitation—and to which the noble Lord, Lord Davies of Brixton, also referred. They are driving crime across the country, not just by supplying illicit drugs but by perpetrating violence and exploiting the most vulnerable and, in some cases, the very young. Cracking down on this pernicious, poisonous threat is an obvious priority. The Government have a 10-year drugs strategy to save lives and cut crime. We have committed to investing up to £145 million to bolster our flagship county lines programme. The programme has provided targeted investment in those areas with the greatest county lines threat, with dedicated task forces in four key areas—London, Merseyside, the West Midlands and Greater Manchester—but county lines affect all forces, which is why we also established the National County Lines Coordination Centre to co-ordinate a national law enforcement response.

We are bringing the full force of our law enforcement capability to bear in tackling this issue, but we recognise that a wider system response is needed to support those vulnerable individuals being exploited by these gangs. That is why, through the programme, we are investing up to £5 million over the next three years to provide specialist support to victims of county lines exploitation, and their families. From the start of the programme in 2019 until April this year, the police have closed more than 2,400 lines. That includes 8,000 arrests and more than 9,500 individuals engaged through safeguarding interventions. Since April 2022, the programme has delivered a further 500 line closures, bringing the total line closures since the programme was launched in November 2019 to 2,900. It is a move in the right direction, but these gangs are resilient. We are not, and will not be, complacent, so we will continue to target county lines relentlessly, persistently closing them and putting those responsible behind bars.

The right reverend Prelate the Bishop of St Albans made a very good point when he reiterated how important civil society is. Much of that is down to local authorities and activities in local areas, but the Supporting Families programme has helped thousands of families across England—162,000 this year alone—through a whole-family approach.

Before I get on to the thorny subject of burglary, the noble Lord, Lord Snape, suggested that the Government are blaming the Mayor of London for the state of play in London. Rather than repeating what I said yesterday in answering the Question asked by my noble friend Lord Lexden about the report by the noble Baroness, Lady Casey, I refer him to *Hansard* where I endeavoured—I am afraid it is quite boring—to describe the split of accountability and responsibility as it exists in London. We can debate whether it is the right split, but it exists.

As many noble Lords have pointed out, burglary is a particularly harmful crime. The feeling that your own home, which should be a place of safety, has been invaded and your possessions rifled through is distressing and disconcerting. The impact on victims and wider communities can be profound. It is therefore right that proper priority is given to tackling burglary. Of course, primary responsibility for this, as it does for any crime, rests with police forces which are accountable to locally elected police and crime commissioners. It is therefore worrying that in a report published only two months ago, the independent His Majesty's Inspectorate of Constabulary and Fire & Rescue Services noted that when it comes to tackling burglary and robbery

“too often there is a failure to get the basics of investigation and prevention right.”

I know this is something that the leadership of the police service is very concerned about, and we will continue to work with the police to ensure that they do get the basics right. This is a top priority for the Home Secretary.

Providing reassurance to victims and making sure that evidential leads are followed up is a key part of this. We were therefore very pleased when, just two weeks ago, the head of the National Police Chiefs' Council and the chief executive of the College of Policing confirmed that chief constables and

[LORD SHARPE OF EPSOM]
commissioners in England and Wales had collectively agreed that we should have police attendance at all home burglaries. I want to be clear that the Government are playing their part. As well as the police uplift programme, we have invested £120 million over the past three years in our flagship Safer Streets programme, which is supporting a range of crime prevention measures, including practical measures such as improved home security, street lighting and CCTV. According to the most recent statistics covering the year to March 2022—I appreciate what we have been discussing about statistics—burglary, as recorded by the Office for National Statistics’ Crime Survey for England and Wales, has fallen by 23% compared with the year ending December 2019. Of course, that number was recorded during the pandemic and showed a dramatic 27% decline, but I should note that as lockdown restrictions have eased police have recorded residential burglaries starting to increase a little. The figure for December 2021 was 11% higher than the figure for March 2021, but volumes remain substantially lower than pre pandemic.

The focus on preventing crime, including burglaries, sits across government. One core strand of this is our ambitious whole-of-government drugs strategy, which will drive down the burglary committed by those with a dependence on opiates and crack cocaine, who are responsible for almost half of all acquisitive crime, but I take note of the comments of the noble Lord, Lord Brooke, about alcohol. Evidence shows that drug treatment can have an immediate and sustained impact in reducing offending, which is why the Government have committed to expanding and improving treatment and wider support to tackle drug-related offending, which blights communities across the country.

I have had a go at answering all the questions. This has been a very worthwhile debate, and I reiterate my thanks to all who have participated. There is much that all noble Lords who have spoken have agreed on. Crime has a profound effect on victims and the communities where they live, and it is vital that we do everything we can to tackle it. As I have emphasised, this Government are committed to bringing down crime, and I have set out some of the many measures that we, working with colleagues in the police and across the criminal justice system, are taking to achieve that result. Our message is clear: we will not stand by while decent, law-abiding people suffer at the hands of criminals. We will support and empower the police to fight crime in all its guises, and we will use every available tool and resource to keep the public safe.

Baroness Warwick of Undercliffe (Lab): My Lords, before the Minister sits down, could he address the point I raised about the legal definition of child criminal exploitation?

Lord Sharpe of Epsom (Con): I am afraid I will have to disappoint the noble Baroness regarding the legal definition, but what I can say is that the data picture for group-based child sexual exploitation is currently poor. However, the Government are improving data quality in policing to support this. We are funding the Tackling Organised Exploitation programme, as well as regional abuse and exploitation analysts in every

policing region, to develop enhanced intelligence about all forms of this. I appreciate that that does not answer the noble Baroness’s question, and if I may, I will write to her with a more enhanced answer.

Lord Snape (Lab): My Lords, in view of the somewhat unusual circumstances going on in Downing Street, may I draw this debate to a conclusion by thanking all noble Lords who have taken part?

Motion agreed.

Departure of the Previous Home Secretary *Commons Urgent Question*

1.47 pm

The Earl of Courtown (Con): My Lords, the answer to the Urgent Question is as follows:

“I am sure that the right honourable Member is aware that breaches of the Ministerial Code are a matter for the Cabinet Office, not the Home Office, and that is why I, not the Home Secretary, am here to answer the Urgent Question. The Prime Minister took advice from the Cabinet Secretary, as we saw from her letter, and she is clear that it is important that the Ministerial Code is upheld and Cabinet responsibility is respected. The Prime Minister expects Ministers to uphold the highest standards. We have seen her act consistently in that regard.

These were breaches of the code. The Prime Minister expects her Ministers to uphold the Ministerial Code, as the public also rightly expect, and she took the requisite advice from the Cabinet Secretary before taking the decision.

I am mindful that it is not usual policy to comment in detail on such matters, but, if some background would be helpful—I appreciate that much of this is already in the public domain—the documents in question contained draft government policy, which remained subject to Cabinet Committee agreement. Having such documents on a personal email account and sharing them outside of government constituted clear breaches of the code—under sections 2.14 and 2.3, if that is helpful to look at. The Prime Minister is clear that the security of government business is paramount, as is Cabinet responsibility, and Ministers must be held to the highest standards.”

1.49 pm

Baroness Smith of Basildon (Lab): My Lords, I am grateful to the noble Earl for repeating the earlier statement about the crisis in government. I had intended to ask a number of questions about the resignation or sacking of the Home Secretary and, indeed, ask whether he could say anything more about the resignation or sacking of the Chancellor of the Exchequer. We have had one of the shortest-serving Chancellors of the Exchequer in history, the shortest-serving Home Secretary ever and now, as we were sitting in the Chamber waiting for the statement, the Prime Minister has announced her resignation.

What an utter shambles this Government are. Crisis after crisis is heaped on this Government and yet, who is paying the price for that? It is the people of this country, who are seeing food prices go up and increased fuel bills, and they do not know what is happening to

their mortgage payments. The Government think the answer to all this is to reshuffle the deck chairs on the “Titanic”. Perhaps the noble Earl is answering questions today because he is the only member of the Government left. This is not a game of pass the parcel, whereby the office of Prime Minister is in the personal gift of the Conservative Party, which can keep passing it on like it is Buggins’s turn. That is not how it works.

I said yesterday at the Dispatch Box on another issue that the Prime Minister’s job is one of the most important in the country. It is a job that brings enormous responsibility, particularly when the country is in such a state. This Government now have no mandate to govern. Replacing the top person with another top person who has been around the Cabinet table for all the years that have led to this crisis will not address it. The next Prime Minister who serves this country needs to have the consent of the British people. It is a straightforward issue: no Government should be able to govern without consent.

This morning I did an interview on BBC Essex with a very articulate and distressed member of the Conservative Party and a Liberal Democrat. The lady from the Conservative Party came on to defend the Government and say that there should not be a general election. She had changed her mind overnight after the shenanigans in the other place. So, there are a number of questions to be asked about the resignation of the Home Secretary, but there is a greater and more fundamental question that the Government need to address as a matter of urgency. There is no mandate for this Government any longer. It is not just a case of taking one person from the top and putting in someone else. Each time we have seen the change, there has been a fundamental shift in policy. This is not what the people of this country voted for. It is time for the Government to seek a mandate, move over and let somebody else run the country who can do it better.

The Earl of Courtown (Con): My Lords, I note what the noble Baroness has to say on various issues that are not really relevant to this exact Urgent Question. She mentioned the situation relating to the former Home Secretary and the former Chancellor of the Exchequer. The fact is that it was clear that there was a breach in Cabinet confidentiality and a breach of the Ministerial Code. This was accepted by my right honourable friend the former Home Secretary, who immediately resigned. As far as my right honourable friend the former Chancellor of the Exchequer is concerned, as noble Lords know, the Prime Minister can request a resignation for any number of reasons. Details of the former Chancellor’s resignation were shared in the exchange of letters last Friday. These are different cases with different causes.

Lord Paddick (LD): My Lords, it is blindingly obvious from the former Home Secretary’s resignation letter that the underlying reasons for her departure from the Government were fundamental disagreements within Cabinet on fundamental policy issues. How can the Conservative Party continue when even members of the Cabinet are fighting each other? Now that two Prime Ministers have resigned, how can this Government continue to treat the electorate with contempt by

refusing to call a general election? When will Conservative MPs do their patriotic duty, put country before party and trigger a general election?

The Earl of Courtown (Con): My Lords, I am afraid I will make the same comment that I made in answer to the noble Baroness, Lady Smith of Basildon, on the relevance of that to the Urgent Question but I note what the noble Lord has said.

Viscount Stansgate (Lab): My Lords, first, I agree with everything that my noble friend the shadow Leader of the House said. Secondly, although it is water under the bridge, if I may ask about the actual Statement, I understand the point made that there was a breach of the Ministerial Code but can the noble Earl tell the House exactly how this came to light?

The Earl of Courtown (Con): My Lords, as I understand the situation, my right honourable friend the former Home Secretary shared a document with somebody outside government and realised her error. I also understand that another individual was copied in on her email and brought it to the attention of the powers that be.

Lord Cormack (Con): My Lords, can my noble friend assure me that there will be a full Statement in your Lordships’ House on Monday? I feel very sorry for him. He is not in a position to give details and always behaves with impeccable courtesy to the House. But we need a full a Statement on Monday, coupled with an assurance that the choice of the leader of the Conservative Party in another place will be taken by the Members of the other place and nobody else. The absurd election procedure we went through recently did infinite damage to the country and to the reputation of democracy in general. It is important that this is resolved; it is then of course up to the new Prime Minister to take into account the points made from the Opposition Benches this afternoon.

The Earl of Courtown (Con): My Lords, my noble friend Lord Cormack asks whether a Statement could be made on Monday. Of course, I cannot promise that. I am sure that if there is anything that the House is required to be aware of at some stage, it will be informed of such. I will pass on those comments to my noble friend the Chief Whip. My noble friend also talked about the election of a new leader of the Conservative Party; that is, of course, up to others and is more of an internal matter.

Lord Snape (Lab): My Lords, if a Prime Minister resigns on a Thursday afternoon, why does this House have to wait until Monday for a Statement from the Dispatch Box? Who is running this ship for the next three days?

The Earl of Courtown (Con): My Lords, the noble Lord, Lord Snape, asks who is running the ship. My right honourable friend the Prime Minister stays in post as Prime Minister at present and the House will be made aware of any information that it should be made aware of in due time.

Lord Judge (CB): My Lords, to be politically neutral, I have a question of a different kind. I do not want to diminish what has been said, but we are going to have a new Prime Minister and then another, and then maybe an election and another Prime Minister. There could be a whole series of Prime Ministers. Can we go back to the question of the Ministerial Code and take this opportunity to have a look at the extent to which the Prime Minister of the day is in charge of that code and its enforcement?

The Earl of Courtown (Con): I thank the noble and learned Lord, Lord Judge, for his comments. He makes some very valid points and I will of course pass them on to the relevant Minister in the Cabinet Office.

Lord Russell of Liverpool (CB): My Lords, perhaps I may ask two brief questions. First, and this is directed not just to the Minister but to members of his party, if they have not done so, will they consider looking at the video of Sir Charles Walker, which is on BBC News at the moment, talking about the current state of his party and some of the people who have risen well above their pay grade? Perhaps they might look at it and consider it carefully. Secondly, may I have some advice? I am coming in tomorrow morning as part of a “Learn with the Lords” session to speak to no fewer than four schools. I would be grateful for any suggestions as to the sort of answers I might give to some of the questions I might receive.

The Earl of Courtown (Con): The noble Lord, Lord Russell, has been in the House for some years. He will be very much aware of the great work their Lordships do on the scrutiny of legislation, debating issues and holding the Executive to account. So I will not be able to tell the noble Lord how he should respond to this group of schoolchildren but I am sure he will do it very well.

As for the matter relating to my honourable friend Sir Charles Walker, I am sure many people have viewed that video because I think it is on social media.

Net-zero Emissions: Behaviour Change

Question for Short Debate

2 pm

Asked by The Lord Bishop of Oxford

To ask His Majesty’s Government what steps they will take to support behaviour change as part of the pathway to net zero emissions.

The Lord Bishop of Oxford: My Lords, I appreciate the time given to this debate, despite all that is happening elsewhere in Westminster today. We face many challenging issues as a country and a world, but none is more serious than climate change and the environmental crisis. The context of our debate is the real prospect of global heating of more than 1.5 degrees by the middle of the century, with escalating extreme weather events in the UK and across the world, rising sea levels, devastating fires and floods, significant loss of life and damage to infrastructure, wars over scarce resources,

shifting patterns of harvest, an increase in zoonotic disease and a massive displacement of people as large parts of the earth become uninhabitable.

Your Lordships may well have seen the final episode this week of BBC documentary “Frozen Planet II”, detailing the effects of global warming on people and wildlife. The most sinister pictures for me were of the small bubbles of trapped methane being released in great quantities from the permafrost, with devastating consequences for the earth.

It is a privilege to be a member of your Lordships’ Select Committee on the Environment and Climate Change under the able leadership of the noble Baroness, Lady Parminter. Last week we published our first major report, *In Our Hands: Behaviour Change for Climate and Environmental Goals*, which I commend to the House. My questions to the Government are based on the report’s findings.

The world is agreed that to avert disaster in our lifetimes we need to reach net zero by 2050 or before. That means radical action in this decade and the next. The committee agreed with the Committee on Climate Change that behaviour change is a key element in that journey. Around 32% of the change needed involves some kind of behaviour change. This includes the adoption of new technology and changing habits and practices around diet, transport, heating and consumption. Each of these behaviour changes has significant co-benefits and all have potential economic benefits. They are essential stepping stones on the path to net zero.

Responding to climate change is a challenge for all of us—every individual and family, every charity, every church and faith community, local government and business. The Church of England has an aspiration to reach net zero by 2030. In my own diocese we are encouraging every church to become an eco-congregation and to be a community of change. We initially set aside £10 million, over three years, to begin to insulate more than 400 vicarages across the diocese. All the different agencies must work together, but to do that means common policies and clear leadership.

I believe, personally, that our Government have given imaginative and committed leadership in the area of climate and the environment, including at COP 26 and in the recent Environment Act. The Government have also acknowledged the need for behaviour change across the board. We must all play our part. It is helpful to see government commitments to behaviour change summarised in the Library briefing for this debate. To give one example, the Minister said in your Lordships’ House last year that the Government wanted,

“to make it easier and more affordable for people to shift towards a more sustainable lifestyle while at the same time maintaining freedom of choice and fairness”.—[*Official Report*, 16/09/21; col. 1571.]

The committee takes a broadly similar view. We know that the public are looking for stronger leadership from the Government in this area. Some 85% of the general public are concerned or very concerned about climate change, double the number from 2016. However, the committee found a very significant gap between what the Government want to do and the leadership actually being offered. There are significant gaps in

understanding the challenge from department to department. There is too little joined-up thinking and policy. There are quick wins not being adopted. There are massive areas for development and new policy, particularly around domestic heating, which is the subject of our next inquiry. The leadership and committee structures within government are opaque. There is a lack of expertise and knowledge within government. There has been no real attempt at public information and engagement campaigns. Confusion and discord over public guidance on energy-saving tips for this winter have been reported in just the last week. The party leadership debate that we had over the summer raised real questions about the new Government's commitment to net zero, which were being worked through yesterday in the other place.

Our report offers a set of recommendations to the Government in this area of leadership. Other speakers will no doubt have other questions to the Minister on other aims. Can the Minister reassure us that the Government will take these concerns and questions seriously and will put real energy, creativity and determination into the process of supporting behaviour change into the future and as a matter of great urgency?

2.06 pm

Lord Frost (Con): My Lords, I thank the right reverend Prelate, the Government and the Minister for proposing and enabling this debate today. It is an extremely important subject. I also thank the noble Baroness, Lady Parminter, for her committee's report on this subject, as has been mentioned.

We all agree, I think, that decarbonisation is a very desirable goal, but that aspiration is different from the specific net-zero 2050 policy. That target was essentially invented by the Climate Change Committee in 2019, passed through secondary legislation in this Parliament with limited debate and, since then, has been creating radical change to the economic structure of this country. My own party is just as much to blame for this situation—possibly even more so—as the parties of noble Lords opposite.

To be fair to the Climate Change Committee, it correctly stated in 2019 that there would need to be policy change to deliver this goal. It specifically mentioned decarbonisation of industry, the grid, insulation, renewables, boilers, carbon capture and storage, and so on. Now, however, we find, first, that all these technical measures are extremely expensive to install; secondly, they make energy and normal life very expensive for people; and, thirdly, they are increasing the unreliability of the energy sector, worsened by the destruction of energy supply that is actually reliable and by the addition of too many renewables that destabilise the grid.

We see a situation where the technology does not deliver the goal or aspiration by 2050 and behavioural change is beginning to fill that gap, which I find somewhat troubling. I will make three remarks. First, "behavioural change" is a nice phrase, but let us look at what it actually means: it means making it harder for people to do things that they would otherwise choose to do. One of the Government's slogans is:

"Make the green choice affordable".

Another way of putting that is: subsidise substandard and ineffective technologies, chosen politically by government, which people would not choose to use otherwise. Behavioural change, then, reduces human welfare, making people do things that they do not want to do, rather than things they do.

Secondly, if we take the phrase at face value, behavioural change should be voluntary. It means encouraging or nudging, but it often feels as though that is not what is being described. In 2021, the Climate Change Committee said:

"Behaviour change ... comes through consumer adoption of low-carbon technologies such as electric cars".

You do not get any choice about that: from 2030, you have to buy an electric car. That is not nudging but compulsion. The same is true for heat pumps from 2025 and closing roads for cyclists—it is all compulsion.

The same is true of the aspiration to learn from the pandemic set out in the committee's report, from which I note my noble friend Lord Lilley wisely dissented. Yes, behavioural change was encouraged during the pandemic, but the key aims were achieved by legal compulsion: making it illegal to leave your home and meet people, and fining you if you did so. That is not nudging but simple compulsion, and if people mean legal compulsion, they should say it.

Finally, we are already in a society where far too much is governed by politics, which is too much in every sphere of everyday life. I worry that behavioural change and climate measures are shrinking the private space of individuals. They turn every decision—every time you go to the supermarket or travel—into a political act, which is a bad thing for society. Free societies should have large spaces where there is free choice.

I conclude by urging the Government on this. They have done quite enough encouragement of behavioural change as it is; there is no need for more. The right way to the decarbonisation goal is on the supply side. Provide the energy that people need but do not tell them not to use it. The right way forward is from natural gas to nuclear, with renewables at the margin, and investment in new technology—batteries and hydrogen—so that we have the low-carbon power that a modern industrial society needs. That is the way forward.

2.11 pm

Lord Browne of Ladyton (Lab): My Lords, I am also a member of the Environment and Climate Change Committee, and I congratulate the right reverend Prelate the Bishop of Oxford on securing this extremely timely debate so soon after the publication of our committee's report on the importance of changes to people's behaviour, by which I mean the importance of securing changes to our behaviour to achieve the legal target of net zero by 2050. I also congratulate the right reverend Prelate on his excellent opening remarks, which set the scene and tone for the debate well.

The Question tabled underlay much of the proceedings of our committee's inquiry. Helped by the last contribution, this short debate centres on whether the Government have a role to play in encouraging change that will contribute to a lessening of our emissions. It

[LORD BROWNE OF LADYTON]

also centres on what that that role is and whether such initiatives are, in themselves, unreasonably restrictive, nannying, bossy or any other word plucked from the Rolodex of adjectives employed reflexively by those ideologically suspicious of any attempt by the state to engage in any way with individual freedom of choice. Lastly, it centres on whether such behaviour change will make a substantive contribution to smoothing our path to net zero.

In conducting this inquiry, the Select Committee heard evidence from across government, industry and the third sector, but I was particularly struck by the evidence we received from former members of the Climate Assembly. Like the vast majority of witnesses, they made it clear in their testimony that the public supported behaviour change and that they were looking for greater government leadership to make it happen. It is unfortunate that the pandemic eclipsed the report's release in September 2020 and that it consequently gained rather less public traction than its contents deserve. It makes clear that the participants in the assembly regarded cross-party co-operation as essential, that government has a significant educative function in mobilising public consent for the changes needed and that the deliberative process involved in the assembly had motivated each of them to make changes in their individual consumer choices designed to minimise their environmental impact. This is perhaps the best evidence we heard of the effect that education and knowledge can have in prompting individuals to make decisions for the collective good.

To address the concerns of those who feel that the cause of net zero is being hijacked by a group who wish us to regress to some kind of pre-industrial world, I gently point out that at no point in the 550 pages of the assembly's report is any mention made of abolishing industry, travel and the edifice of post-modern capitalism and returning to some prelapsarian world structured around our circadian rhythms. The citizens' assembly on climate change was not constrained by moderating voices from inside or, much more importantly, outside government, which allowed it to apply the common sense that led it to balance the demands of business and individuals, supply chains and customers, and individual choice and broader social goods in its deliberations.

Our report takes the same approach. Led by the evidence, we concluded, as we record in the summary:

"People want to know how to play their part in tackling climate change and environmental damage, and the Government is in a unique position to guide the public in changing their behaviours. The Government should provide clarity to individuals about the changes we need to make, in how we travel, what we eat and buy, and how we use energy at home, and should articulate the many co-benefits to health and wellbeing of taking those steps. A public engagement strategy, both to communicate a national narrative and build support for getting to net zero, is urgently required. Behavioural science evidence and best practice show that a combination of policy levers, including regulation and fiscal incentives, must be used by Government, alongside clear communication, as part of a joined-up approach to overcome the barriers to making low-carbon choices. A behavioural lens must be applied consistently—

and this is the important one—

"across all government departments, as too many policies ... are still encouraging high carbon and low nature choices."

To address the concerns of those who feel that the cause of net zero is being hijacked by those who wish that regression, I encourage them—including, with respect, the noble Lord, Lord Frost—to actually read both reports before levelling these groundless accusations.

In short, the role the public wish the Government to play is that of an enabler, not an enforcer. Both the assembly's report and ours are clear that it and we do not wish this—or any future Government—to remove the power of decision-making from individuals. We want them to fashion a context in which the gap between ethical and practical decision-making is closed. For those who wish to preserve individual liberty, including the noble Lord, surely a context within which people can make the decisions they wish to make, on an ethical basis rather than by purely practical considerations, is desirable.

2.16 pm

Baroness Sheehan (LD): My Lords, I start by acknowledging the report, *In Our Hands: Behaviour Change for Climate and Environmental Goals*, produced by the Environment and Climate Change Committee, chaired by my noble friend Lady Parminter. I also thank the right reverend Prelate the Bishop of Oxford, who, by tabling this debate, has given us an early opportunity to address the crucial role of behaviour change in meeting our net-zero targets—a debate I was hoping would be informed by hard evidence, experience and sound judgment. The future of our planet deserves no less.

That we are in a climate emergency is borne out by hard evidence—the evidence of our own eyes and the experience of those who are already feeling the catastrophic impact of extreme weather events and slow-onset effects such as the depletion of nature and the rise in sea temperatures. I think that a sentence or two here on the evidence for the need for urgent action would not go amiss, given that we still have parliamentarians who deny that climate change is real, that immediate action is necessary and indeed that the public even want change.

There can be few harder indicators of the damage we are doing to our planet than the monthly measure of the concentration of carbon dioxide in the atmosphere carried out by the Mauna Loa Observatory. The annual peak in May this year was the highest ever, at 422 parts per million of carbon dioxide. In the preceding 800,000 years for which we have ice core data, concentrations have ranged between 170 parts per million to a peak of 300 parts per million. To put this into context, over the mere 150 years since the start of the fossil fuel era, carbon dioxide concentration has rocketed from about 200 parts per million to the 422 parts per million we see today.

We are in uncharted territory. It is a fact that the temperature of our planet rises in tandem with concentrations of carbon dioxide in the atmosphere. The effects of that temperature rise, at a rate unprecedented in geological time, must dictate urgent and immediate action—anyone who denies that is wearing blinkers, quite frankly. Hard evidence clearly says that the Government must act now to fulfil the aims of their laudably ambitious agenda to reach net zero by 2050, with an interim goal of a 78% reduction by 2035. However,

the Government's own advisory body, the globally respected Climate Change Committee, has said that this is unachievable—not difficult, but unachievable—without leadership by the Government and a well-designed campaign to get the public on board. The British public have indicated that they stand ready to play their part; all that they lack is leadership in how best they can do this, and there is plenty of evidence in the report to back that up.

Experience shows that where the Government have taken a lead and delivered a well-designed policy, the results have been positive. Take the example of renewable electricity: emissions from electricity generation have fallen by nearly 70% in the last decade. A second example where clear leadership by the Government has had excellent results is in the uptake of electric vehicles, which are being adopted in greater numbers each year.

I will mention two important areas where decisive leadership from the Government has been sadly lacking. First, the gap in policy for better-insulated homes is, quite frankly, shocking. A well-designed, government-led campaign to effect behaviour change would reduce demand in homes and deliver the co-benefits of reducing emissions and helping to bring down energy costs for vulnerable households. What is holding the Government back? This is a question I would really like the Minister to attempt to answer.

Secondly, agriculture and land use policies are vital to delivering net zero but are virtually non-existent and, like everything that this Government have touched, currently bathed in confusion. Yet it is clear that a well-designed and well-communicated policy will generate a number of co-benefits, not least in long-term food security and biodiversity.

In conclusion, the public have clearly indicated that when behaviour change is urgently needed, they will step up to the mark; for example, with the unusual demands made of them during the days of the Covid pandemic. It is time that the Government too stepped up to the mark.

2.22 pm

Lord Lucas (Con): My Lords, I too have the happy duty of being a member of the Environment and Climate Change Committee. I congratulate both my colleague on that committee, the right reverend Prelate the Bishop of Oxford, on having obtained this debate, and the chair of our committee, the noble Baroness, Lady Parminter, who has been remarkably good in the face of the differing opinions of the committee in reaching what I think is an excellent report.

We as a society have committed to decarbonisation. I hope that we have also committed to allowing a lot more space in our lives for nature. In making those sorts of commitments, we need the Government's help to see it through. In playing our part, we want to be owning that process and to have a sense of agency, knowing that what we are doing is doing good. But even in the most basic aspects of this, the Government are failing.

Most of us recycle, but do we know what happens to our recycling? In my experience, a lorry turns up and tips my recycling into the back of it; the next

sound I hear is the crunching of glass being shattered and mixed in with the paper. What happens after that? Is it all shipped off to Africa? Can someone unmix it? Is it actually a useful thing to do? No one trusts us with that information. If the Government want us to be part of what is going on, we need to know.

The Government would like us to consider a more vegetarian lifestyle. That is fine; I have been persuaded of that by my daughter and am enjoying the process, except when I go to the shop and find that oat milk is twice the price of cow's milk. Why? Again, who can help us? The Government should be helping us. You cannot say you want a change and then find that you are asking people to consume half as much of something that should be, according to the theory of things, a great deal cheaper. What is going on? That is what I want the Government to tell us.

Similarly, we are told that we should not travel so much by air, but the cost of a lot of the flights we might take is a third or a quarter of that of the journey by train. Are we being given the honest figures? The answer is no, we are not. We are just told the fuel consumption, not the total cost of the two systems. It is not explained to us why air travel is so much cheaper. Usually, things are cheaper because they have a lower impact on the environment and use fewer resources. Again, the Government owe us some detail.

Similarly—this will come up in our next inquiry—Nesta has shown in a recent report that heat pumps are substantially more expensive to run than gas central heating. Just comparing the fuel consumed by one against the fuel consumed by the other does not give us the total systems impact of changing from one to another. If the Government want us to have agency to be part of the national narrative in making changes that decarbonise the economy, they must share with us the information that allows us to understand and have a grip on the decisions they are asking us to take.

I am sorry that the Government decided not to publish help for people on how to use less fuel and live in a house with the thermostat turned down. I think we need honest, truthful, open information. It helps us sort the myths from reality. I—along with many other noble Lords, I suspect—spent a great deal of my youth in the company of my noble friend Lord Frost's cousin Jack. We know that, apart from the displeasure of chilblains, it is possible to live without central heating, but none of us wishes to. We are all delighted that we have it, but when we started out with central heating the British kept their thermostats at 15 degrees. It was only the Americans who pushed it above 20, but now people seem to consider that 24 is normal. We need help to get back and reset society, and to think whether we need to have such an impact on the environment or whether we can moderate what we are doing.

2.28 pm

Lord Grantchester (Lab): I am very grateful to have been nominated to join your Lordships' Environment and Climate Change Committee on the retirement of our esteemed colleague Lord Puttnam in January. It is a great privilege. I thank the committee's excellent chair, the noble Baroness, Lady Parminter, for her welcome and the committee members for their tolerance

[LORD GRANTCHESTER]

throughout. I join others in congratulating the right reverend Prelate the Bishop of Oxford on securing this debate today, so soon after the committee's report was published last week—he must have had a premonition.

The Minister and many of his colleagues have already admitted the case and its urgency from the analysis of the Climate Change Committee, yet the paucity of government support is clearly exposed with recommendations for action in this report. I say to the noble Lord, Lord Frost, that, without change, human behaviour is proving destructive to the planet, and that should concern us all.

In their net-zero strategy of last October, the Government set out six principles needed to underpin behaviour change. I highlight the three critical elements: make the green choice the easiest; make the green choice affordable; and set out a clear and consistent vision and pathway of how people and businesses can engage to get to net zero and fulfil their role with changed behaviours.

The committee's report sets out a detailed analysis with clear recommendations. I am glad to be able to keep the report on the agenda, keep raising the issues, and keep the urgency on the Government to respond more fully with an exhaustive reply to the report as soon as possible.

If behaviour change is accepted in all quarters—so that, in the grudging words of the most recent former Secretary of State for Defra, George Eustice:

“Behaviour change is quite integral to many parts of Government policy”—

I would like to concentrate my remarks on the most crucial area of everyday behaviour with the most crucial need for improvement and change: everybody's homes and buildings. They are where most people spend most of their time. This also highlights a key area for the Government to co-ordinate and encourage with resources and responsibility, namely with local authorities, schools, health authorities and businesses.

The UK's housing stock is among the oldest and least efficient in the developed world. The private rented sector has some of the least fuel-efficient homes, with high numbers not connected to the grid. Figures from the Department for Levelling Up, Housing and Communities show that heat and power currently make up 40% of the UK's total energy use. In the net-zero strategy, carbon emissions from new-build homes must be around 30% lower than current standards and emissions from other new buildings, including offices and shops, must be reduced by 27%.

Under the heat and building strategy, the future trajectory for the non-domestic minimum energy efficiency standards will be EPC B by 2030. Clearly, the Government must initiate a national engagement strategy to highlight the benefits of improved energy efficiency of homes, which also comes with the benefits of reducing household bills and the cost of living.

As the Minister highlighted at Second Reading of the Energy Prices Bill last night, ECO Plus with ECO 4 needs to be prioritised, and learning the lessons that he recognises from the past failures of the green homes grant is a crucial and central plank to encourage the necessary behaviour change to be embedded in the consciousness of the public. This will call for determination

and consistency of support. Results from Climate Assembly UK's findings into public perceptions on retrofitting homes showed that, in addition to the costs involved, major anxiety concerned the scale of disruption to be lived with throughout the process.

Will the Minister assess whether the new efficiency schemes could reintroduce the landlord energy savings allowance, to permit landlords to offset the purchase and installation of the most important energy-saving measures from their income returns? Have the Government reconsidered the zero-carbon homes measures for housebuilders? Although it is encroaching on the Treasury's recent confusing energy statements, may I call for consideration of the promotion of green mortgages and reductions in stamp duty should a property qualify with energy-efficiency ratings?

Necessarily, the Government need to prioritise support for energy cost relief this winter. However, they cannot row back on the long-term imperatives necessary to achieve the crucial targets to ensure that net zero can be reached with the least cost.

Baroness Bloomfield of Hinton Waldrist (Con): My Lords, is the noble Lord aware of the speaking limit? He has rather exceeded it.

Lord Grantchester (Lab): My last sentence is this: this is the first mixed message the Government must learn to avoid in the report today.

2.33 pm

Lord Lilley (Con): My Lords, I congratulate the right reverend Prelate on securing this debate and apologise that, through my incompetence, I am speaking the gap—although, sadly, because of events in Downing Street the whole debate is likely to slip not through a gap but into a black hole.

The committee on which the right reverend Prelate and I served called for and received evidence about the lifestyle changes necessary to meet net zero. The sixth carbon budget from the CCC provided the answer:

“Around 10% of the emissions saving in our Balanced Pathway in 2035 comes from ... Particularly ... an accelerated shift in diets away from meat and dairy products, reductions in waste, slower growth in flights and reductions in travel demand”—

in short, lifestyle changes. The other 90% comes from industry and households adopting new technologies which are intended to enable us to maintain our lifestyles.

The 10% saving from lifestyle changes was far lower than expected and a disappointment to those who wanted to make us adopt more frugal lifestyles, so the committee decided—quite consciously—to omit the 10% figure and, after the report had been drafted, asked officials to find a larger, headline-grabbing figure. They provided two figures, both of which the committee adopted. The first was that 63% of the required savings rely on

“the involvement of the public in some form.”

Apparently, this includes savings from industry deploying carbon capture and storage; I am not sure what public involvement is required in that, but it is certainly not a lifestyle change.

The second, less outrageous, figure was that 32% of savings rely on

“decisions by individuals and households”.

This was rounded up in the committee’s press release, which claimed that

“a third of emission savings ... must come from people changing their behaviours.”

That is doubly disingenuous, first since the bulk of the savings comes not from individuals’ decisions but from removing their right to decide to buy fossil-fuelled cars and boilers in future. Secondly, if electric cars and heat pumps work as their advocates claim, they will not require lifestyle changes. We will be able to drive, not cycle or walk, and heat our homes as at present rather than having to adapt to lower temperatures. Yet the bulk of the report claims that behaviour change will involve more active and frugal lifestyles, which will be good for our bodies and souls.

I respect and like my colleagues on the committee, most notably our brilliant chairman, but the committee’s brazen economy with the truth was sadly distressing. Presumably, it was designed to shield the public from inconvenient facts that might undermine their willingness to go along with the net-zero agenda. The Climate Change Committee showed that we could meet net zero with pretty minimal changes of lifestyle, but some people are so eager to manage our lives that they ignored that advice and advocate re-enacting the hugely intrusive policies of the pandemic, which were mercifully temporary, on what must be a permanent basis. I regret that conclusion.

2.36 pm

Baroness Parminter (LD): My Lords, it is always a pleasure to follow the noble Lord, Lord Lilley. We have listened carefully to him throughout our proceedings. I find that, in politics, it is not worth always talking to people you agree with. In our committee, we listened carefully and based our conclusions on the evidence. That is the role of a Select Committee in the House of Lords. The evidence is clear. The noble Lord was in a minority: he was the only member of the committee who disagreed with it. We stand by it.

I thank the right reverend Prelate the Bishop of Oxford for calling this important debate on a day when, sadly, the focus will be much more on the evidence of an incompetent Government. In the area of behaviour change, it is quite clear what a competent Government would be doing. First, they would be setting targets for net zero and willing the policies to deliver that. This Government have rightly set targets for net zero, but the evidence is that they will not be reached without members of the public changing their behaviour, both in adopting new technologies and in reducing their carbon consumption. Our report clearly showed that the Government have failed in that second task of willing policies.

Secondly, if they wanted to address behaviour change, a competent Government would be leading. They would be helping the public to make the choices they want. Now, she is not going to be doing any leading any more but, at her conference only last week, the then Prime Minister said:

“I’m not going to tell you what to do or what to think or how to live your life.”

She is not going to be doing that any more, but that is entirely consistent with the mantra of the Government’s net-zero strategy, where they say that they will go only “with the grain of consumer choice.”

That is not leadership.

Leadership is about understanding that the public care passionately about climate change and want help to get to net zero. Leadership is about giving them the information to enable them to make the choices they need to make and providing the policies to help them get there. As the noble Lord, Lord Browne of Ladyton, said, what we need are policies that do not stop people getting to net zero. We are still getting far too many policies that are high-carbon, low-nature. So those are the three things that a competent Government would be doing on behaviour change.

We are about to get a new Government under a new Prime Minister. What do we want them to do? First, there is the opportunity to refresh the net-zero strategy. Chris Skidmore’s review of the strategy is welcome. It means that the Government will not respond to the Climate Change Committee’s recommendations on getting to net zero until next March. This is good. Let us hope that the new Government take the opportunity to refresh the net-zero strategy and put behaviour change at its heart—because they will not get to net zero unless they refresh their strategy.

Secondly, the Government need to bring forward a public engagement campaign. All the evidence shows that public engagement is needed on this issue. I share the regret of the noble Lord, Lord Lucas, that the BEIS department was unable to persuade No. 10 of the need to spend £15 million or £17 million on a public information campaign to help people reduce their energy bills this winter. It would have done the job of both helping people get to net zero and lowering their energy bills. It is very depressing that the Government were not prepared to make that step. It suggests that a broader campaign on net zero and behaviour change is not going to be forthcoming—but that does not mean it should not be there.

Thirdly, the Government need to be refreshing their policies. We know that you cannot get people to change their behaviour by information alone. All the evidence that we on the committee received showed very clearly that you need the policies to will the means. The Government should use all the tools at their disposal—regulations, fiscal incentives and disincentives—and should address three key areas: how people heat their homes, what people eat and buy and how they travel.

If anything, our committee was perhaps a bit too ambitious in all our recommendations. I have heard both the noble Baroness, Lady Sheehan, and the noble Lord, Lord Grantchester, today prioritising a national drive for home insulation. This has to be the priority to help people change their behaviours and tackle what is a massive part of the greenhouse gas emissions that we face.

Those are the three priorities—reviewing the net-zero strategy, committing to a public engagement campaign and willing all the means available through the policy levers at the disposal of the Government. This is what

[BARONESS PARMINTER]

good government looks like, not relying on the ideology we have heard spoken by the noble Lord, Lord Frost, and others.

2.41 pm

Baroness Blake of Leeds (Lab): My Lords, I sincerely thank the right reverend Prelate the Bishop of Oxford and the committee for bringing the debate to this Chamber. We have heard from several of its members today. I thank them for the work that has gone into this. I start by declaring my interest as a vice-president of the Local Government Association.

I will start by talking about the crises facing the country related to this agenda. How was I to know that there would be a further crisis today, with the announcement from No. 10 and the loss of the Prime Minister? I say that because leadership in this agenda matters. We need to keep our eye firmly on the ball as we go forward.

With respect to the agenda facing us today, we are all too painfully aware that we face three concurrent crises. The cost of living crisis, including energy bills, continues to affect millions of families and businesses across the country. The energy security crisis was created by a lack of government action over the last 12 years and exacerbated by Russia's illegal invasion of Ukraine. The impacts of the climate crisis are being felt first-hand all over the world. For all three of these crises, getting to net zero will make a tremendous difference, either by reducing impact or by increasing resilience. Many things need to be done to achieve this, whether by 2050 or by the 2030 target to which the next Labour Government have committed.

The impact of behaviour change, and the actions taken by both individuals and organisations to reduce their energy use, will be significant and an essential part of the journey. Taking people with us will be imperative. This kind of behaviour change does not happen in a vacuum. There are many things that can be done at all levels of government to encourage this change in an effective but not prescriptive way. We have examples from this country and also from Germany, which has seen a dramatic reduction in gas usage as the result of a public information campaign.

We know that the Government have been in the right place on some of this. Last year's net zero strategy had a subchapter entitled:

"Empowering the public and business to make green choices", highlighting the role of those choices in reaching net zero and making a number of positive commitments to act upon this. They committed to exploring and enhancing their public-facing content; to enhancing their Simple Energy Advice service; to supporting businesses, including by exploring a government-led advice service; to increasing awareness of net zero; to empowering both businesses and the public to make green choices; and to making these choices affordable and easy by working with business and industry. However, we know that the Government of last year are not the Government of today—and, until today, we did not know they would not be the Government of tomorrow, either. So, last week, we saw the now soon-to-be former Prime Minister pull a public information campaign to help people cut their energy use, on the grounds of

either cost or ideology, depending on who you ask—only, we understand, to U-turn three days later, during Prime Minister's Questions, a pattern that obviously quickly became a tradition and has contributed to the chaos we are facing today.

Of course, putting it back on the table was the right decision, and the £15 million or so should be seen as a sensible investment, but the lack of leadership in this is frightening. In my city of Leeds, we have a wealth of experience in this area, led by the Leeds Climate Commission. Other local authorities have similar experience to share. We know that successful schemes often need to be driven locally. Alternatives also need to be in place to achieve a modal shift in transport, to inform decisions on change of appliances and fuel sources, and so much more. Without the alternatives, we cannot expect people to change their behaviour.

Motivation other than simply achieving net zero is a great enabler. For example, health concerns contributed massively to the surge in interest in electric vehicles following the scandal of diesel emissions. Most recently, cost of living concerns are driving the imperative and urgent demand for action on energy efficiency schemes, especially for those most at risk of not being able to pay their bills. Accurate, transparent information remains essential in helping people make those decisions. We need leadership at all levels, and I ask the Minister to do everything in his power in the week ahead to make sure that this agenda is at the forefront when the decisions are made that will determine who the new Prime Minister of this country will be.

2.47 pm

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con): I thank everyone who has contributed. On the last point made by the noble Baroness, Lady Blake, she is perhaps attributing more power and influence to me than I might have in the selection of the next Prime Minister, but I thank her for her faith in me.

I thank the right reverend Prelate the Bishop of Oxford for bringing forward this very important debate on steps the Government will take to support behaviour change as part of the pathway to net zero emissions. I also thank the House's Environment and Climate Change Committee for its report on the Government's approach, and all those who contributed to that report. I start by assuring the House that the Government recognise that achieving our net zero target will be challenging and will require enormous changes to our energy systems and infrastructure. I want to reassure the right reverend Prelate that we take the concerns raised in the Select Committee report seriously and will carefully consider all its recommendations.

In response to the noble Baroness, Lady Parminter, we know that public concern about climate change is high and has doubled since 2016, with 85% of people telling pollsters that they are either concerned or very concerned, although it is fair to point out that the potential solutions are not as well known to members of the public. Many people think that they are doing their bit by putting their recycling out, which of course they are, but the extent of the additional changes required is quite severe, and I am not sure that there is so much support of that.

Nevertheless, in terms of the information that is given to them, many members of the public have shown that they are willing to make green choices to combat climate change and to reduce their own costs, provided that they are not too severe or too impactful on their everyday lives. As many businesses and civil society organisations are already leading the way in engaging the public on net zero, the role of government is to set the overall direction, our priorities and a narrative to support that transition.

I agree with my noble friends Lord Frost and Lord Lilley that we want to support the public in making these green choices in a way that maintains people's fundamental choices and freedoms. My noble friend Lord Frost made some excellent points but, based on very good Conservative principles, we should be supporting more renewables because they are cheap. The cost of offshore wind is now a sixth of the price of gas-generated power. From good Conservative liberal principles, we should be supporting more of that. I totally accept that he will say, "but it's intermittent". He would be right, so we need more baseload power from nuclear and other carbon-free sources. Nevertheless, at the moment, with sky-high gas prices, renewables producers on contracts for difference are paying hundreds of millions of pounds back into the system, because the prices are above their strike price, and are subsidising people's bills, which would have been even higher without this production.

Whatever view you take on climate change, however sceptical you are, just from an energy security point of view we should be generating more power on our own shores, rather than paying some very unstable and unpleasant people in other parts of the world for our power, and we should be doing this because it is cheap at the moment. The CfD scheme has been so successful, particularly in generating large amounts of offshore wind power, that the rest of Europe is trying to follow us with essentially the same systems. We have very ambitious plans to roll out more of it, but that will probably be quite difficult, given the supply chains and that everybody else will be trying to do the same.

As referenced by the noble Lord, Lord Grantchester, and the noble Baroness, Lady Blake, in our net-zero strategy we set out clear principles outlining how we will empower the public to make green choices by making those choices easier, clearer and more affordable, and by working with industries to remove barriers to those cleaner choices. I can happily assure the noble Baroness, Lady Blake, and the noble Lord, Lord Browne, that we are indeed helping people to know how they can play their part by supporting them in making green choices. It is not through a hectoring campaign or through compulsion, but by providing people with clear advice on what they can do to save themselves money and save the country money. It is set out in our *Heat and Buildings Strategy*, which is about enabling people to do the same things differently and more sustainably. It sets our approach for engaging the public, both in communicating the challenge and in giving people a say in shaping future policies.

Let me give some examples of government support. We are putting our principles into action using a range of policy measures that support the public to make those greener choices across different sectors. We are

of course helping people to travel more sustainably. We are not preventing them from travelling—that would be wrong—but helping them to do it more sustainably by better integrating transport modes, by having more bus routes serving railway stations, and by improved integration of cycling and walking networks.

The noble Baroness, Lady Sheehan, welcomed the uptake of electric vehicles. We do need that, of course, but we are also investing £2 billion in building more cycle lanes and low-traffic neighbourhoods—which have varying degrees of popularity, depending on where they are implemented. We also announced funding worth £200 million for new walking and cycling schemes across England, through a new body called Active Travel England, overseeing 134 fairly ambitious projects. This new body will ensure that the Government's unprecedented investment in active travel makes the green travel choice easier for the public.

In response to the noble Baronesses, Lady Sheehan and Lady Parminter, and the noble Lord, Lord Grantchester, the Government's approach to decarbonising our heat and buildings is set out in the *Heat and Buildings Strategy*, which provides a clear long-term framework to enable industry to invest and deliver the transition to low-carbon heating and retrofitting measures. In this strategy, the Government have set out a combination of policy measures to address a range of practical barriers to some of those choices.

From good conservative principles I am also a great believer in energy efficiency. The cheapest energy is that which we do not use. There is some practical advice that we can offer to people—again, not in a hectoring way but clear and simple advice. The one that I am the keenest on is turning your boiler flow temperature down. You can achieve the same heat in your house and be just as warm, but you can do it about 8% to 10% more efficiently, saving on your gas bills, saving the country money—saving taxpayers money at the moment, because we are subsidising energy prices—and helping our energy security. What is not to like about these measures? This is something that we can clearly and easily support, and we will provide advice to the public on how to do things such as that. Many energy companies and others are already doing that, and we will support them in those advice sessions.

We are making the transition to low-carbon heating cheaper for households because—I again agree with my noble friend Lord Frost—people will not make these choices until we make them simple and easier, and we can demonstrate to them that they will save money by adopting measures such as heat pumps and other low-carbon heating measures. We can do that by rolling them out and decreasing the costs over time, but it is very much in its infancy at the moment, so it will take time to build these policies up. Nevertheless, we are supporting the transition with the £450 million boiler upgrade scheme, which is providing £5,000 in capital grants to households. We are also rolling out a consultation on a new market-based incentive for heating system manufacturers.

In response to the noble Lord, Lord Grantchester, who referenced the ECO scheme—the energy company obligation—we are boosting its value under ECO 4 from £640 million to £1 billion a year from 2022 to 2026. That will help an additional 450,000 families

[LORD CALLANAN]

with measures such as insulation and better boiler control. The noble Lord also referenced the ECO Plus scheme, one of the measures that so far seems to have survived from the mini-Budget.

In response to the noble Baroness, Lady Sheehan, and my noble friend Lord Lucas, on addressing information gaps and helping consumers make informed decisions, this summer we launched a new energy advice page on GOV.UK. I encourage all noble Lords to check it out. This is a website where you can put your personal details in, and it links to the EPC database and provides home owners with personal, tailored advice about the energy performance of their homes. We hope to extend it even further to provide signposts to the different measures of support that are available to people in future. Nevertheless, it provides excellent advice to home owners on how they can save themselves money and increase the country's energy security.

These policies, which seek to address some of the major practical barriers to individual behaviours, will bolster the low-carbon heating market and create new opportunities for businesses and better choices for consumers. My noble friend Lord Lucas and the noble Baroness, Lady Parminter, made some acute observations on the affordability of making green choices. Both noble Lords will be aware that Chris Skidmore MP is leading a rapid review of the Government's approach to net zero to ensure that we deliver on that now legally binding target in an economically efficient and sensible manner. I do not want to pre-empt the findings of the review but I believe his intention is to publish by the end of the year.

As I have set out today, the Government recognise that achieving the legally binding net-zero target has to be a shared endeavour and requires action from everyone in society, including people, businesses and the Government. We are committed to taking practical steps to support the public in making green choices in a way that supports their fundamental freedoms, supports their freedom of choice and maintains their individual freedoms. We will continue to take this approach across net-zero policies to support the UK's transition to a green and sustainable future. As I said, we are carefully considering the recommendations in the Environment and Climate Change Committee's report. We will publish that response in due course, in line with normal parliamentary procedures. I thank the committee for its consideration.

Cost of Living: Public Well-being

Motion to Take Note

3 pm

Moved by Baroness Drake

That this House takes note of the impact of the cost of living on the public wellbeing.

Baroness Drake (Lab): My Lords, the real and present danger of rising inflation is clearly and obviously undermining public well-being. It is common cause to want to increase growth, but the questions of how to, who benefits and who suffers on the journey plan are at the heart of the markets' and the public's failing

confidence in the Government. The Government have frightened the ordinary people whose interests they were elected to protect.

The Government are now so deeply divided that chaos will of itself undermine market confidence in the UK. Borrowers faced paying the price for the market's lack of confidence in the mini-Budget, and millions will now feel the cost of regaining it. The Prime Minister's Budget undercut key institutions, came with no OBR forecast, lacked detail about costing, worked at cross-purposes with the Bank of England and led to dramatic shifts in the financial markets. Her approach invited no restraint and certainly did not consider public well-being.

Of course there are global pressures, but there is a unique UK government contribution. The chief executive of the Resolution Foundation called it

"the biggest unforced economic policy error of my lifetime ... Lower taxes combined with a loss of market confidence mean rising interest rates, leading to higher mortgages and lower living standards."

Rishi Sunak observed:

"We cannot make it worse. Inflation is the enemy that makes everybody poorer."

Unfortunately, it was made worse—much worse.

On 23 September the fiscal Statement was delivered against the background of a rising cost of living, weak growth and rising interest rates. Kwasi Kwarteng said that it was

"a new approach for a new era ... For too long in this country we have indulged in a fight over redistribution".—[*Official Report*, Commons, 23/9/22; cols. 934-38.]

and that the new Government would "focus on growth". That was a defining Statement. It conveyed the view that arguments over redistribution are an indulgence, that planning for the public well-being is separate from achieving economic growth and that the public benefits of growth would trickle down from the spending and investments of rich people and big corporations who are taxed less.

On trickle-down, oh so many authoritative sources reinforce the IMF view:

"We find that increasing the income share of the poor and the middle class actually increases growth while a rising income share of the top 20 percent results in lower growth—that is, when the rich get richer, benefits do not trickle down."

Gross domestic product is an important measure of national performance. It indicates changes in the size and overall strength of the economy. There is growing recognition, however, of the limitations to the use of GDP because it fails to capture many things that society may value. There is a growing view that traditional economic measures should be complemented by well-being measures to inform policy and spending priorities. To lift from a Bank of England explanation:

"GDP doesn't tell us anything about how evenly income is split across the population. Growth could mean everyone becoming better off or just the richest segment getting even richer."

In 2018 the Treasury Green Book guidance on public sector appraisal and evaluation was revised to include references to well-being at all stages of policy development. I doubt that guidance got an airing in the preparation of the mini-Budget. The ONS has a well-being measurement framework consisting of

10 domains. I cannot cover them all but they include the economy, personal finances, where we live, health, personal well-being and the environment. As the *FT* reported, the ONS September figures confirm the stress that inflation, falling real wages and rising mortgage rates are placing on households, and the proportion in financial difficulty is increasing. One-fifth of Britons are being forced to borrow more to meet payments and half are unable to save at all. One-third have struggled to meet mortgage payments and we have not seen the full extent of the hikes in mortgage rates. Three-quarters—77%—of adults are worried about the rising cost of living. The experience of Step Change, the debt charity, aligns with these findings.

High inflation does not impact everyone equally. New Economics Foundation modelling shows that, on average, price increases have pushed up the cost by £2,300 a year of an essential basket of goods and services—the minimum income standard measured by Centre for Social Policy research. This rise for the poorest half of families is nine times larger than for the richest 5% as a proportion of income, and six times larger for middle-income families. Middle-income families are increasingly impacted. An additional 2.2 million people across 900,000 households will see their incomes fall below that standard in 2022, despite having average earnings from work of £33,000.

These findings and those of the IFS, the Resolution Foundation, the Legatum Institute, the Joseph Rowntree Foundation and many others confirm the importance of uprating universal credit and legacy benefits by inflation for the many stressed individuals and households. You do not get a clean slate by asserting that it is a new era; you have to carry the consequences of the impact on public well-being of the sustained cuts in social security benefits over the past 10 years and the compounding effect of future cuts. Asserting a clean slate is not enough.

Few things are more important for public well-being than a roof over your head, but mortgage rates are up, rents are rising, the stock of housing is stagnating and homelessness is rising. Adults in their 30s and 40s are now three times more likely to rent than 20 years ago. Household debt is rising. Household financial resilience is already in decline in the UK. Some households can weather the storm, but many others lack the resilience to do so. Employment benefits, social security benefits, private insurance, savings, affordable credit and fewer pre-existing debts strengthen financial resilience, but all those factors have been weakening. The majority of employers now pay only statutory sick pay of £90.33 a week, 11.5 million adults have less than about £100 in savings and 65% have no form of life or protection insurance.

Recent ONS findings on household financial resilience confirm that the proportion of households in financial difficulty is rising. Its opinions and lifestyle survey uses the affordability of an unexpected expense of £850 as a measure of financial vulnerability to identify those most at risk. More than one-third of adults reported that they could not afford such an expense. The groups more at risk and more likely to report that they could not afford an unexpected expense included adults on lower incomes, 40% of parents, 53% of adult

renter households, disabled adults' households, adults who were divorced or separated and adults in regions outside the south-west, south-east and London.

The Bank of England reported that credit card borrowing rose at its fastest pace in 17 years. When children live in stressed households, their physical and mental health suffers, as do their education and life chances. Increases in child poverty levels in England between 2015 and 2020 were associated with more than 10,000 additional children entering state care. Does the Minister agree with me that the volume of evidence on the stress of households now confirms the importance of uprating universal credit and legacy benefits by the rate of inflation?

Levelling up is a flagship policy that risks stalling. The phrase is disappearing from the Government's lexicon. Rising inflation will reduce public investment and undermine the very prospects of private investors turbocharging regional growth. It will drive up regional inequalities in economic performance, life chances, health, income, education, children's wellbeing and public services. If regional inequality is not at the heart of a growth plan, neither is wellbeing.

The Institute for Fiscal Studies observed:

"We'll know we are on the way to levelling up when differences in health and life expectancy across the country start to drop. Sadly, that's one measure of inequality that has clearly been moving in the wrong direction over the past decade."

Female healthy life expectancy at birth in the most deprived areas was 19.3 years less than in the least deprived areas. For males it was 18.6 years less. ONS figures show that since early 2020, almost 400,000 people exited the jobs market with long-term health problems. The Government committed to addressing the wide inequalities in health outcomes between deprived and well-off areas, between white and BAME populations, and between north and south. So where is the promised White Paper on health disparities that was so integral to Boris Johnson's declared mission to take "bold action" to address them? May I ask the Minister where is the White Paper? Has it been dropped?

The rising cost of living will drive more people into poverty, with serious consequences for health. New polling from the Royal College of Physicians shows that over two-thirds of people are more worried about their ability to stay warm and healthy at home this winter compared to last winter. A recent issue of highlights from the *Lancet Public Health* emphasises the relationship between changes in individual or household income and mental health and well-being.

The Money and Pensions Service reveals that three in 10 people—30%—report problems with mental health, up from 21%, particularly among the working-age population, linked to worse financial well-being. The Government's health and social care Statement confirmed that the NHS backlog was rising and acknowledged that there is too much variation in social care across the country. They want to free up beds, with a focus on discharge to home or care home, to address the waiting list of 7 million. Following the scrapping of the health and social care levy, the funding increase for health and social care, based on forecasted receipts that would have been received from the repealed taxes—an estimated £13 billion per year—will now follow from general

[BARONESS DRAKE]

taxation. How will the Government replace the money that will no longer accrue from the health and social care levy: through raised taxes, more borrowing or public expenditure cuts elsewhere?

The levy was the answer to Boris Johnson's promise to fix the social care crisis "once and for all". Is it still the Government's belief that the funding that will be taken from general taxation, instead of the hypothecated tax, will still fix the social care crisis once and for all, or has their view changed?

Given the stress on households, both economic and well-being measures must be brought into the evaluation of the decisions the Chancellor is currently considering. Market confidence needs to be restored but the public will want to understand the trade-offs the Government will now be making, and the implications for their national interest and their well-being, because currently they cannot—and they will want to know. I beg to move.

3.15 pm

Baroness Sherlock (Lab): My Lords, my noble friend Lady Drake has done a characteristically brilliant job of describing the impact of the rising cost of living across the whole landscape. I will focus specifically on the impact of inflation on low-income households, especially those who depend on benefits for their survival. I warn noble Lords up front that this will get techy and dull in parts but, frankly, given what is happening down the other end, a bit of dullness would not do us any harm.

I get really cross when I hear jibes, to this day, about the idle poor and Benefits Street. If we are to be a country where your well-being is not determined solely by having chosen your parents with care, we need a thriving welfare state. We have the basics of it there but we do not need one that is simply a safety net. We also want something that can fulfil its original ambition to be a companion service to the NHS—something that pools risk across the population and across lifetimes, so that we pay in, work and contribute when we can and we take out when we cannot or when our needs are greater. We need a system that helps us: when we cannot work or can work only part-time; when we retire; if we get sick or injured; or if we are caring or bereaved.

We have a system but for it to work, benefits need to keep their value. Prior to 2011, rates were linked to the retail prices index—RPI—or a variation called Rossi. From 2011, they were linked to the consumer prices index—CPI. Incidentally, that RPI to CPI shift saved the Government a lot of money at the expense of the poor. The current measure used for uprating is the CPI 12-month rate for the September before the April when the increases take effect. That gap between September and April is allegedly there to allow the computers to be updated but, at a time of rising, high or unstable inflation, it can cause problems.

For example, the CPI rate in September 2021 was 3.1%, so benefits rose in April by that much; unfortunately, in April inflation was 9%. The CPI rate in the month just gone was 10.1%. Logically, that suggests benefits would rise by 10.1% in April—but if they do, the IFS

says that would leave their real value around 6% below pre-pandemic levels, equivalent to about £500 per year for the average out-of-work claimant. That is because the rise last April was so much lower than inflation.

As noble Lords will have heard, many Ministers are now suggesting that CPI inflation uprating is too generous, and that perhaps some lower figure should be chosen. Does this mean that indexing is becoming a one-way bet, so that if inflation is low in September it must be stuck to, but if it is high in September it has to be rethought? What is the argument? Maybe it is that inflation is different for those on lower incomes. In fact, it is different. The ONS figures on inflation show that rising food prices were the biggest driver of rising inflation, at around 14%, but of course the poor spend far more of their income on essentials such as food. The IFS estimated that even with the energy price guarantee, from this month the poorest 1/10th will face an average inflation rate of 14%, compared with 10% for the richest. So maybe Ministers are arguing that these are very special circumstances, and that for one time only we have to move away from uprating by inflation, but let us look at what has happened since 2010.

The coalition Government limited most working-age benefits to a 1% annual increase for three years from 2013-14. The Conservative Government then froze those benefits in cash terms at their 2015-16 levels for another four years, so for seven years the value of benefits was slashed year on year, saving around £4.7 billion. Those cuts are baked in because every year future increases are a percentage of that lower value. That is before I even mention all the other cuts in benefit support—the two-child limit, the benefit cap, the bedroom tax, cuts in housing and council tax benefits, Sure Start and so much more.

Why would they do it? Ministers may say that they had no choice given the financial circumstances but let us look at a detailed study by Ruth Lupton et al, *The Coalition's Social Policy Record 2010-2015*, which found that

"the poor bore the brunt of its changes to direct taxes, tax credits and benefits".

Meanwhile, with the exception of the richest 5%, those in the top half of the distribution were net gainers. The report concluded:

"Perhaps surprisingly, overall the 'welfare' cuts and more generous tax allowances balanced each other out, contributing nothing to deficit reduction."

Those austerity cuts were not needed to cut the deficit but to pay for tax cuts. Recently, when Ministers announced that they were going to cut taxes and might need benefit cuts to pay for them, this was a shift in scale rather than principle—albeit, I grant, a pretty dramatic shift in scale. I still cannot quite believe that we have seen a Government who have imperilled the stability of our entire economy, driven up inflation, interest and mortgage rates, and put pension funds at risk, then have the nerve to suggest that low-income families should pick up the bill for it.

Instability really matters on a macro scale because it shakes markets and makes us all poorer. It also matters on a micro scale because, when you can only just make ends meet, above all you need certainty. I am sure other noble Lords have had similar experiences, but I have never met so many people so scared about

how they are going to manage in the weeks and months ahead. They are terrified that they cannot pay their bills, feed their kids or keep a roof over their head. Not only do we now have some 2,500 food banks, but already roughly 1,000 churches and 200 libraries have registered to become warm, welcome spaces because people cannot afford even to sit in their houses and heat them.

The problem with the rollercoaster politics we have been having is that no one trusts anything. Last night BBC News interviewed a pensioner, Betty from Sunderland, about the cost of living. She said:

“It fills you with dread. Are we going to have to start living on what little bit we’ve got saved? When that’s gone, where do we go from there?”

Faisal Islam told her the Government had decided they would after all uprate the state pension. She replied:

“That’s today. What happens tomorrow? They could change their minds by tomorrow because every day they change their minds.”

Quite so. This is not a game. It is a life-or-death matter for millions of our citizens and they deserve better. I urge the Government to get a grip or get out.

3.22 pm

Baroness Tyler of Enfield (LD): I congratulate the noble Baroness, Lady Drake, on her excellent opening speech and refer to my relevant interests in the register.

As we speak, we are witnessing political turmoil of a kind I have not seen in my lifetime. Frankly, we are a laughing stock on the world stage. All of this makes me very angry because it is ordinary people who will pay the price, and that is what we are debating. On 23 September we were already in a cost of living crisis, with the highest inflation in 40 years and the nightmare of out-of-control energy prices. Events since then have caused massive further anxiety, fear and distress for millions of our fellow citizens. The cost of living crisis we are experiencing and the impact on public well-being is simply dire. All the research on well-being shows that not being able to meet basic needs has a negative impact on well-being individually, as families, communities and as a nation.

How did we reach this parlous state? It just does not wash to blame it all on Ukraine and other international factors. The market’s response to the so-called fiscal event of 23 September—the completely unfunded and by far the largest giveaway Budget in 50 years—was instant, brutal and devastating, both for the UK economy and us all as individuals. Sterling plunged; gilt yields rocketed; mortgage rates rose by well over two percentage points; and major players in the pensions market came close to insolvency. The outgoing Prime Minister’s much-lauded but quickly junked growth plan led to the UK losing overnight our much-cherished global reputation for fiscal probity and sound financial management.

Instead of it being a case of going too far too fast, the truth is that the growth plan did not survive its first contact with economic reality. The immediate result was to crash the economy. It is ordinary citizens—particularly the most vulnerable and the lowest paid—who are going to pay the highest price. Fast forward a few

weeks: the IFS and others estimate that there is a remaining black hole of around £40 billion still to be bridged in the Chancellor’s Budget on 31 October. The Chancellor has said that he will be identifying a mixture of further extraordinarily painful cuts in public expenditure, together with increases in taxation. No matter what the Chancellor does, however, the UK will be paying a significant political risk premium to lenders not just for months but for years to come. One very visible effect of this is that millions will be paying higher mortgages and rents of several hundred pounds a month for years to come. It is no wonder that people are anxious, and public well-being has nosedived.

Jeremy Hunt has stated that he will be keeping the most vulnerable at the centre of his attention, which is clearly right. However, he is still refusing to confirm that universal credit will be raised next April in line with an inflation figure of well over 10%. The energy price guarantee—which, of course, was very welcome—has now been reduced from two years to six months. History will judge both the politics and the economics, and will allocate blame for the mistakes made on 23 September and subsequent events. Today, however, we are focusing on what we can do to support the millions whose already fragile sense of personal well-being has been further battered by all this turmoil and to protect them from the worst effects of that £40 billion of further cuts and tax increases still to come.

The context is not promising. Inflation is at 10%; food inflation is at 14% and real wages for many are at a 40-year low. According to a recent British Psychological Society survey, 55% of people feel more anxious about being able to pay their bills than they did this time last year; more than a quarter said that worrying about money was making them feel depressed; only 27% felt confident that they will get by financially this winter, and 52% said they were concerned about not being able to afford food. Other recent surveys have shown an estimated 11 million people feeling unable to cope. Anxiety about the rising cost of living is estimated to be affecting half the population; 50% of the population report that they have had to reduce expenditure on essentials—food, toiletries and petrol—over the past few months. Use of food banks, as we have heard, including by people in full-time employment, is skyrocketing. Millions are extremely anxious about how they will be able to feed their families and children. An estimated 1 million children are in food poverty and not receiving free school meals. Fuel poverty is estimated to have tripled, with many saying that they feel too scared to open their energy bills.

This cost of living and well-being crisis requires an urgent and meaningful response. This toxic cycle of mental health problems and money worries demands immediate action from the Government, regulators, employers and firms to stop the cost of living crisis becoming a mental health crisis. Many charities, think tanks and external commentators are generating policy responses and ideas. Foremost among these are: raising all benefits, including universal credit and disability benefits, in line with inflation on 1 December; reviewing and then revising in line with inflation all benefits, not only every 12 months but every six months, starting from next April; moving all children from families living in food poverty into free-school-meal programmes;

[BARONESS TYLER OF ENFIELD]

providing further targeted cost of living payments to vulnerable groups still falling through these new safety nets; strongly encouraging mortgage providers and landlords to restructure payments for those struggling with payments, with a view to minimising home possessions and evictions; requiring the appropriate regulators to work with the energy companies to ensure that they make all possible efforts to secure payment restructuring for bill payers and provide a compassionate response to customers; ensuring energy companies make further financial contributions to the financing of the energy price cap; and ensuring—this is very important—provision of adequate and accessible debt advice services and debt relief schemes to prevent people from spiralling ever further into debt.

Finally, it is vital that the Government commit to funding mental health services, as set out in the *NHS Long Term Plan*, and publish the promised 10-year cross-government mental health and well-being plan and the health disparities White Paper. I hope that, when the Minister winds up, he can assure me that the measures I have highlighted, and others that we will no doubt hear about today, are being urgently considered.

Finally, there is a time when you have to say, “Enough is enough”. So could the Minister also say when this Government will finally do the decent thing and call a general election?

3.29 pm

Lord Layard (Lab): My Lords, we all know the problem facing our country: as a nation, we have become poorer. Our import prices have risen more than our export prices and, on that account, we are 5% poorer than we were a year or so ago. That is a lot of money—over £100 billion a year—and it is something we cannot escape.

This is the issue that the Chancellor is facing: who should bear the cost of the loss in our national income? It could be working people, the owners of capital or the public services—those are the only three parties that could be cut to bear this cost. Or it could be some combination. This is an agonising dilemma; I think the Chancellor called it “eye-watering”. So how should the Chancellor decide between these three parties and the sub-groups within them? What criterion should he use to make the decisions? The answer of course lies in the brilliant way in which my noble friend formulated the issue for this debate: it should depend on the way in which each of the alternative options would affect the well-being of the population. This is the new approach—it is totally feasible, and we should adopt it.

For example, we know a lot about what affects well-being. The first thing we know is that a loss of real income matters more to the poor than to the rich. To be specific, the loss of £1 hurts a person on low income 10 times more than someone who is 10 times richer. So, as others have said, the top priority for the Chancellor must be, as other speakers have said, to fully protect the real incomes of those on lower incomes.

When it comes to richer citizens, there are real issues about what is most important to them at the margin: is it their own spending power, in real terms, or is it also the services on which they depend? Here, too, well-being science provides important insights. In

explaining the spread of well-being, real income is not the most important thing: health always comes top, especially mental health, as the noble Baroness said. Then comes stable family life, happy work and workplaces and safe communities—and only then comes income. When people are asked—in a survey commissioned by Sainsbury’s, for example—about their main worries in daily life, it may surprise Members of this House and the political class that the order is the same: income and debt come about sixth in the list. So public services are crucial to all of the other things that affect well-being, as well as income.

We desperately need a fully functioning NHS, proper social care and a functioning court system—and we do not have any of them. We also need safety on our streets. These services are already under massive pressure, which will get worse due to unanticipated inflation. The last thing they need is further cuts of the kind that are being discussed these days. So, if well-being is the goal, services also have a case for some inflation protection—why are we going to protect only households and not services? At the very least, they should not be subjected to further cuts. To balance the books, we have to look elsewhere: proper taxation of excess profits in the energy sector, for example, and a sensible approach, from next April, to how far we protect the real incomes of families with above-average incomes.

Let me give some illustrative figures that I think are relative to the issue of what is in the interest of people with above-average income. If a person suffers from clinical depression or an anxiety disorder such as PTSD, their well-being—measured in terms of life satisfaction—falls by 0.7 points out of 10. Similar is true of addiction, personality disorder and eating disorders, which wreak havoc on so many families and communities—0.7 points out of 10. By contrast, if a person’s real income is halved, their well-being falls by 0.5 points or less.

Let us apply these apply these numbers to the Chancellor’s dilemma. He could be spending money on psychological treatments. Good ones exist for most mental health conditions but are simply not available to millions of the people who need them. An extra £1 billion a year here would make an incredible difference. By contrast, the Government presently spend £120 billion annually on protecting people’s real incomes. There is a huge difference there.

We could just ask: suppose we took £1 billion away from the protection offered to people with above-average incomes and gave it to mental health? What would happen to well-being? I can tell noble Lords from the evidence that the impact on well-being of giving £1 billion to mental health would be 50 times higher than giving the money to people with above-average incomes. I think that calculations for other public services would confirm the case for at least protecting them, and probably expanding them.

We constantly hear, as if it were shocking, that public expenditure is now at its highest level relative to national income than at any time since the 1940s. Of course, that is just as it should be. It is exactly right. As people get richer, the impact of extra income on their well-being declines. That is what economists for several centuries have called the diminishing marginal utility of income. But if you think about the impact of health

on well-being, that remains exactly the same, however rich you are. So do the impacts of ignorance, loneliness, addiction and crime. We should be giving proper attention to the public services which can help us with the things of enduring importance to human beings; in particular, the social infrastructure of their lives.

If we want to maintain national well-being in these difficult times, the top priorities must be to protect the real incomes of the poor—I hope the Minister can say something about that—and to protect the public services on which we all depend.

3.37 pm

Lord Howarth of Newport (Lab) [V]: My Lords, the cost of living crisis, so catastrophically intensified by Liz Truss and Kwasi Kwarteng, has been developing for a long time. It was an illusion that inflation had been abolished. Eventually, printing money on an industrial scale by quantitative easing unleashed inflation and central bankers were wrong to suppose it would be transitory. Inflation generates inequality. More than a decade of QE led to a gross inflation of asset prices and vast inequalities of wealth. We know from the research of Kate Pickett and Richard Wilkinson that more unequal societies suffer more severe pathologies in physical and mental ill health, the well-being of children, teenage pregnancies, drug abuse, violence, prison populations, destruction of trust and of community life.

Combining monetary laxity with fiscal austerity, the policy choice of David Cameron and George Osborne, led to a harsh and damaging erosion of public services and physical environments. We know from the research of Michael Marmot that poor conditions in which people are born, grow, live, work and age are social determinants of poor health and well-being. Poverty brings anxiety and depression, and people in poverty have suffered more from Covid. The Health Secretary has suppressed the health disparities White Paper, but the Government should acknowledge this. A deregulated private sector and an obstinately misplaced faith in trickle-down economics—the creed of Prime Minister Truss—have produced a long-term stagnation of wages and, in combination with a pitiless scaling down of the social security system, the emergence of a gig economy and a precariat who live in chronic insecurity and economic stress. In-work poverty has become normalised.

The Conservative emasculation of the welfare state—most recently Rishi Sunak's cut to universal credit, but worse is now threatened—has meant that more and more people have had to rely on food banks. The food banks now report that they are in crisis, dealing with unprecedented demand. People on lower incomes spend a larger proportion of their resources on the items whose cost have shot up the most: food and energy. Food inflation—inflation for the poor—is now around 14%. People are driven to cross off their shopping lists healthier items that have become even more unaffordable. The Food Foundation charity reports that, in September, nearly 20% of low-income families experienced food insecurity. A very worrying number of people say that they have not eaten for a whole day. Professor Marmot warns that the alarming increase in hunger points towards more stress, mental illness, obesity, diabetes and heart disease for those who are worst off.

QE also wrecked the housing market by hugely boosting the prices of homes and rendering it impossible for people on modest incomes with modest savings to buy, or even to rent, a home in large parts of the country. Not to have a secure roof over one's head, and to despair of entering that state, is profoundly inimical to well-being.

Since 2010, there has been no effective strategy to tackle our central economic problem of poor productivity. Without a strategy for productivity—how are the Government to pay for it now?—we have no prospect of non-inflationary growth and increasing prosperity for all. On top of all these failures, the post-Brexit transition to a new trading relationship with the EU has been handled ineptly. Then came Covid, hammering business, employment and the national finances, as well as creating widespread fear, grief and impoverishment. After that came Putin's invasion of Ukraine, with a further colossal disruption of trade and the disastrous increase in energy costs. So Liz Truss and Kwasi Kwarteng are not the only authors of our present national predicament, but what these callow politicians have done is criminal: at a juncture when sensitivity, caution and competence were crucial, they arrogantly, heartlessly and idiotically made our predicament vastly worse. Their fiscal recklessness has caused the pound to weaken, importing more inflation, and the cost of borrowing has soared for the Government, businesses and home buyers, in what the markets are calling the Truss premium.

At least another £35 billion of spending cuts or tax rises are required. In 2010, cuts in spending were accompanied by monetary easing; the consumer prices index in 2010 was 3%, whereas now it is over 10%. In 2022, we have to look forward to both fiscal and monetary austerity and deep recession, with all the pain and fear that this will bring. People whose pay falls far behind inflation are going to be hungry, cold and frightened.

Throwing away the reputation not just of the Conservative Party but of Britain for financial prudence, resolute control of inflation and competent economic management will cause our country to be poorer and those who are most vulnerable to live in greater poverty and insecurity for a long time to come. The cruelty of the Prime Minister's hints and throwaway lines—for example, about de-indexing benefits and ending tenants' security—has been chilling.

To people on the margin, an assault on their living standards will make them sick with anxiety. It will also make them bitter about inequality and the contempt they discern on the part of those who are comfortable and those who govern them. Inflation dissolves the ties that should hold our society together. It robs people of the real value of their income, their savings and such security as they have. It generates mistrust, resentment and fear.

If we are denied a general election, which is clearly what is required given the collapse of the Government and the rotten state of the Conservative Party, we must hope against hope that the new Chancellor and the new Prime Minister will reshape policy to ensure that financial stability and the trust of the markets are restored; and that in the grim process of retrenchment, the broadest backs carry the heaviest burdens and the

[LORD HOWARTH OF NEWPORT]
 neediest are protected, while an intelligent strategy for economic reconstruction, with due focus on well-being, is implemented. We need a Labour Government to do this.

3.46 pm

Lord O'Donnell (CB): My Lords, I am delighted to contribute to this very timely debate. Noble Lords will be surprised to hear that it marks a big step forward in the policy approach taken by the Government. I had been very dubious about the idea of maximising growth, wondering, "Growth of what?" But, thanks to the Leader of the Commons, we now know that the focus of the current Prime Minister

"is on the wellbeing of every one of our citizens."—[*Official Report*, Commons, 17/10/22; col. 378.]

Wow. That is an incredible surprise. I very much hope that the next Prime Minister will continue that emphasis.

Let us be clear: maximising GDP growth is really stupid. It is not something that any grown-up would want to do. As the noble Baroness, Lady Drake, said, GDP basically measures a pound, irrespective of who gets it; one pound to the millionaire counts the same for GDP as one pound to someone on universal credit; and one pound to someone in the richest part of the country counts the same as one pound to someone in the poorest, most deprived part. So how do you reconcile levelling up with maximising GDP growth? They are wildly inconsistent. On top of this, Simon Kuznets, the economist who put together GDP in the 1930s, begged us not to use it as a measure of success; it is a measure of activity.

Having been a Permanent Secretary to the Treasury, I can tell you that maximising GDP growth is completely straightforward. I could do it like that. I could concrete over the south-east of England and build lots of houses or, if you want something a bit more radical, I could explain that we should just get rid of charities and volunteers: we should stop anyone volunteering and tell them they have to get out on the streets and take up prostitution or selling illegal drugs, because both of those count in GDP, but volunteers do not. You would have to be stupid to think about maximising GDP.

There is a far superior goal, which Richard—the noble Lord, Lord Layard—has worked on tirelessly for many years: maximising well-being and, in particular, reducing inequalities in well-being. The simplest way to raise well-being for all is to work on those at the lowest levels of well-being, as the noble Lord laid out. That would mean, first, spending a lot more money on mental health services. We know how to do this.

As the noble Lord said on the cost of living crisis, this is a terms of trade effect. There will be costs and they will hit people on lower incomes in particular. If we respond by cutting public spending, those who rely on those services will be damaged even more. You will have a really bad well-being impact if you go down the route that we are beginning to think might happen.

As the noble Baroness, Lady Drake, said, the Chancellor has a handy little book that can tell him what to do: the Treasury Green Book on investment appraisal. It has supplementary guidance on well-being,

which has just been updated. I commend that to the Chancellor—let us hope he is still there. I understand he is not standing to be the next leader, so let us hope he is still around.

Let us imagine that we are going to take this seriously; that we are going to have a well-being approach to handling the current cost of living crisis. What would you do? First, you would look again at the energy support package. You are giving a lot of money to a lot of very rich people. You could target that support much better and get a massively bigger well-being impact using the numbers that Richard—the noble Lord, Lord Layard—mentioned.

Secondly—we have just had this debate—the Behavioural Insights Team, which I am proud to have had a role in setting up, should be working 24/7 to give us the tools and information that can allow us to improve our energy efficiency. We are being far too timid and far too slow. All we need to do is go to Germany. German energy usage is down by 20%. They are turning off the lights at 9 o'clock in Berlin. Public buildings have been ratcheted down. There are lots of things we could do. We need to get on with this now, encouraging people and allowing them to make those really sensible decisions. So, get those going.

Thirdly, seeing the former Permanent Secretary to the Treasury in his place, I know that he will be completely with me on this. We have serious issues in the economy with labour shortages. One of the things we should be thinking very carefully about is, how do we entice the over-50s back into the workforce? What kind of incentive structures should we be providing? Are they really improving their well-being by deciding they have given up on the world of work? There are lots of things about the world of work which enhance one's status and well-being. There really is something there.

Fourthly, please can we have a bit of stability and predictability in government policy? A very good former colleague in the Treasury was saying to me that if we did have pictures of Chancellors on the wall in the Treasury—which we do not—it would look like the "Employee of the Month". We have had four in four months. I said this to David Cameron when we talked to the Opposition before the 2010 Election. He said, "Okay, I've told you what I'm thinking of doing; what would you like from me?" My No. 1 request was stability among Ministers, so that they get to be in their post for a long time and get to work well with the civil servants. I think that is massively good.

We have lots of uncertainty that is bound to spook financial markets. Uncertainty about which benefits are going to be cut, as the noble Baroness, Lady Sherlock, said, is difficult. We emphasise the poor, which is absolutely right, but I read the piece by James Coney in the *Sunday Times* on the fact that there are middle-income people who, equally, are very disturbed by what is going on.

The fifth point is something very close to the heart, and which I am working on in my role as chair of Pro Bono Economics. We should be working closely with charities and philanthropists. We have a proud history of generosity demonstrated powerfully by the public's response to the pandemic and Ukraine crisis. Can we help charities that work to improve employment, boost education and skills, reduce inequalities in life expectancy,

and create conditions for entrepreneurship in places that most need local economic revival? I have just come back from meeting some civil servants in Darlington and talking about philanthropy in Newcastle. Lots of things could happen there.

Andy Haldane, the former chief economist at the Bank of England, estimates that the charity sector generates £180 billion of social value every year. Philanthropic investment can bring very distinctive benefits alongside private and public sector investment. Doing things to maximise the impact of philanthropy across the country would be tremendous.

Finally, Ministers should think about the well-being of public servants. The prospect of cuts in real pay and redundancies is bound to damage morale. Treating them with respect and thanking them for their work costs nothing and would be a very good start.

3.54 pm

The Lord Bishop of Oxford: My Lords, I welcome this moving and timely debate and the opportunity to highlight the consequences of the rising cost of living and its impact on well-being. I particularly want to focus on the well-being of children.

Psalm 41 begins with the words, “Blessed are those who consider the poor”—a reminder, if we need one, that the well-being of the whole nation is enhanced or diminished by the way we respond to those most in need. This insight is shared by all the great faith traditions.

So let us consider the poor, especially children caught in poverty and the impact of that on their well-being. The Children’s Society published its *Good Childhood Report* a few weeks ago. The stats have been quoted already. Some 85% of parents and carers are concerned about how the cost of living crisis will affect their families; that is nearly everybody. A third of families reported that they are already struggling with the costs of school trips and uniforms over the next year. A recent Action for Children survey report found that nearly half of children worry about their family finances—but, of course, many children’s needs are much more basic.

The diocese of Oxford has more than 280 primary and secondary schools across three counties in one of the better-off parts of the country. But heads and governors report that more and more effort is having to be invested in feeding children and other forms of social care. Our director of education tells me that many of our schools are even now having to meet basic needs through providing food parcels, giving away school uniforms, brokering support from local charities, washing school uniforms—even buying beds.

This means that time and energy are being drawn away from the primary focus of schools: to educate. Every teacher knows that it is impossible for children who are hungry to learn well. Schools report that their budgets are being squeezed through rising energy costs and rising salary costs for which they have not received extra funding. One head writes:

“The only way to break even this year will be to cut teaching and support staff, reduce educational opportunities and school visits, and keep the heating off.”

The impact on well-being for this generation of children, already affected by Covid, will be obvious.

All churches are reporting rapid escalation in food bank support and food bank use. Over the past year, I have personally visited many food banks and meals services in urban and rural areas. In 2011, one-third of churches were involved in supporting food banks. By 2016, that had risen to two-thirds. Last year, it was 80% of churches in rural and urban areas. The Trussell Trust estimates an increase in the use of food banks of 128% since 2015. I wonder: can the Government begin to imagine or plan for a time when food bank use decreases and some of our food banks go out of business, as they all want to do?

As other noble Lords have argued, the problems are deep seated. Poverty has been rising for a decade. The impact of Covid and now the cost of living crisis multiply the effect on health and well-being. We as a society should never grow used to children being hungry or families being eroded by lack of hope and an inability to meet basic needs. Many of the local support services and small charities that have sustained their communities during Covid are now overstretched. The infrastructure that has formed a safety net and contributes so much to well-being is now itself vulnerable.

I recognise the Government’s constant pledge to help the poorest, but I underline from the evidence and experience locally that the situation is getting worse, not better, and that has been the trend for many years. I repeat the call that many others have made for benefits to be increased in line with inflation; for the proper, generous funding of schools; and for co-ordinated support for charities to help the poorest. Above all, in the light of the Budget and the events of this week, I call on the Government to consider still more deeply this new and different metric, and to aim not simply for economic growth but for greater, deeper equality and fairness as a measure of society’s well-being.

As the noble Lord, Lord Howarth, and others have mentioned, the research of Kate Pickett and Richard Wilkinson in *The Spirit Level*, and the stream which has flowed from that, demonstrate the connection between measures of inequality in a society and its whole well-being. The most equal societies are also the more content. Those most in need want and need to know that the Government have abandoned trickle-down economics and are applying a spirit level of fairness to the economic plans of the nation.

We need to keep alive a vision for the United Kingdom where no child is hungry; where the safety nets are robust; where child poverty is reducing; and where food banks are in decline. The well-being of the nation is now very fragile. To the incoming Prime Minister, I say, “Please don’t make it worse. Do all you can to make it better. Don’t allow the costs of the economic downturn to be borne by children and the poorest”. Blessed are those who consider the poor.

4 pm

Lord Monks (Lab): My Lords, I thank my noble friend Lady Drake for her characteristic enterprise in securing this debate at this particular time. Not many people will envy the Chancellor of the Exchequer at the moment, as he wrestles with shifting the trajectory of the economy from the feckless spending of his

[LORD MONKS]

predecessor to what looks like a big bout of painful austerity, with cuts, cuts and more cuts coming our way. As a result of the calamity of the last few weeks, we are poorer, shakier and more feeble. That is bad news for all of us who care deeply for the future of the country. We know from experience who suffers most in periods of austerity, and references have been made to this by previous speakers. We know it is the poor, the old, the young and people who were on the breadline before the crisis and who now face the avalanche of soaring food, housing and energy prices—a devastating prospect. This time it must be the comfortable who step forward and carry the heaviest burdens, not the vulnerable and hard pressed.

For sure, some of the reasons for this are global, as the Government claim. But not all are; some we know are home made. Step forward the team of ignominy—the European Research Group, the Institute of Economic Affairs and the Adam Smith Institute—all of whom have earned a place in the dock for the Truss-Kwarteng calamity. The great irony is that the team of ignominy believed that they were taking back control, as they promised in the EU referendum of 2016. Under their blueprint, we would shake off the EU’s shackles, jettison Brussels’ constraints and become sole masters of our destiny. Yet, “Take back control” was always a delusion and the Government have now been blasted by a reminder that there is no such thing as pure sovereignty. Of course, it was not the EU that dictated a whole new policy direction for our economy; it was the money markets. They have taken back control—not for the first time in British economic history.

The UK has just learned the hard way that it cannot announce £43 billion of unfunded tax cuts as a time of high debt and rising inflation. The markets would not have it and acted brutally to remind the UK of some painful lessons. Many of us across the political spectrum hoped that we had seen the end of post-imperial delusions about the UK as a world power, able to be fully sovereign and free of external constraints. We hoped those days were over. We were wrong; the delusion is alive. It was the underlying principle of the leave campaign in 2016. It was central to the Truss leadership campaign, and it shaped her first few weeks in office. It is a vain dream. Just as Suez made us face our military and diplomatic limitations, so should the Conservative Party stop using nostalgia as its guiding star for the future.

I have three suggestions for the Chancellor on public well-being. First, make sure that the vulnerable and poor do not bear the price of austerity. This is a national crisis, and we need to approach it with the same “all in it together” spirit that we have displayed in previous crises in our history.

The Chancellor could start, for example, by opening discussions with the TUC and following the example of ex-Chancellor Sunak when the furlough scheme was introduced. I think all sides in those talks were surprised by the positive outcome. This would be more practical and useful than introducing yet another anti-trade union law, in the form of the Bill that is to be published. The current Chancellor has taken a fresh perspective on things; he should now attempt to stop this Government smacking the unions. Specifically,

the Chancellor should prioritise benefit claimants, particularly those on universal credit, and increase the real value of UC, as was done in the lockdown. That was important then and would be important now. That was a recommendation, by the way, of the Economic Affairs Committee of the House of Lords.

Secondly, the Chancellor should protect our already creaking public services. Whether it is health, social care, education, benefits, the police and justice, prisons or many others, they are all struggling and are ill equipped to cope with a new period of austerity. It is tax that must take the strain to avoid a further deterioration in our public services. The financial burdens must fall on those best placed to pay.

My final suggestion is that, having carried through Brexit—a decision I still bitterly resent, by the way—we must get Brexit done properly by aligning the UK very closely with the EU single market. Our export performance has been woeful since Brexit. Firms, especially small and medium-sized enterprises, have given up trying to export to the EU because of the hassle and red tape involved. The existing treaty is not working, not just in Northern Ireland but between Britain and the EU generally. We need to reset the relationship with the EU and do it quickly. There is much to do, particularly by the rich and comfortable, to help poorer citizens on low pay and benefits, who are more dependent on public services, to get through this crisis. Let there be no more wallowing in past glory. In his Statement in a couple of weeks, the Chancellor must relegate nostalgia to the Last Night of the Proms.

4.07 pm

Lord Pendra (Lab): My Lords, I recognise that this debate is about a number of issues in our society. I certainly welcome the initiative of my noble friend Lady Drake—no one better than her, perhaps, with her trade union background. Indeed, she once worked for my old union, the National Union of Public Employees. We shall have the pleasure of hearing from another speaker who worked for the National Union of Public Employees, in my noble friend Lady Merron, later in the debate.

It is clear from what my noble friend Lady Drake said that she is aware of the issues I intend to raise. Indeed, it is becoming something of an old chestnut of mine: I have raised in this place, on numerous occasions, the plight of carers in our society. In this short speech, therefore, I wish to return to that issue, to raise the lack of recognition of the important part played by social services, which has been neglected by successive Governments. Ministers, including the last two Prime Ministers, have expressed that importance but done very little to rectify the plight that these workers endure. The Government rightly emphasise, from time to time, the massive problems of the National Health Service and often raise the plight of doctors and nurses, yet do little about their problems. They place even less emphasis on the problems of ancillary workers in the service. Attention should be drawn to the problems faced by doctors and nurses, but never are those equal problems in the social services sector generally raised by the same Ministers. They too play a vital role in the National Health Service family, and they too deserve recognition for the important duties they perform.

I particularly wish to dwell on the plight of low-paid carers. The cost of living is affecting the well-being of low-paid workers generally in our society, but nowhere is it more obvious or more damaging than in how it affects the social services sector. The Conservative manifesto laid out how they would fix social care and its problems, but the Government clearly have not met that pledge, along with many others. Just last week, Skills for Care published its annual report on the state of the social care workforce. Four out of every five jobs in the wider economy pay more than the median wage for care workers. Care workers are facing unprecedented levels of stress and financial worry, some turning to work other than the work they love. As Carers UK said, it is a choice between heating and eating.

Therefore, it comes as no surprise that there are currently 165,000 vacant posts in the care sector, the highest number on record. Staff turnover rates remain alarmingly high, with nearly a third of care workers leaving their jobs each year, as they are underpaid and undervalued. The Government are failing to meet this challenge to convince enough workers to stay or to join the care sector, which they will not do until there is fairer pay and improved working conditions. It is no wonder that so many carers are leaving the job they love to join Tesco and other supermarkets. They would rather stay in the job they love, doing the rewarding work they do, than stack shelves in the Tescos of this world.

I hope that my words and, much more, those of other speakers in this debate make an impact on the Government, and that the Government realise the importance of this debate to those who have taken part and act accordingly.

4.12 pm

Baroness Smith of Newnham (LD): My Lords, this is a very serious debate. I am delighted that the noble Baroness, Lady Drake, brought this vital question to the Floor of this Chamber.

It is perhaps disappointing to see the vast swathes of Conservative red Benches without any Members on them. At the moment, for the record, we have the Minister, we have the Whip, and we have the noble Baroness, Lady Bottomley, who I am delighted to see in her place. Other than that, there have been perhaps six Conservative Peers in the Chamber at certain points. I realise that we are speaking on a day of considerable turbulence for the Government and the country, but we have been in a state of considerable turbulence for some weeks. Indeed, we have been in some turbulence since Liz Truss became Prime Minister at the start of September.

This is the first opportunity I have had to welcome the Minister and the Whip to their places. The noble Lord, Lord Markham, I believe, was gazetted on 7 October and took his seat in your Lordships' House a mere 10 days ago. They have been a very interesting 10 days. I suspect that the two people on the Government Front Bench are here not necessarily because they put their names down voluntarily, in the way that most of us who had signed up to speak today did, but rather because it was felt that they needed to come out to

speaking on behalf of the Government to respond to one of the most urgent questions in this country: the impact of the cost of living on public welfare.

This is surely what the Government should be about. There are two things that really matter: one is the security of the nation—defence—but the other is ensuring that every man, woman and child living in this country has enough to eat, has a roof over their head, and can heat that home. We cannot guarantee that in 2022. What sort of country do the Government think we are living in? This is a country where the Prime Minister and others were so keen in pledging to get Brexit done that they said we had this fabulous economy—we were the fifth-largest economy in the world. If that is true, why are 69% of people worried about heating and eating? Why is the Royal College of Physicians saying that vast numbers of people are more concerned this year than last year about whether they can heat their homes and eat?

There are major problems in this country, and it is not acceptable for the Government to claim that it is all to do with Putin's illegal war in Ukraine. Yes, that is part of it. Yes, there is inflation, and there are grain problems elsewhere in the world. Yes, there is an energy crisis. But other countries are not facing the difficulties that the United Kingdom is facing, because we have added a degree of chaos and instability, as the noble Lord, Lord O'Donnell, pointed out. Instability is a major problem. The Government's mini-Budget spooked the markets, and however many U-turns there are, that spooking of the markets and the increase in interest and mortgage rates will not be overturned overnight. Changing the Chancellor, changing the Prime Minister, even—dare I say it—changing the Government will not change those difficulties, which are now baked into the system. However good the next Prime Minister is—of whichever political persuasion—some of the difficulties brought about in the last three weeks by this Government are going to be the legacy that we all have to pay for, including those who are still at school, because the national debt is going to be paid back, not in weeks and months, but over generations. I would like the Government to apologise for that, and I am sorry that there are not more Conservatives here to apologise as well.

It is not normal, I realise, in your Lordships' House to be perhaps quite so partisan, but some of the difficulties we are facing can be put only at the door of the outgoing Prime Minister and the recently departed Chancellor of the Exchequer. There is very little that can be done to overcome some of those difficulties. Those difficulties are substantial: we have already heard about the difficulties for those on benefits, as the noble Baroness, Lady Sherlock, spoke about so movingly. However, there is something that the Government can do: make a commitment—and stick to it—about uprating benefits in line with inflation, while at the same time sticking with the pensions triple lock. It will be difficult but they should at least try to persuade people that when they finally make a commitment on one of these vital issues, they will stick to it.

At the moment, we are seeing children going hungry—the danger of malnutrition even in this leading first-world country in the 21st century. That is not acceptable.

[BARONESS SMITH OF NEWNHAM]

Will the Government commit to ensuring that every child that needs them gets free school meals? They should not be excluded from free school meals because somehow they do not quite meet the metric that the Government have assumed. Those children who are hungry, who have arrived at school without breakfast and who cannot afford school meals are not going to be able to study effectively. That means they are not just being damaged now, at this time of a cost of living crisis; it will damage their prospects for the whole of their lives unless we do something to protect them right now.

In 2020 it took a footballer, Marcus Rashford, to change the Government's mind. In those days the Prime Minister was Boris Johnson, and he made U-turns twice on providing free meals to children during school holidays. On 12 November 2020 the then Secretary of State for Work and Pensions—currently the Deputy Prime Minister—Thérèse Coffey issued a statement following the U-turn regarding Christmas 2020. She stated:

“We want to make sure vulnerable people feel cared for throughout this difficult time and, above all, no one should go hungry or be unable to pay their bills this winter.”

Can the Minister confirm that it is still the Government's view, two years later, that no one should go hungry and everyone should have a warm home?

4.21 pm

Baroness Primarolo (Lab): My Lords, I congratulate my noble friend Lady Drake on initiating this very timely debate, given the challenges that our communities face. Many of the speeches today have been very detailed and, with great eloquence, have explained the cause at the heart of why so many people's well-being is not what we would want it to be. That is down to the economic choices that this Government have made—the economic choices that they claimed they had to make, for which there was no alternative. Many of the contributions have detailed what the alternatives are, and they are still there for the Minister to take.

Understanding people's experience is crucial for the credibility and accountability of public policy and, perhaps even more important for me, for the functioning of a democracy. When people believe that the Government do not know or care what their experience is, if people believe that their interests will never be represented, in my view their faith in the institutions of democracy is fundamentally undermined. This Government are playing fast and loose not only with the economy and our futures but with the very principles of democracy in our society. Why should you vote if it never makes a difference? Why should you vote or participate if no one cares about or values your experience and tries to ameliorate it? Why would you vote if you believed there was no justice in our society because the Government believe that if you give money to the people who have the most, somehow that will benefit all of us in the future?

The relentless rise in the cost of living has already taken a terrible toll on the well-being of many people in this country, particularly those on lower incomes. Measurements of well-being are about how well a person's life is going, how they perceive themselves

and how they experience their lives. What they are seeing is that the cost of living crisis, as it continues to deepen through 2023 and 2024, will fundamentally change their lives. How can it be right that a Government sacrifice their citizens' well-being for an economic policy that does not even work, and change their minds about what it should be just about every day?

We live in a society where pensioners live in fear of not being able to pay their bills, and families are terrified that they are going to lose their homes. Across the country, millions of households are fretting about how they are going to pay for rising food and energy costs. First-time buyers cruelly had their opportunities to buy a house snatched away by the Government's mini-Budget, after years when they had scrimped and saved for a home. People cannot afford to pay private rents because they are too high, and local authorities are unable to provide social housing for the many, which they desperately want to do. Child poverty is rising. Children are living in homes which cannot afford to be heated, without enough nutrition and food for their development. Children, who are the responsibility of all of us, are having their life chances snatched away from them before they have even had the opportunity to develop their potential.

The noble Baroness, Lady Tyler, referred to the British Psychological Society's survey about people's attitudes to their well-being. I looked at the OECD figures, which make shocking reading. Shame on us that these figures show us below the average of OECD members. The share of the population at risk of depression—31%—is a very big number out of 68 million, and the share of the population at risk of anxiety is also 31%. The share of the population with very low life satisfaction is 9%. The figures show inequality between top earners and the bottom growing and growing. Inequalities between men and women in the UK, on every measurement, are below the OECD.

As the noble Lord, Lord O'Donnell, said, this is not difficult to put right. There are alternatives. What are the Government going to do to reverse the downward trend on well-being? What policies will they put in place to build financial resilience, including benefit up-rating and investment in our public services? What policies will the Government bring forward—assuming they are still in power next week—to restore the quality of life of households, reduce stress and reduce anxiety, give people confidence for tomorrow, next week and next year, and give them hope that actually their lives will get better? If the Minister cannot answer those questions and cannot lay that out to this House today, this Government do not deserve to be in power and a general election should be called.

4.29 pm

Lord Sikka (Lab): My Lords, I would like to congratulate my noble friend Lady Drake on securing this vital debate. Opinion formers and mainstream media have latched on to the phrase “cost of living crisis”. In reality, it is a crisis of poverty, inequality, failed economic policies, an irresponsible state and democracy that is preventing millions of people from living a fulfilling life. The crisis has been incubating for years, and the main reason for that are the failed ideologies that the party opposite seems to venerate.

There is a twofold attack on people's well-being—first, by shrinking their disposable incomes and, secondly, through an escalating cost of living, with inflation as measured by RPI already at over 12%, taxes at a 70-year high and, just last month, food prices increasing by nearly 15%. The weak pound means that we also import inflation. Yet the Government have no strategy for dealing with corporate profiteering at all. If anything, the Government's mantra is to further shrink people's disposable income by cuts in real wages, pensions and public services that enable people to get healthcare and related services.

Due to government policies, the richest 250 people in this country are now worth nearly £711 billion compared to only £658 billion the year before. Clearly there is no cost of living crisis for the rich—or the rich people who donate to the Conservative Party. However, there is a cost of living crisis for the rest of the people. While many have been getting rich, the living standards of the masses are now lower than the average for developed countries. The *Financial Times* reported that the poorest 20% in Ireland have a standard of living almost 63% higher than the equivalent poorest in the UK. In 1976, workers' share of GDP in this country, in the form of wages and salary, was 65.1%. Following attacks on trade unions, zero-hour contracts, fire and re-hire and other policies, that share is now down to 50%. It is not really surprising that people cannot get access to good food, housing, education, pensions, healthcare and much more.

Even before the pandemic and the energy price crisis, some 14.5 million people were living in poverty. This included 8.1 million working-age adults and 4.3 million children. That number is expected to hit 16 million to 18 million before long. Thanks to the Government's policies, 21 million adults in this country have an annual income of less than £12,570. Has any Minister tried to live on that and see how they manage? Even with the freezing of energy tariffs announced by the Truss Government—we do not know what the next one will be called—some 6.7 million households are in fuel poverty. If the Government do not continue their support beyond next April, that number is expected to rise to over 11 million.

Some 800,000 children do not even get free school meals because their parents have income of more than £7,400. The tax system favoured by the Government clobbers the poorest. The poorest 10% of households pay 47.6% of their gross income in direct and indirect taxes. The richest 10% pay only 33.5%

In the face of the Government abandoning their duties to their citizens, people have to rely on charity for survival. Teachers, nurses and the police are relying on food banks. There are 1,400 Trussell Trust food banks and, in addition, nearly 1,200 independent food banks. They dished out 2.1 million emergency food packages in the last year, and 832,000 of them went to children.

Our senior citizens are taking endless bus trips and huddling in libraries, shopping malls and warm hubs just to stay warm. In case the Minister wheels out the slogan, "We are providing energy help", I remind him that even with that help, energy prices have more than doubled. The Government have somehow managed to find a magic money tree and conjured up £65 billion

to bail out the gilts market, but the same magic tree is never really plucked to eradicate poverty, reduce inequalities or make investment in public services.

This Government have set unprecedented records: let me give the House some examples. A study published in the peer-reviewed *Journal of Epidemiology and Community Health* has reported that there were 334,000 excess deaths in the period from 2012 to 2019. The cause was austerity. In 2016, Exercise Cygnus concluded that the NHS would struggle to cope with a serious outbreak of flu—an epidemic. The Government's response was not to fund the NHS properly; they reduced the number of beds per capita in the UK. Despite the heroic efforts of NHS staff, 208,000 people died from Covid. Within the NHS, 117,000 people died last year while waiting for hospital appointments. The charity Marie Curie has reported that 93,000 people died from poverty in 2019. No previous Government have killed so many of their own people. Why have this Government not reflected on this organised democide in the name of their defunct economic ideology? We need a public inquiry into the real human cost of what the Government have done, and we need it as soon as possible.

The Government are not reflecting on what they have done to the people. We have Chancellors who are promising even more austerity, saying, "Yes, every public department has to be cut; there will have to be more cuts to people's wages and benefits". At the same time we have patriotic millionaires urging the Government, "Please tax us more", but the Government will not do it. The Government could easily raise billions, for example by taxing unearned income at the same rate as earned income. If they applied that to capital gains it would raise £25 billion, which could be used to reduce inequalities, but the Government are not going to do that. Finally, I say: for God's sake, please go and let the Labour Government do the proper thing for the country.

4.37 pm

Baroness Gohir (CB): I thank the noble Baroness, Lady Drake, for securing this really important debate, because some of the hidden and long-term impacts of the cost of living, such as how well-being is affected, have not been given sufficient attention, especially by this Government. I welcome the many calls to action and recommendations that have been made, including the one for a general election. That may be the favourite one today. Before I share my concerns, I draw attention to my interests set out in the register.

As already highlighted, because of the incredible financial hardship that people face in Britain today they are having to use food banks to make ends meet. It is not just people who receive benefits but those who are working, as the noble Lord, Lord Sikka, just highlighted—those workers who kept our country moving on the front line, including nurses and health workers who risked their lives for us. But now, because they cannot afford to feed their families, they are leaving the jobs they love and moving out of the NHS, resulting in a shortage of staff. That crisis is already happening. It means that we have not enough nurses on wards to look after patients; patients are therefore put at risk. The cost of living crisis is therefore impacting on the well-being of patients in our hospitals.

[BARONESS GOHIR]

We are not going to see fewer patients going into hospitals; we are likely to see more people ending up in hospital because of the cost of living. When people starve themselves, they are not taking in the right levels of nutrients, which will weaken their immune systems. This means they are more likely to get sick and end up in hospital—and the pandemic is not yet over.

The cost of living crisis will also impact physical health in many other ways. To make money go further, families will opt to buy cheap food. This means more families will buy processed food, which is linked to diabetes. The number of people with diabetes will increase. Research shows that by 2030 one in 10 people will be living with diabetes, but that does not take into consideration the cost of living at the moment; the numbers are likely to be a lot greater. Diabetes is associated with kidney disease, heart disease and some cancers.

It is not just physical health that is affected and that we need to worry about; mental health will also worsen. Compared with men, women earn less and are more likely to work part-time. This means that they will increase their working hours or take on a second or third job. We know that is what the Government want—they have made that clear—but that is not right. Women will have less time for self-care and less time to spend with their children. Surely that will impact their mental health and that of their children.

Another impact of the cost of living is domestic abuse. We know that cases rose during the pandemic, and the cost of living will increase the risk of domestic and economic abuse. It will also mean that victims struggle to leave perpetrators because they will not be able to afford to, putting themselves and their children at risk of harm. Their mental health will also worsen.

It is clear from what we have heard today that people in Britain are surviving, not thriving. Is this the Britain we want? We are supposed to be a wealthy nation. We should not see people struggling; no one should be struggling. People on benefits are made to feel like a burden. We keep hearing about compassionate conservatism, but I feel that these are empty words. Compassion, kindness and empathy are the very principles that make this country great, but this Government have lost their way.

The Government are storing up physical and mental health problems for the future—problems likely to result in long-term unemployment and disabilities. I ask the Government: what is the plan to protect the health and well-being of the nation, threatened by the cost of living? What action will be taken to prevent health inequalities being further exacerbated? What will be done to reduce them?

4.42 pm

Lord Henty (Lab): My Lords, it is a pleasure to follow the noble Baroness, who has obviously made a flying start to her career in this House. I congratulate my noble friend Lady Drake on securing this important debate and on her eloquent exposition of so many aspects of the issues we are discussing. The noble Baroness, Lady Tyler, mentioned the survey conducted

by the British Psychological Society and gave us some statistics. I would like to quote the chief executive, who said in relation to that survey:

“The cost of living crisis is critical, immediate and severe and disproportionately impacting those that need support the most. As well as the practicalities of being able to heat homes and put food on the table, people are also carrying the mental health load of living under this strain. We are incredibly concerned that many simply will be unable to cope, with nowhere to turn to get help as services are already stretched and struggling to cope with soaring demand.”

The Government have capped the price of energy, but the cap is estimated to cause average bills to rise by more than 150% over last year's figures. Now the Chancellor has announced that that guarantee will last only until April, by which time the average energy bill is expected to be 400% greater than last year. Could anything be more calculated to undermine public well-being and increase

“the mental health load of living under this strain”?

The other side of the equation is income. Others have spoken of benefits and pensions; I would like to say a word about wages. Average regular pay is currently £574 a week. Its value in real terms has been declining for a decade. Wages are so low that, for several years, more people claimed universal credit who were in work than were out of work. The value of wages this year, under this Government, is falling faster than ever. The loss is, according to the ONS, on average at least 3.2% per annum. The latest figures show that the nominal wage increase is running at 5.4%, whereas the consumer price index with housing—CPIH—is rising at 8.5%. As noble Lords have pointed out, for food it is rising at 14%.

In the public sector, where average wage increases are running at 2.2%, the cut in the real value of wages is even more stark. Indeed, even if the 3.2% cut, on the basis of the ONS calculation, is the median annual wage loss, half of our workforce of 30 million are suffering greater wage cuts than that.

My noble friend Lady Primarolo referred to the OECD. In its annual *Employment Outlook 2022*, published a fortnight ago, it stated:

“The impact of rising inflation on real incomes is larger for lower-income households which have already borne the brunt of the COVID-19 crisis.”

The decline in the real value of wages by reason of pay not keeping up with prices is, of course, a global phenomenon—although, globally, the UK scores particularly badly on that metric.

The OECD highlights that one of the causes of the fall in real wages is that

“the proportion of workers who are covered by collective agreements in the OECD has steadily declined over the last three decades ... weakening the bargaining power of workers ... In the absence of countervailing power by organised labour, employers typically retain significant power to unilaterally determine wages and working conditions. Bargaining power is typically lower for vulnerable groups: while this is a source of concern even in low-inflation conditions, it becomes more serious in the current relatively high-inflation situation as these workers are not in a position to negotiate wage increases to keep up with price increases.”

The OECD recommendation is simple:

“Protecting living standards also requires rebalancing bargaining power between employers and workers, so that workers can effectively bargain for their wage on a level playing field ...

Rebalancing bargaining power, however, also means giving a new impetus to collective bargaining and, therefore, accompanying the efforts of unions and employer organisations to expand their membership and enlarge the coverage of collective agreements.” This, of course, has been advocated by the International Labour Organization since the Second World War. Even the IMF has recommended the extension of collective bargaining, and nowhere is this more necessary than in the United Kingdom, where collective bargaining coverage has fallen from 85% in the 1970s to less than 25% of workers today covered by a collective agreement—from one of the highest coverages in Europe to one of the lowest. Yet high collective-bargaining coverage is one of the hallmarks of the most successful economies in Europe.

In the Transport Strikes (Minimum Service Levels) Bill, published today, I was appalled to see yet further restrictions on the capacity of workers to protect their wages by taking strike action where persuasion fails. But I was surprised and encouraged to read that the Bill imposes a mandatory obligation on employers and unions to negotiate a collective agreement. Unfortunately, such an agreement is confined by the Bill to agreeing a minimum service level in the event of a strike.

With this remarkable precedent having been set, I hope the Minister can tell us that compulsory collective bargaining will be extended to all sectors of the economy, covering pay and terms and conditions of employment—the matters that really affect the well-being of the half of our population whose work supports the entire population. If they took this step, the Government would be following many global precedents, notably in New Zealand and the practices of western Europe, as well as the exhortations of the ILO and the OECD. In doing so, they would be exercising the only real option open to them to address falling wages.

4.50 pm

Baroness Janke (LD): My Lords, I too add my thanks to the noble Baroness, Lady Drake, for initiating this debate and for comprehensively and analytically setting out the context. My comments concern the education of children, particularly those with special educational needs, as well as the impact of years of underfunding on the morale of teachers, parents and schools.

Having read an article in a local paper by a parent of a child with special educational needs, about the fear they feel at the prospect of more cuts, I made my own inquiries and found a situation that makes me also fear for the future of these children, particularly those from disadvantaged homes, and their education across the country. I found that schools in general feel very undervalued and the lowest priority of Governments. I was told:

“Every year we need to do more with less and it is simply unsustainable”.

I am including direct comments from schools and parents, so I apologise if they sound slightly out of context.

The first thing to say is that not having enough funding encompasses just about every problem in any school, and the effects are: not enough teachers or assistants in the classroom, so schools cannot deliver an individualised education for disabled pupils and

those with special educational needs; provisions for personal growth and mental health cannot be met with not enough staff, and neither can early intervention; and alternative provisions for those most in need are not fit for purpose: students have been refused places in schools that are specialised and should be meeting their needs. But, if a specialised school, with all the equipment and funding, deems a child “too difficult”, how is a mainstream school supposed to deliver an effective education and a safe place for that child, with no specialised provisions or training?

There is very limited language provision. When 25% of a school does not speak English, even as a second language, there is no access to or funding for translators. One translator on one morning a week for six weeks does not cover the revolving door of refugees from places such as Afghanistan and Ukraine. Staff work very hard with these children to give them the best possible chance and to provide some stability, only for them to be moved on, with other schools refusing to take them. One refugee child could not get a school to take him because of disabilities, which is of course devastating for the child.

The increase in teaching assistants’ wages of around 10% is very much welcomed, but this now has to be funded by the school’s budget, so the choice is between having fewer teaching assistants or cutting the school’s budget in another way. Having fewer teaching assistants impacts on the quality of teaching and learning. Already, not all classes have a general teaching assistant to support those who need extra help.

Energy cost measures apparently apply only to residential premises, so schools will have to find the funds to meet the increases in energy, or not heat classrooms. One school has estimated increases of 230%.

As the right reverend Prelate the Bishop of Oxford said, feeding children is also extremely important. Free school meals are grossly underfunded, and they struggle to offer a good nutritious meal for the price, including vegetarian, halal and kosher alternatives. Children are not engaged and ready to learn if they are hungry, and this might be their only hot meal of the day. A large proportion of pupils in the school I mentioned—43%—receive free school meals.

Parents too feel that they have been left high and dry and fear that worse is to come. Many of them suffered indignity and encountered rudeness in fighting for their children’s rights. The education, health and care plans which have replaced statements are also a cause of great concern. They are supposed to take 20 weeks to achieve but in some cases it is 50 to 70 weeks, fraught with numerous assessments and shed loads of bureaucracy. Mainstream schools focused on performance are reluctant to make proper provision for children with special educational needs.

Council services are starved of cash, so parent support groups, play groups and social arrangements for children with special needs and learning difficulties are closed due to lack of funding. There is heavy reliance on private provision. This is very expensive and many councils now have enormous debts in their special educational needs departments, which are in crisis. All this is happening now, before anything in the

[BARONESS JANKE]

future budgets. It is clear that the system cannot bear any more cuts without threats to the very existence of many schools and services.

The current system clearly needs reform. It already offers woefully inadequate services to the most disadvantaged children, particularly those with special educational needs and those with disabilities. I hope that the Minister might propose some form of in-depth review of what is clearly a failing service.

We have heard ample evidence throughout the debate that current services cannot sustain future cuts. Indeed, they are in danger of collapse already. The noble Baroness, Lady Sherlock, spoke about indexing and the link to reality, and proper systems to protect us all. The noble Baroness, Lady Tyler, mentioned the effect of poverty on anxiety and mental health, and fear and insecurity and the need for reassurance with health and advice. The noble Lord, Lord Layard, underlined the importance of services to all sectors of the population and providing for their enduring needs. The noble Lord, Lord Howarth, mentioned inequality and how that leads to poor physical and mental health as well as social problems. The noble Lord, Lord O'Donnell, talked about well-being and the importance of targeting, as well as energy efficiency and labour shortages. All these concern different departments of state. It seems to me that one of the most important messages from this debate is that poverty concerns all the services; it certainly should not be left as being led by the concerns of the Treasury. I hope that message will hit home.

I urge the Government to protect our children, particularly those who are already disadvantaged, from any further attempt to cut essential services. As the right reverend Prelate the Bishop of Oxford said, children's futures are on the line. Our country will pay the price if we do not face up to our responsibilities and make sure that children are fully protected in these difficult times.

4.57 pm

Baroness Merron (Lab): My Lords, as the cost of living continues to spiral, I congratulate my noble friend Lady Drake on securing this timely debate focusing on the most pertinent issues of the day and speaking up for the many people whose health and well-being are deeply affected by a crisis that can only be said to have been made in Downing Street. I thank my noble friend for the incisive, informed and comprehensive way she set out the situation.

Over the course of the debate, I have been very struck by the way that noble Lords have so powerfully highlighted the inextricable link between the cost of living and our well-being. I have also been struck that throughout the debate I have kept coming back to just one question: how did the Government consider this link, if at all? Perhaps the Minister can offer some reflection on this point.

With inflation hitting over 10%, food inflation running at over 14% and millions worrying about their household finances, there is no sense that the Government have done anything other than make decisions that have sent costs through the proverbial roof. As my noble friend Lady Drake said, by choice the Government

have made everything worse. The Prime Minister may have resigned, but the Government remain in office. As my noble friend Lady Smith said in the Chamber earlier today, this Government now have no mandate. As a number of noble Lords have said, it is time for the people of this country to have their voices heard and their votes counted.

We know that good nutrition, shelter and the ability to lead a dignified life are essential foundations of good health. If unaddressed, rising living costs will leave people in health-harming—even life-threatening—situations in the short term, while embedding a public health time bomb for the future. It is not now just economists but public health leaders who are sounding the alarm about the health consequences of failing to protect communities and individuals from the cost of living crisis engulfing our nation. So I ask the Minister: what assessment have the Government made of the short-, medium- and long-term effects of the cost of living crisis? I am also interested to hear his response to the proposal from my noble friend Lord Sikka for an inquiry, especially given the anticipated extent of further cuts to public services in particular.

We know that the impact of the cost of living crisis is not felt equally or fairly: quite simply, those who have less suffer more. This has been borne out by the Office for National Statistics, which reminds us that the extent to which the rising cost of living has a financial impact on different households is very much based on

“factors including their expenditure patterns and their ability to absorb increased outgoings.”

This was referred to by my noble friend Lady Drake, who also emphasised the impact of the lack of financial resilience of lower-income households.

Analysis from the Institute for Fiscal Studies shows that the least well off are experiencing higher rates of inflation, while the New Economics Foundation confirms that the costs of the poorest are nine times higher than those of the richest 5% of society. Of course, key to addressing much of this will be the health disparities White Paper. The Minister will remember that last week I asked whether reports were true that this White Paper was not going to be published. Perhaps he might be good enough to provide a response today. If the reports are not true, when can we expect it to be published?

As my noble friends Lady Sherlock and Lord Monks and other noble Lords outlined, for those relying on welfare benefits, whether they are in work or not, inflation is not their friend. The Joseph Rowntree Foundation tells us that, if the Government uprate benefits by earnings rather than inflation, they will push a further 450,000 people into poverty. This will also increase poverty among working families by 350,000 more people, and families with a disabled person by a further 250,000, of whom a quarter are children. Could the Minister tell your Lordships' House what discussions there have been with the Department for Work and Pensions about the health impact of failing to uprate benefits to reflect the reality of the cost of living? Following on from the comments of my noble friends Lord Hendy and Lord Pendry, where is the

workforce plan to address low pay and record vacancy rates in the NHS and social care workforce—something that has been raised repeatedly in your Lordships' House?

Many health conditions are caused or exacerbated by cold homes, and the cost of living deeply affects how people use their heating at home. Often, homes are heated less frequently and to a lower temperature to try to save money, and this can be a particularly acute problem for those who are older and disabled. Children and young people living in cold homes are more likely to suffer from respiratory and mental health problems. Cold homes can also have an adverse effect on the educational attainment of young people and increase the risk of social isolation.

Overall, cold housing costs the NHS in England an estimated £1.36 billion per annum and contributes to the excess winter deaths which take place every year in the UK. Can the Minister tell the House how he will deal with this rise in unheated homes? Can he share any analysis that the Government have completed regarding the consequences of fuel poverty for public health and death rates this winter and beyond?

When prices rise across the board, it is eminently understandable that households may choose the cheapest, and often the unhealthiest, food and drink, something that the noble Baroness, Lady Gohir, spoke of. The Food Foundation has found that 50% of people are buying fewer fresh vegetables and less fresh fruit. We know that people are paying £571 more on average for their groceries this year than last year and, as my noble friend Lord Howarth referred to, the latest data from the Food Foundation shows that nearly one in five households experienced food insecurity last month, which manifested in eating less or going a day without eating.

We know that food poverty is a driver of poor physical and mental health, including chronic diet-related conditions such as obesity and cardiovascular disease. As the right reverend Prelate said, experiencing food insecurity can limit children's development and affect their ability to concentrate and engage in school, reducing educational attainment and long-term life chances.

Regrettably, the Government gave what I regard as an inadequate response to the opportunity presented by the national food strategy. Will the Minister revisit this? What will the Government do to make sure that those who are less well off can afford and access nutritious food at this time?

As we have heard in this debate, the mental health implications of the challenges the public are facing right now are heart-breaking. A Childhood Trust survey found that 23% of parents said that due to the impact of the cost of living, their children are expressing more anger, and more than one in five said that their children are smiling less. Stress, uncertainty, anxiety, inadequate income and having no cushion to fall back on all affect mental health and, as many noble Lords have said, people are scared. In June, the *Lancet* published an analysis of existing studies on the relationship between lower incomes and poorer mental health and well-being. Does the Minister accept this link and, if so, how will he address it?

In conclusion, I refer to the comments of my noble friend Lady Primarolo, who asked how the Government could sacrifice the well-being of people in this country in pursuit of ever-changing policies. This is a question for the Minister and his colleagues. I hope that what has been said today will impact the Minister's response. A healthy population and a healthy economy are two sides of the same coin and, right now, we have neither.

5.08 pm

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Markham) (Con): My Lords, I thank the noble Baroness, Lady Drake, for securing this important debate, and all noble Lords across the Chamber who have contributed to the constructive and thoughtful discussion. To answer the noble Baroness, Lady Smith, I found the debate fascinating and respond with pleasure.

I thank the noble Baroness, Lady Drake, for framing the debate in terms of the ONS study on public welfare and for highlighting that to me ahead of time. I welcome the contributions from the noble Lord, Lord Layard—it is good to see my ex-lecturer at LSE—and the thoughtful contributions from the noble Lord, Lord O'Donnell, and the right reverend Prelate the Bishop of Oxford. I believe this is an excellent basket of measures which should act as a North Star for the Government. Many moons ago, I worked a lot in Nigeria setting up digital TV, and I learned that one of the poorest countries in the world can actually be one of the happiest.

I would like to look at the impact of the cost of living on those 10 measures. I have excluded two—the environment and governance—because I was not sure how much the cost of living impacted them. I am not so sure on the governance point now, but that may be above my pay grade anyway. As I reply, I will look at how the cost of living measures impact the other areas: personal well-being, our relationships, our health, what we do, where we live, our personal finance, the economy, education and skills. I will not pretend today to have all the answers, but what I will try to do, crucially, as requested by the noble Baroness, Lady Gohir, is set out what the Government are doing to ameliorate the impact of the cost of living in these areas.

I turn first to energy prices, which we probably all agree is having the biggest cost of living impact. Of course, it is driven by the Russian war in Ukraine, but brought home to us here on our doorsteps. Many speakers today have mentioned this, including the noble Baronesses, Lady Tyler, Lady Smith, Lady Primarolo and Lady Janke, and the noble Lord, Lord Sikka. It impacts our personal finance in terms of the well-being measures, the economy and, as many have said, our health. As the noble Baroness, Lady Merron, said, its impact is as much as £1.4 billion a year.

I think we all agree that the price freeze was bold and decisive and has united support from all sides of the political spectrum. It gave peace of mind to all households. To echo the point made by the noble Baroness, Lady Drake, 77% of households are anxious about the impact of fuel prices on the cost of living. A

[LORD MARKHAM]

measure that seeks to address this for all households will go a long way towards removing that anxiety, bringing financial stability to many households and helping them with their health and well-being.

At the same time, I think we probably accept the comments about whether we should have more targeted support. We will review that after six months. It is probably a sensible thing to do to make sure that we are using such a large investment of public money in the best way possible. In the meantime, in addition to the price freeze, the Government have sought to act to make sure that the 8 million poorest households receive an extra £650 per year.

Thirdly, I turn to the price freeze for business and institutions. To answer the noble Baroness, Lady Janke, that also applies to schools for the next six months. The price freeze will help the whole economy because industry, schools and hospitals are all impacted by the increase in the cost of fuel. It will help the whole economy and jobs and, by helping to keep inflation down by as much as 5%, it will have knock-on benefits in terms of the level of interest rates needed to contain inflation.

Undoubtedly, as mentioned by many speakers, including the noble Baronesses, Lady Sherlock and Lady Tyler, and the noble Lord, Lord Monks, all this has had an impact on interest rates and inflation. While I am sure we all recognise the need to increase interest rates to reduce inflation and the impact that that has on mortgage costs, it would be blind not to recognise the turbulence in the markets caused by the mini-Budget, as mentioned by the noble Lords, Lord Howarth and Lord Monks, and the noble Baroness, Lady Smith.

The impact on the cost of government debt, mortgages and our ability to finance our spending plans is crucial and affects us all in terms of public well-being. So I think we would all agree that the inescapable truth from the past few weeks is that we must find a way to make sure that, as necessary as energy price caps are and as important as investment in health and other services is, we show financial discipline and show that we can live within our means. We have to give confidence to the markets to bring down the cost of government debt and mortgages, which we know have such an impact on every single household.

To that point, I welcome the comment on the stability of Ministers. Speaking as a Minister of only three weeks, I wish for some stability. However, again, I believe that that is above my pay grade.

I want to place what we are doing in the context of needing to work within this fiscal constraint. The markets have demonstrably proved that we must live within our means.

I turn next to food prices; again, this point was recognised by many speakers, including the right reverend Prelate the Bishop of Oxford and the noble Baroness, Lady Merron. Food insecurity clearly has an impact on health, but it also impacts productivity, the economy, education and skills—all key measures of quality of life and well-being. That is why it is so important that we make sure that our children have a nutritious upbringing, which is why the free school meals programme

is so important. All infant school kids get a free school meal, as introduced by the Government. Today, that 37.5% level is the highest on record, I believe.

So we are trying to give children a good foundation by having a healthy start and healthy food at school. We are also expanding that with a £200 million holidays and activities food programme to make sure that children can enjoy that when school is out. We also have the Healthy Start scheme to help 300,000 lower-income households. At this time, I thank the right reverend Prelate the Bishop of Oxford, the Church and all those who have a role in helping with food banks, because I know that that area provides a lot of comfort to people.

I turn to the impact of all this on mental health. The point was ably made by the noble Lords, Lord Hendy and Lord Layard, and the noble Baroness, Lady Gohir, among others, that the cost of living crisis causes more stress and anxiety. That is why the £2.3 billion of additional funding per annum that has been put in place to fund mental health services for an extra 2 million people per annum is a key recognition on the part of this Government of the importance of mental health to our general well-being. I believe that all areas have now set up a 24/7 urgent helpline to assist people in this. On a wider scale, the Treasury has set up the Breathing Space programme to assist people and give them breathing space when they need to manage their debts. These are difficult times and I will take this opportunity to urge anyone struggling with their mental health to seek support. Help is out there.

I turn to the pressures on the NHS. Again, many noble Lords' comments recognised this issue today and, in terms of the broader measures of public well-being, how crucial health is in that—and, therefore, how NHS delivery is crucial to the health and well-being of our country. As a new Minister, I am under no illusions about the cost of living pressures and how they might add to the NHS challenges.

I have spoken previously about our plan for patients. I am confident that our focus on ABCD is the right approach. I will not repeat those points now. At a time of unprecedented investment in the NHS and a larger workforce than ever, my focus is to make sure that, by working with the NHS management team, we really are driving performance as well.

We have all seen examples of NHS brilliance—I had the chance to see some recently at Chase Farm in Watford—but we have all seen examples of poor performance that we know is not good enough. With tight budgets and the cost of living, maximising our return on this investment is more important than ever. That is why a lot of my focus is on making sure that not only are we expanding bed capacity by 7,000, we are expanding capacity in the right places. We must make sure that the beds are being used to most effect to relieve the pressures. Again, this will benefit the whole flow through the system, right back to ambulance and A&E waiting times. At the same time, we must make sure that the 50 million extra GP appointments we are delivering are available to meet demand in the places that need it most.

The noble Lords, Lord Layard and Lord Pendry, also mentioned the key part that adult social care plays in this whole system. As we all know, how we

look after our loved ones is key to our relationships, to how we feel about ourselves and to our decency as a nation. Freeing up 13,000 hospital beds—13%—is key to ensuring that our loved ones are cared for in the right place: in care homes and not hospitals. It is also key to creating capacity in our hospitals to improve the flow right the way through the system, so that we can make sure that ambulance and A&E wait times improve. The £500 million discharge fund is a welcome addition to help solve this problem. Again, my job is very much making sure that we spend it in the right places to ensure that it is making a real difference.

In response to the point made by the noble Lord, Lord Pendry, at the same time we are working to recruit staff. Key to that, in the age of full employment, is looking to overseas workers, in the fine tradition of the NHS. I am glad that they have been added to the essential worker list so that we can have access to these markets. As the noble Lord, Lord Pendry, said, we must help people to see acting in the care sector as a vocation, not just a job.

I echo the points made by the noble Lords, Lord Howarth, Lord O'Donnell and Lord Hendy, around the role of work and employment. Work is not only key to our personal finances, it is key to our skills, our health and our own sense of worth and personal well-being. It is also key to a public sense of well-being and of benefit to the economy. In short, work pays. While I am delighted that unemployment is at a record low, as has been mentioned, we need to attract millions of people back into the workplace. Many people in their 50s stopped working during Covid. As the noble Lord, Lord O'Donnell, said, we need to find ways of attracting them back. As a former lead NED at the Department for Work and Pensions, I know about the work that the new Secretary of State, Chloe Smith, is putting in to help people on disability benefit back into the workplace. That is not only good for them and their income; it is good for their self-worth and vital to the economy. That is why we have put £1.3 billion into supporting disabled people and people with health conditions to help them back into work. It is good for them, good for their income and good for the economy.

In closing, I am grateful for the thoughtful contributions from noble Lords and to the noble Baroness, Lady Drake, for securing this debate.

Lord Sikka (Lab): My Lords, will the Minister respond to my request for a public inquiry into the deaths caused by the Government's policies? I referred to austerity, Covid deaths, deaths while people have been waiting for NHS appointments and poverty. I am aware that there are people here in the Gallery whose families and friends died. They are suffering anguish and they want an inquiry.

Lord Markham (Con): No, I am not going to respond to that point at the moment.

The Government recognise how important it is to protect and promote the well-being of the British people, particularly the most vulnerable. The measures I have outlined today will do just that. We are delivering unprecedented levels of support due to the rising costs of living, and this will already be helping millions of

people across the country. The increased costs of living are impacting everyone in a variety of ways, particularly the most vulnerable in society. The situation is very fast moving and I hope noble Lords will share my enthusiasm for continuing an open dialogue as the Government closely monitor the impact felt to ensure that the right support is delivered.

5.24 pm

Baroness Drake (Lab): My Lords, I thank the Minister for his reply. I have to acknowledge the humour he introduced at the beginning. He is quite right; one of the 10 domains of well-being that the ONS measures is governance—how decisions that affect ordinary people's lives are made—so he was probably wise to bat that one away. I give him credit for fleetness of foot on that.

Given the instability in the Government, it is very difficult for him to give answers to questions with any confidence, and that clearly shows. It is not a reflection on his ability, but it is clear that at the moment any Minister for this Government cannot answer what are incredible challenges for most of the population. The Minister cannot tell us about the White Paper on inequalities, the Government's confidence on dealing with the social care crisis or whether they are losing the political will on regional inequalities. Without meaning to be disrespectful, his inability to answer those questions in itself contributes to the evidence that this is a Government who cannot lead.

I thank all noble Lords who participated in today's debate for making so many excellent contributions. They took different dimensions but brought it all so alive. In our normal daily lives, let alone in the statistics we have read—and I have read a lot over the last two weeks—we see the humanity and the challenges. We see our friends ringing up saying, "Oh my God, my son can't afford the mortgage interest rate. What am I going to do? Am I going to have to go back to work and help him with the money?". These are real human stories that people are experiencing. We live in extraordinary times. Our economy is under pressure, the public is frightened and the Government are in chaos, holding the confidence of neither the public nor the markets. I think it is a moment in our history as a country.

Those in our influencing institutions—those in the Bank of England and the Treasury, and our Parliaments and Ministers—must bear heavily the responsibilities that they have to discharge at this time. There really is a huge national interest here, above petty personal issues. For everyone, whether it is civil servants, parliamentarians or Ministers, this is the moment to recognise that they must do what is in the national interest. They must carry it heavily on their shoulders, though it may be a burden—because it should be—and deal with this cost of living crisis.

As my noble friend Lord Layard and the noble Lord, Lord O'Donnell, argued so persuasively, they must benchmark their decisions against the public well-being and show how they did it. For heaven's sake, that is what the people of this country want to see and know. The confidence will not come back to our democratic institutions until we do that visibly. They need to see and know how we are looking after

[BARONESS DRAKE]

their national interest. We know that there are going to be more challenges, but I thank everyone who participated in today's debate.

Motion agreed.

Ukraine Statement

5.29 pm

The Minister of State, Ministry of Defence (Baroness Goldie) (Con): My Lords, I beg leave to repeat a Statement made in the other place earlier today by my right honourable friend the Secretary of State for Defence, Mr Ben Wallace, on Ukraine. The Statement is as follows:

“Mr Deputy Speaker, with permission I would like to make a Statement on the ongoing conflict in Ukraine.

We are now 239 days into the operation that President Putin planned to conclude within a month. Active Ukrainian offensive operations continue in the north-east, near Svatove, and in the Kherson region in the south. If Ukraine successfully advances on Svatove, a key road and rail junction, it will constitute another severe blow to the logistical viability of the northern sector of Russia's Donbass front.

Yesterday, the new Russian commander in Ukraine, General Sergey Surovikin, offered an unusually candid public statement of the difficulty of the Russian position in Kherson, on the right bank of the Dnipro river. Pro-Russian occupation forces have now started to withdraw some categories of civilians east of the river. They claim 7,000 people have already departed, and aim to move another 10,000 a day, though we cannot yet verify those figures. Russia's limited hold on the west bank of the Dnipro looks shaky. They are likely more seriously considering a draw-down of their forces in the area.

Russia's ground campaign is being reversed. It is running out of modern long-range missiles and its military hierarchy is floundering. They are struggling to find junior officers to lead the rank and file. Meanwhile, their latest overall commander has a 30-year record of thuggery marked even by the standards of the Russian army. What will worry President Putin is that the open criticism is inching closer and closer to the political leadership of his country. Russia has strong-armed Belarus into facilitating its disastrous war, but the newly announced 'Russian-Belarusian Group of Forces', supposedly to be deployed in Belarus, is unlikely to be a credible offensive force. It is far more likely that Russia is attempting to divert Ukrainian forces from their successful counteroffensives.

As Russia's forces are pushed back, they are resorting to directly striking Ukraine's critical national infrastructure, especially the power grid. It should be noted that these facilities have no direct military role, but the impact is multiplying the misery of ordinary Ukrainian citizens. Notably, these strikes are partially being conducted by loitering munitions—so called kamikaze drones. Despite Tehran's denials, these weapons are being provided by Iran, another sign of the strategic degradation of Russia's military.

In the wake of these ongoing and indiscriminate attacks on civilian infrastructure, the UK continues to give air defence missiles to Ukraine. We are proud to be the second-largest donor of military equipment, and last week I announced that the UK would be providing additional air defence missiles to Ukraine to defend against Russian missile strikes. These include AMRAAMs—air-to-air missiles—which, used in conjunction with the NASAMS air defence system pledged by the United States, are capable of shooting down cruise missiles. We continue to provide sophisticated electronic warfare equipment which gives additional protection against long-range drones and missiles.

Supporting Ukraine remains the Ministry of Defence's main effort. We are helping Ukraine to replenish its stocks to keep up fighting. As winter approaches, we are developing a package to support Ukrainians through the winter, including 25,000 sets of winter clothing, so that they are more effective on the battlefield than their poorly trained, badly prepared and ill-equipped Russian counterparts, many of whom have been mobilised at short notice with little training, equipment or preparation.

As part of Operation Interflex, we are also continuing to train Ukrainian recruits in the United Kingdom alongside our Canadian, Danish, Dutch, Finnish, Lithuanian, New Zealand, Norwegian and Swedish partners. We have so far trained over 7,000 soldiers and are currently on track to train 10,000 by the end of the year, with up to 20,000 to follow in 2023.

Furthermore, we have worked with allies and partners to establish an international fund, which will ensure a continued supply of essential lethal and non-lethal military support to Ukraine, as well as manufacturing capacity. To date, we have received pledges totalling approximately £600 million and continue to work with international partners to secure further funding. Today, we will launch the first urgent bidding round to identify and procure critical capabilities which can be rapidly deployed to Ukraine.

I would also like to share with the House details of a recent incident which occurred in international airspace over the Black Sea. On 29 September, an unarmed RAF RC-135 Rivet Joint civilian ISTAR aircraft on routine patrol over the Black Sea was interacted with by two Russian armed Su-27 fighter aircraft. It is not unusual for aircraft to be shadowed and this day was no different. During that interaction, however, it transpired that one of the Su-27 aircraft released a missile in the vicinity of the RAF Rivet Joint, beyond visual range. The total time of the interaction between the Russian aircraft and the Rivet Joint was approximately 90 minutes.

The patrol was completed and the aircraft returned to its base. In the light of this potentially dangerous engagement, I have communicated my concerns directly to my Russian counterpart, Defence Minister Shoigu, and the Chief of the Defence Staff has also communicated his concerns to Moscow. In my letter, I made it clear that the aircraft was unarmed, in international airspace and following a pre-notified flight path. I felt it was prudent to suspend these patrols until a response was received by the Russian state.

The reply by the Russian Ministry of Defence on 10 October stated that it had conducted an investigation into the circumstances of the incident and that it was a technical malfunction of the Su-27 fighter. It also acknowledged that the incident took place in international airspace. The UK Ministry of Defence has shared this information with allies and, after consultation, I have restarted routine patrols, but this time escorted by fighter aircraft.

Everything that we do is considered and calibrated with regard to ongoing conflict in the region and in accordance with international law. We welcome Russia's acknowledgment that this was in international airspace. The UK has conducted regular sorties of the RAF Rivet Joint in international airspace over the Black Sea since 2019, and we will continue to do so. For security reasons, I will not provide further commentary on the detail of these operations, but I assure the House that this incident will not prevent the United Kingdom's support for Ukraine and resistance to Russia's illegal invasion.

The UK Government's position remains unchanged, with consistent support, I am pleased to say, from across the House. We will continue to support the Ukrainian people to defend their homeland, and the rules-based system. It has protected all nations from such naked and unprovoked aggression over the last 75 years; it was also helped and shaped by Russia in that time. This Government will always defend it because these rules-based systems are fundamental to who we are, and provide peace and security for this country and our partners and allies. I commend this Statement to the House."

My Lords, that concludes the Statement.

5.39 pm

Lord Coaker (Lab): My Lords, I thank the Minister for repeating the Statement on Ukraine made earlier today in the other place, and I welcome its contents.

Obviously, there is currently chaos in government, with a new Prime Minister, whoever that is, to be in place soon. Given this political uncertainty, will the Minister take this opportunity to say loudly and clearly that, whatever the outcome of all this political uncertainty, our resolve to support Ukraine will remain as steadfast as it has been and nothing will shake our joint resolve to support Ukraine and NATO in facing up to Russia and its illegal invasion? Will the Minister resolve to ensure that President Zelensky and the people of Ukraine are made aware of that? Indeed, President Putin himself must be in no doubt that, whatever the political uncertainty, there will be no weakening of our resolve.

To that end, talking of our new Prime Minister, what is the government policy on defence spending at present? The former Prime Minister said 3% by 2030, but last night the Chief of the Defence Staff said it was only a potential increase to 3%. Can we please have some clarity on that?

The Statement tells us that as Russian forces are pushed back, they are resorting to directly striking Ukraine's critical national infrastructure, especially the power grid, with consequent misery for the people of Ukraine. Given that the so-called kamikaze drones

being used are supplied by Iran, can the Minister update us on what discussions have taken place between our Government and Iran but also between NATO and Iran about the supply of these weapons to Russia?

The Minister tells us that we are supplying a considerable number of air defence missiles, which is very welcome and we can be rightly proud of it. Are we able to keep up with the demand for these missiles with our US and NATO allies? Can we provide all the lethal and non-lethal equipment that is being requested?

In answer to questions in the other place earlier today, the Minister there spoke about the withdrawal of troops from Estonia. Can the Minister update us a bit more on the Government's position with respect to troop levels in Estonia?

As a result of the advance of Ukrainian forces and Russian difficulties in Kherson, the Minister has just told us that thousands of people are being moved, with thousands more to follow. Who are these people, how are they chosen and where are they actually being moved to? There are also reports of Russia planning to blow a dam near Kherson and then blaming the Ukrainians. Does the Minister have any comment to make about that?

The Statement talks about candid remarks made by the new Russian commander about the difficulties they are facing. Can the Minister explain the remark, "What will worry Putin is that the open criticism is inching closer to the political leadership too"? That is a direct quote. It would be helpful if the Minister could say what evidence there is for that and what that sentence actually means.

We read of the Defence Secretary's recent visit to Washington, which was organised so quickly that he had to miss a Select Committee meeting at the last minute, to discuss, according to Secretary Blinken, support for Ukraine and the serious security threat that Russia poses to the Europe, the US and the world. What threats were discussed? What was the purpose of this last-minute meeting?

Worryingly, as the Minister has just told us, it is reported that a Russian fighter jet released a missile near an unarmed British spy plane over the Black Sea. Can the Minister confirm that the Defence Secretary has accepted completely Russian assurances that this was the result of a malfunction? Does it not, however, show how careful we all must be to prevent any possible escalation? Have there been any other similar incidents on land, sea or air?

Yesterday the US imposed new sanctions on Russia, targeting a network accused of procuring military and dual-use technologies from US manufacturers and illegally supplying them to Russia for its war in Ukraine. RUSI has confirmed that UK components are also appearing in Russian weaponry. Can the Minister confirm whether we are looking at the imposition of a similar sanction on Russia?

Lastly, can the Minister tell us anything about the new MoD assessment of the threat to Ukraine from Belarus? Kyiv believes that it is a very real threat.

I reiterate our support for the Government in their actions in respect of Ukraine.

Baroness Smith of Newnham (LD): My Lords, as so often on these occasions, I rise in many ways to endorse all the questions and comments of the noble Lord, Lord Coaker, and to echo the support for His Majesty's Government's commitment to Ukraine. It is very welcome that the Secretary of State for Defence, reiterated by the Minister, noted the commitment to continue to support the Ukrainian people, which is absolutely right. They are defending their homeland against an illegal invasion, and it is absolutely right that we should continue to support them.

In light of that—in many ways, I might sound a bit like an echo of the Labour Front Bench—what assessment have the Government made of the relationship with Iran? That is a slightly different question, but if the kamikaze drones are coming from Iran, and there is a fairly strong sense that they are, have the Government made any further assessment of how dependent Russia is or might be on Iranian weapons? There is surely a danger of escalation into a wider region. Given that the United Kingdom, along with many of our allies, has supported the reintroduction of the JCPOA, where are we in negotiations with Iran, and is that an area where the Government could hold to account the Government of Iran?

Turning to the question of escalation over the Black Sea, to what extent are His Majesty's Government satisfied that the incident with the Russian fighter jet was a one-off? Was it just an accident? Is there not a danger of escalation if we now feel that we need to send our unmanned flights with armed support? To what extent is there a danger of unintended consequences as the United Kingdom responds to unintentional attacks—if we are being generous in our analysis of what Russia may or may not have done?

Beyond that, it is very welcome that we are continuing to train Ukrainian soldiers. The numbers we are training sound very positive, and similarly, sending cold-weather kit is highly desirable. What other activities are His Majesty's Government undertaking to support Ukraine in a non-military sense? As the noble Lord, Lord Coaker, pointed out, Russia has been attacking critical infrastructure, particularly energy sources. To what extent is the United Kingdom seeking to support Ukraine to make sure it can keep the lights on? On the diplomatic approach, to what extent is His Majesty's Government having conversations with China, perhaps in margins of the United Nations and elsewhere? Whatever our difficulties with China might be on some issues, it is perhaps best placed to persuade Putin that further perpetration of this illegal war is not in Russia's interests, and that deconflicting the situation is possibly best promoted by China. Are the Government discussing this informally, behind the scenes?

Finally, obviously, I have to ask about defence expenditure. Liz Truss committed to 3% by 2030. The Chancellor of the Exchequer—the Jeremy Hunt version—did not rule that in. Does the Minister believe that there is a firm commitment to 3% of GDP for defence? Will she and the Secretary of State please fight to ensure that we keep our defence expenditure where it needs to be to keep this country secure and to support all our commitments to NATO and other allies?

Baroness Goldie (Con): My Lords, may I thank the noble Lord, Lord Coaker, and the noble Baroness, Lady Smith, for the tenor of their remarks? It is a great pleasure to stand as a Minister at the Dispatch Box with business as usual. That is where we are at the MoD, that is what we are getting on with, and it would be perilous if we were distracted from that core mission. I want to reassure your Lordships that I have not just a deep friendship with the Secretary of State for Defence, but the most profound respect for him, as I think everyone has. I wish to reassure your Lordships that in the MoD, we consider that we have a vital task. Every Minister there has their head down and is getting on with it.

I will try to deal with some of the points raised. The noble Lord, Lord Coaker, sought reassurance about our resolve, and whether we will remain steadfast. Indeed, the noble Baroness, Lady Smith, echoed that sentiment. Let me say, without a shadow of a doubt, "Yes". We have demonstrated our political and national will to support a country in peril and in need, and the victim of a quite outrageous breach of international law with this illegal incursion. We have demonstrated by deed what we are prepared to do by ourselves and in conjunction with NATO partners and with other allies across the globe, as we assist Ukraine in defending itself against this quite appalling and totally unjustified invasion.

The noble Lord, Lord Coaker, said that President Zelensky should be assured. The MoD has very good and close relationships with Ukraine. I am absolutely certain President Zelensky knows we understand that, while our tumult within the United Kingdom is troubling and distracting, to put things into context, the problems confronting him are of a very different magnitude. None of us should ever forget that, living in democracy which we do. Democracies bring ups and downs, triumph and difficulties, but I know that in this Chamber there are persons of all political hues who have seen that at first hand. Our job is to never take our eye off what we are here to do as public servants and try to do that to the best of our ability. I am sure President Zelensky is aware of that.

Both the noble Lord, Lord Coaker, and the noble Baroness, Lady Smith, raised the issue of defence spending. I can confirm that the Secretary of State is committed to the objective of 3% of GDP by 2030, and I entirely support that objective. He made it clear in the other place, earlier today, that it is not just a question of 1 January 2030 arriving and us looking for 3% of GDP. For it to make any sense whatever, because of the nature of the defence budget and the magnitude of it, there has to be a phased increase. That is what the Secretary of State will fight for, that is what he believes is necessary, and he is supported by his Ministers in that objective. While it would be for any new Prime Minister to put his or her stamp on that objective, I think there is a universal understanding across government of the essential importance of what the MoD does, and the need to ensure that it is funded as required. Otherwise, it cannot do the job it is tasked to do.

On the issue of the power grid and the disruption by Russia of Ukrainian energy supplies—an issue that the noble Baroness, Lady Smith, also raised in the

context of humanitarian aid—as your Lordships will be aware, a lot has been happening. The UK is providing support for Ukraine’s early recovery through the multi-donor partnership fund for a resilient Ukraine. All of this is extremely important. Through UK export finance, His Majesty’s Government have made £700 million available in financial guarantees to help rebuild homes, bridges and other critical infrastructure destroyed by the war. This facility is part of UKEF’s £3.5 billion capacity to underwrite loans to Ukraine and to support UK businesses exporting to Ukraine with credit and insurance. I hope that indicates to your Lordships that, while the MoD obviously is focused on the delineated area of military support to help Ukraine defend itself, on that wider front a great deal of good work is being done by the UK, and in conjunction with partners. Everyone is cognisant of the need to be sure that there is a sustainable way of helping Ukraine, when this war comes to an end, to rebuild its country.

The issue of diplomatic engagements with Iran was raised. That is for my noble friend Lord Ahmad to respond to, as is it very much a matter for the FCDO. I remind your Lordships that severe sanctions have been applied by both the UK and the United Nations against Iran. We continually review how we can persuade Iran to reconsider what it is doing. I have to say that while Iran may be a problematic country in many respects, historically it is actually one of honourable traditions and pride in its international position. I would have thought it was appalled to see the footage of what these drones were achieving as they were delivered to innocent citizens of Ukraine, and that that might want to make Iran consider just where it is in this.

There was an important question on whether we can keep providing equipment. Yes, and not only have I on previous occasions listed the extensive types of equipment advanced but the Secretary of State, in the Statement I have just repeated, detailed further provisions of equipment, all of which is important to Ukraine’s ability to defend itself.

The noble Lord, Lord Coaker, raised Estonia. I can say that the 2nd Brigade—the battle group—was put in at the start of the Ukraine war, but it was only ever temporary. We made that clear and it is being withdrawn, but the fundamental presence remains. It is important to look at this across the piece, in terms of what we are providing to Estonia and in the surrounding countries. We are expanding our national headquarters in Estonia. There will be the balance of a full combat brigade, allocated at high readiness for rapid deployment across the Baltic region. There is an increase in the warfighting capability of our forces already based in Estonia. We are helping with the development of the Estonian national divisional C2 through training and mentoring, while seeking opportunities to embed Estonian staff officers within the UK divisional HQs. We are regularly in touch with Estonia. The Secretary of State spoke very recently to his counterpart in the country, and Estonia is very positive about what the UK is doing there.

The noble Lord, Lord Coaker, also raised the issue of people being moved by the Russians in the areas referred to in the Statement. I do not have details of where they are going. That is something we shall try to monitor, but it is a serious issue and, clearly,

there must be concerns about their welfare and how they are being looked after. He also asked about the phrase used in the Statement of criticism “inching closer” to Mr Putin. By general acknowledgement—recently, the head of GCHQ made a statement in a radio interview about the situation in Russia—the anecdotal evidence we are picking up is that the Russian population is beginning to understand that there is more to Russia’s illegal war than meets the eye. I think many are getting reports back directly from family members; they are finding that distressing and beginning to question what is going on.

On the Secretary of State’s visit to the United States, at this critical time we think it vital that we keep closely and personally in touch with our most important allies, of which the United States is one. I know from speaking to the Secretary of State that the discussions were very constructive and very useful. They were an important opportunity to make sure that everyone understands the backdrop of what is happening in Ukraine. The House will understand that I cannot disclose further information about these discussions.

On the RAF incident above the Black Sea, there is really no more I can add to what I have already said. The noble Lord, Lord Coaker, asked if I was aware of other incidents. I am not, and I think they would have been brought to my attention if they had occurred, but the matter was handled sensibly and wisely by the Secretary of State. The response the Russian Government gave was regarded as professional and, while there is much to condemn about Russia, I have said before that MoD maintain civilised levels of communication with our counterparts in Russia. That is evidence of it but there is no more I can add about the incident.

Finally, the noble Baroness, Lady Smith, asked about China. It is a very important question. We continue to engage with China at all levels in Beijing, London and at the United Nations. We can seek only to influence and make clear to China that we are watching it, as is the rest of the world and whether its actions contribute to peace and stability or fuel aggression. We expect China to stand up for Ukraine’s sovereignty and territorial integrity and uphold its commitment to the United Nations charter.

I have tried to deal with the points raised and I hope I have managed to address the majority of them. I will, as usual, check *Hansard*. If I have omitted to deal with something, I shall write.

6.01 pm

Viscount Stansgate (Lab): My Lords, I thank the Minister for repeating the Statement. May I begin by agreeing with everything said by my noble friend—

Lord Harlech (Con): My Lords, I have the greatest admiration for the noble Viscount, Lord Stansgate, but I am afraid he was not here for the start of the debate. On this occasion, I have to ask him to hold his question for another time.

Lord Liddle (Lab): My Lords, on this of all days it is a very good thing that we are able to express our national unity behind the Government’s stance on Ukraine. I thank the Minister for the very detailed

[LORD LIDDLE]

way in which she tried to answer the questions of my noble friend Lord Coaker and the noble Baroness, Lady Smith.

I have two questions. One relates to the inevitable problem of money and the Treasury. Has the MoD concluded its discussions and negotiations with the Treasury on how the armaments that we have sent to Ukraine will be replaced and on what timescale? Do we know that our defences will not be weakened as a result of what we have done? Is there a commitment on the part of the Treasury—especially given the Statement coming up in 10 days' time or so—to replace all the kit and armaments that have been sent there? When is that happening?

My second point is not an MoD issue. Is the noble Baroness aware of what steps have been taken across Europe with our European friends and allies, and by us, to assist the Ukrainians practically with keeping their critical infrastructure, particularly their power infrastructure, going throughout the winter? I happen to have been in Ukraine in winter and it is a pretty horrific prospect if they are unable to heat people's homes. What practical steps have been taken to help them counter the threat from Iranian drones?

Baroness Goldie (Con): I thank the noble Lord for his questions. In relation to what has been supplied and how we pay when we come to replenish it, the MoD has proceeded on the basis that it will be paid for by the Treasury. That has been a negotiated position and it is one I would expect to be obtempered and to continue.

On Ukraine's infrastructure, I indicated to the noble Baroness, Lady Smith, some of what the UK was trying to do. As I observed earlier this week, the EU has shown commendable willingness to group together to support the endeavour, discussing with friends and allies how we best make an impact on supporting Ukraine. I reassure the noble Lord that the UK is working closely with the EU on providing Ukraine with military equipment, cyber resilience and humanitarian and economic support—not least with sanctions, energy resilience and countering Russian disinformation. There is work going on. It is perhaps a broader issue than for the MoD, and I am sure it is one that my noble friend Lord Ahmad would be very pleased to take up with the noble Lord.

Baroness Smith of Newnham (LD): If there are no other Back-Bench speakers, I would like to ask a question on behalf of my noble friend Lord Campbell,

who is absent from the Chamber. I think he perhaps misunderstood the timing of a Statement repeat rather than an Urgent Question repeat. I believe he was going to ask the Minister whether it would be possible to answer a question that both he and I have raised on a couple of occasions recently about the ability of the United Kingdom to continue to supply weapons to Ukraine and about the supply-chain issues. Clearly, it is something on which reassurance would be important.

Baroness Goldie (Con): I find it difficult to see in the noble Baroness, Lady Smith, the demeanour of the noble Lord, Lord Campbell of Pittenweem, but as a proxy she is very capable. I know that the noble Lord, Lord Campbell, is concerned and there is legitimate interest in how we replenish, how we fund and how we keep supplying. I can say that we continually manage and analyse our stock of weapons and munitions, so when the Secretary of State makes an announcement, it has been carefully considered before it is made public. We make these decisions against commitments and threats, because we have our own national security to think of.

We also have to review industrial capacity and supply chains, both domestically and internationally, so that informs not just the numbers of munitions we have granted in kind to the armed forces of Ukraine but the avenues of supply. I can say that industry has been extremely supportive in all of this, and, of course, the noble Baroness will understand that the UK does not work in isolation. We of course have discussions with our partners and allies and then we have discussions with the industry suppliers because it is quite a complicated jigsaw, as the noble Baroness will know. It is a complicated jigsaw because there are a lot of pieces that we keep having to make sure are fitting together. I want to put on record that industry has been very supportive. We work bilaterally with industry, but we also work closely with our international partners, as we are trying to make a coherent presentation and to avoid duplicating what one another is trying to do.

Oaths and Affirmations

6.06 pm

Lord Saatchi took the oath and Lord Turnberg made the solemn affirmation.

House adjourned at 6.08 pm.

Grand Committee

Thursday 20 October 2022

China: Security and Trade (IRDC Report)

Motion to Take Note

1 pm

Moved by **Baroness Anelay of St Johns**

That the Grand Committee takes note of the Report from the International Relations and Defence Committee *The UK and China's security and trade relationship: A strategic void* (1st Report, Session 2021-22, HL Paper 62).

Baroness Anelay of St Johns (Con): My Lords, I am pleased to present our report, *The UK and China's Security and Trade Relationship: A Strategic Void*, to the Committee today. I thank members of the International Relations and Defence Committee and our staff, including our specialist adviser Dr Yuka Kobayashi, for all their hard work in producing this report.

The UK-China relationship is complex, of course. It has seen periods of both co-operation and confrontation. When David Cameron was Prime Minister, the focus on economic relations with China was characterised as a “golden era”, but tensions then rose rapidly as a consequence of increased concerns about matters such as security challenges, the imposition of the draconian Hong Kong national security law, and allegations of genocide in China's Xinjiang province. Against that background, we launched our inquiry and published our report just over a year ago.

The central argument of our report is that the Government do not have a clear strategy on China, despite the shift in relations over the last few years. We found that the attempts made by coalition and Conservative Governments since 2010 to navigate complex interactions between trade, security and human rights had led to inconsistencies and uncertainties. We concluded that there was no clear sense of what the Government's strategy was towards China, or indeed what values and interests they were trying to uphold in the UK-China relationship.

The Government claimed that they had set out their strategy in various speeches from time to time. We concluded that these did not provide clarity. In our view, the Government seemed to be

“using a policy of deliberate ambiguity to avoid making difficult decisions that uphold the UK's values but might negatively affect economic relations.”

The committee therefore called upon the Government to produce and publish a “single, coherent China strategy” and a plan for how they would execute that strategy in the future.

The Government's response did not confirm whether they would publish a written strategy on China. Instead, they referred us to the integrated review of security, defence, development and foreign policy. However, the IR simply alludes to the tension between balancing economic engagement with China with the need to

uphold UK values and national security. It does not give any indication about how this tension will be resolved.

During this summer's leadership contest, the *Times* reported that my right honourable friend the Prime Minister, then the Foreign Secretary, would class China as a “threat” to national security for the first time. However, the reporting was light on details—it was not clear what classing China as a “threat” would mean in practice, for example—and no further announcements have yet been made on this matter since the Prime Minister took office. What further details can my noble friend the Minister supply about the Government's plans in this area?

I note that the Government have pledged to update the integrated review, saying that the updated review

“will ensure we are investing in the strategic capabilities and alliances we need to stand firm against coercion from authoritarian powers like Russia and China.”

I welcome the idea of updating the IR, but rumours are going around that it will not appear until next May. In the current volatility of events, one suspects that it may be even further delayed. Will there be any consultation on the key issues before the report is published?

I turn now to five specific issues: Taiwan; supply resilience; human rights; Chinese influence on UK universities; and, finally, the implications of China's stance on Russia's illegal and unprovoked invasion of Ukraine.

Our report argued that any assessment of China's threat to the UK should take into account both the probability and likely consequences of conflict in Taiwan. We argued that the UK's interests would be directly threatened, and concluded that:

“The uncertainty over the future of Taiwan therefore represents a major risk to the UK.”

The Government's response to this section of our report provided limited information. It merely stated that the Government

“support a peaceful resolution through constructive dialogue”, and that

“the numerous Chinese military flights at the beginning of October”—in 2021—

“near Taiwan were not conducive to peace and stability in the region.”

It was astonishing that there was not a single reference to Taiwan in the integrated review.

Last weekend, the five-yearly Chinese Communist Party congress opened in Beijing. It is expected to endorse an unprecedented third five-year term for Xi Jinping as party general secretary—the de facto President. On the very first day of that congress, he said:

“We insist on striving for the prospect of peaceful reunification with the greatest sincerity and best efforts, but we will never promise to give up the use of force and reserve the option to take all necessary measures.”

I understand the diplomatic sensitivities on this matter but would be grateful if my noble friend the Minister can provide an analysis of the UK's assessment of risks and a potential response to further developments in Taiwan.

[BARONESS ANELAY OF ST JOHNS]

The committee also explored the issue of supply chain resilience and vulnerability in the context of the UK-China relationship. The passage of the Telecommunications (Security) Act 2021 was a clear sign of the Government's concerns in one area, but these vulnerabilities are much more widespread across the UK economy. We were particularly concerned about vulnerabilities exposed during the pandemic relating to the procurement of PPE and lateral flow tests. In subsequent correspondence, the Government confirmed that, as of 10 January this year, the total cost of lateral flow tests from China and procured by NHS Test and Trace or the UK Health and Security Agency was £5.8 billion.

Of course, it is important that the UK engages with China economically, and our report highlights a number of opportunities for UK businesses, particularly in the services sector. It is also vital to co-operate with China on global challenges, including public health and climate change—a subject on which my noble friend the Minister has particular expertise. This engagement with China should not, however, come at the cost of upholding the UK's core values, including on human rights and labour protection—values which China does not share.

In April last year, a Motion was passed in the other place declaring that Uighurs and other ethnic and religious minorities in Xinjiang are suffering crimes against humanity and genocide. Our report stressed that the question of how to balance economic engagement with human rights must be front and centre of the Government's strategy on China. We concluded that the Government cannot “sit on the fence” on this issue, and that they must not tilt the balance towards preserving economic relations at the expense of human rights.

I am pleased to say that the Government's response indicated that they agree with the committee's position in this area. In subsequent correspondence, the Government also confirmed that

“serious concerns about human rights violations in Xinjiang naturally inform our position towards China”.

I would therefore be grateful if my noble friend the Minister could give a practical example of how it informs our position. What is the effect?

There has been increasing concern that British universities could be a target for technological espionage and that Chinese students in the UK could be put under pressure by the Chinese authorities. Clearly, the Government should seek to maintain the role and popularity of British higher education among Chinese students, but we recommended that the Government and the higher education sector should take steps to ensure that Chinese students can maintain freedom of research. The Government's brief response to this recommendation did not, however, outline the steps that they intended to take. Moreover, when we raised this with them in subsequent correspondence, they referred us to the measures that they are taking through the Higher Education (Freedom of Speech) Bill, shortly to go through its next stage in this House. However, the relevance of that Bill to the specific issues facing Chinese students is not clear: the pressure they are facing comes from outside, from the Chinese Government, not from within the UK.

The Bill had its Second Reading on 28 June this year when several Peers raised specific concerns about China's influence and pressure. When my noble friend Lord Howe wound up the debate for the Government, however, I could not find a single reference to China in his remarks. Can the Minister therefore provide clarity on the steps the Government are taking to protect Chinese students from political pressure from outside the UK and the role, if any, that is played by the Higher Education (Freedom of Speech) Bill in providing that protection?

Russia's illegal and unprovoked invasion of Ukraine dominates most of the immediate foreign policy of western leaders, which is of course wholly understandable. It is vital, however, that we do not divert our attention from the activities of the People's Republic of China, which could be viewed as the biggest long-term threat to our economic and national security. For its part, China has refused to openly condemn Russia's invasion. It has opposed economic sanctions on Russia. It has abstained or sided with Russia in UN votes on the war. The new NATO strategic concept document agreed earlier this year raised concerns about China's “deepening strategic partnership” with Russia.

However, China's support for Russia has not yet been full-throated. As far as we know, it has not provided Russia with significant military assistance and, at the recent meeting of the Shanghai Cooperation Organisation, President Putin admitted publicly that China has “questions” and “concerns” about the war. How does China's position on Russia and Ukraine inform the UK's own position on China? I would be grateful if the Minister could set out the Government's thinking in this regard.

Engaging with China will always be an enormous challenge, given its economic weight and its fundamental political differences from us. It would be unwise to think that there will be any softening of President Xi's hard-line policies of competition with western democracies. It is essential for the UK to be aware and wary of the implications of that for our own security, trade and prosperity. The UK's strategy for its relations with China needs more clarity and certainty than it has had until now. Trade-offs need to be confronted and ambiguities resolved. I hope that the Government will now provide more clarity and fill the strategic void that has beset the UK's China policy over the last decade. I beg to move.

1.14 pm

Baroness Blackstone (Lab): My Lords, it is a great pleasure to follow the chairman of the committee, the noble Baroness, Lady Anelay. Undoubtedly, one of the most difficult areas of UK foreign policy is how it approaches relations with China. China is such an important global player that to shirk defining how we relate to it would be a serious failure of international policy-making.

In criticising the Government's failure to define a coherent strategy, the committee did not underestimate how difficult it is to produce one. Moreover, no strategic position can be set in stone. Rethinking and updating will regularly be required. The invasion of Ukraine by Russia, which happened since the committee wrote its

report, is the most obvious example of change that needs to be taken into account. My first question to the Minister is this: what steps are the Government taking, either bilaterally or multilaterally, to engage with China on the threat to long-term global security of Russia's invasion of Ukraine? China probably has a unique potential to influence Russia. What assessment, if any, has been made of how to maximise this potential in the interests of peace?

My second question concerns the shocking human rights abuses against the Uighurs in Xinjiang province. Can the Minister give an up-to-date account of what is happening there now, including any recent developments in the work of the international community to condemn the policies of the Chinese Government? After all, Parliament has rightly claimed that what the Chinese Government have done in Xinjiang province are crimes against humanity. What progress is being made in getting the Chinese to withdraw the sanctions they have imposed on British parliamentarians and lawyers—including the noble Lord, Lord Alton, who is a member of the Select Committee—for criticising the Chinese authorities and using their right to freedom of speech? The Chinese argument that the international condemnation of the inhumane and repellent system of surveillance is unwarranted interference in China's domestic agenda is clearly absurd.

I turn to some of the issues concerning our economic, trade and cultural relations with China. We cannot turn our back on engagement with a country with the second-largest economy in the world, which is likely to overtake the USA and become the largest within two decades. After all, China is the UK's third-largest trading partner. As a member of the G20 and the UN Security Council, it is also a hugely important player in global security and the global economic order.

With respect to multilateral economic negotiations with China, the committee highlighted in its report the importance of World Trade Organization reform, where the role of China is crucial. It welcomed the Government's intention to play a part in the WTO's strengthening and reform, but regretted that it said so little about how it would do so. Can the Minister say what the Government have done so far and what their future intentions are, focusing on how they would support in this area our economic and strategic objectives with China?

The committee took the view that we should use our soft power wherever possible in engaging with China—a position I strongly endorse. The UK has one of the strongest higher education systems in the world, with many universities excelling in research, teaching or, in some cases, both. This is reflected in the very large number of international students choosing to study here, including those from China. While no single university should have so many Chinese students that the composition of its student population becomes very unbalanced—nor, incidentally, should they be admitting students with poor written and spoken English, as sometimes happens with Chinese students—there are benefits to the UK in students from China studying here. Many of them are extremely able and very hard-working. I remember in my time as Master of Birkbeck

that the only students to be seen in the institution over Christmas were the Chinese—they were there throughout the holiday.

I certainly think that it is an advantage to us that young Chinese, able young people, should be exposed to a different culture and value system which has the potential to broaden their outlook as they perceive the importance of the UK attitudes to openness, human rights and democracy. However, if this is to apply, there must be no restraints on freedom of speech, as the noble Baroness, Lady Anelay, said, and there must be freedom to pursue research for Chinese students. There is a particular danger in researching some sensitive areas of technology which may have military as well as civilian uses, but the solution is not to withdraw from Chinese involvement but instead rigorously to assess the risks and to take action to mitigate such risks.

I hope too that the British Council and others will encourage cultural activities. There is, for example, a big appetite in Chinese cities for British performances of classical music and ballet, as well as an interest in English writing and literature and in British design, as I know from my experience as chair of the British Library. It is a missed opportunity to neglect soft power of this kind, and I hope the Minister will endorse that.

I will leave some of the threats to security posed by Chinese military power in the South China Sea and beyond, as well as the danger to some developing countries of belt and road policies, to other speakers. However, I ask the Minister, following the noble Baroness, Lady Anelay, how the Government are reacting to the very worrying comments on Taiwan made by President Xi in his speech last weekend to the Chinese Communist Party's 20th Congress, with the threat of possible force to secure the co-operation of incorporation of Taiwan into mainland China. Are we urgently discussing an appropriate response with our allies in the international community?

I turn to an important area where we may be able to find common cause with China, and that is climate change. The noble Baroness, Lady Anelay, asked, in her follow-up letter to the Government's reply to the committee's report, for further information on how the Government plan to co-operate with China following COP 26. The reply from the Minister for Asia at the time was rather vague and procedural, citing the various contexts in which collaboration was taking place but giving virtually no detail on the content of such discussions. China has been the largest global emitter of carbon since 2006 and is now the second-largest historic producer of emissions, although it is well behind the United States. Its very size and the extent of its industrialisation mean that its climate change policies have a huge global effect.

However, the positive side is that China's per capita consumption-based emissions, taking account of international trade, remain lower than those of the UK. Moreover, according to the International Energy Agency, its investment in clean energy amounts to a massive 30% of total global investment. It would be appropriate for the UK to recognise the efforts China is making to tackle climate change, with a goal to reach net zero before 2060. Nevertheless, there are still areas of concern, notably the fact that China is continuing

[BARONESS BLACKSTONE]

to invest in new domestic coal, even though it has committed to end funding for overseas coal investment. What progress has the UK made in debating with China the continuing use of new coal, which could certainly jeopardise its net-zero targets?

I end by pointing out that our engagement with China cannot be pushed on one side. It can and should be constructive, but we must never pull our punches, particularly on human rights abuses, Taiwan, Hong Kong and on stretching WTO rules entirely in its own interest. The abandonment of any semblance of collective leadership with Xi Jinping's appointment for a further five-year term involves a dangerous concentration of power in the hands of one man—a man whose ideological fundamentalism poses quite a big threat both to China and the rest of the world.

1.24 pm

Lord Campbell of Pittenweem (LD): My Lords, if I seem a little overexcited today, it is because, after 28 years in the House of Commons and seven in your Lordships' House, I have at last been given something on which to rest my speaking notes. I should also declare an interest as the chancellor of the University of St Andrews, which has substantial numbers of Chinese students, who come to take advantage of the education provided there.

In preparing for this case, as I am sure others have done, I read again the terms of the summary of the report. It is almost entirely still relevant, but in almost every dimension there have been substantial changes—from David Cameron and George Osborne and from Hong Kong to Huawei. There can be no doubt that the relationship between ourselves and China has deteriorated.

I propose to adopt—*brevitatis causa*, as the law would say—the two contributions made by the noble Baroness who was the chair of the committee and, equally perceptive, the address recently made by the noble Baroness, Lady Blackstone.

Of all the differences, it seems to me that the disagreement over Hong Kong, involving as it does the suppression of the terms of its return by the United Kingdom to China by the Blair Government, has driven a horse and cart through the relationship, to the extent that it existed on mutual trust. Indeed, just 48 hours ago, we had an extraordinary feature of that suppression, when a peaceful protest was subject to what one might describe as assault and battery. That, I think, tells us the extent to which the atmosphere which characterised the return of Hong Kong has long since dissipated.

However, notwithstanding all these issues, we need a relationship. Some will seek to characterise it as being a contest between human rights and economic opportunity. The difficulty of that relationship is underlined by the fact that China and Russia make common cause, invariably, in the Security Council of the United Nations, in vetoing resolutions which would otherwise pass.

As the noble Baroness, Lady Anelay, made clear, there are several indications of the nature of the relationship between Russia and China, but it appears

from time to time that the Chinese part of that relationship is put on its inquiry. I have regard, of course, to the fact that Mr Putin felt it necessary to offer an explanation in advance before what he anticipated might be searching questions from China at the recent summit. There are those who argue that China's reservations about the military action in Ukraine are greater than perhaps has been publicly expressed. All this suggests that China may have an interest in these matters that is more than that of cheap oil and gas—not least because, with regard to China, anything approaching instability is to be avoided.

There does not appear to have been any material impact on the conduct of Mr Putin as a result of this discussion, to which I have referred and, indeed, one could argue, particularly in recent days with the deliberate targeting of civilians and civilian properties, the conduct of Russia and its forces has deteriorated even further. Indeed, one could argue that, particularly in recent days, in the deliberate targeting of civilians themselves and civilian properties, the conduct of Russia and its forces has deteriorated even further.

President Xi is, as the noble Baroness confirmed in opening our debate, likely to be elected for a record third term at the National Congress of the Chinese Communist Party. Some have described this as a watershed, politically, militarily and economically but, so far, it does not appear that the ambitions of China are anything other than more of the same, except perhaps more extreme. As far as the leader of China is concerned, his confirmation will give him historic authority and, perhaps, overconfidence, which may explain his unspecified warning of the threat of “grave international developments”.

All of this is coupled with the assertion, to which the noble Baroness drew our attention, that military means are still on the table, as far as China is concerned, to further its ambition to bring Taiwan back into the fold. It is an interesting feature of the personality and ambitions of both Putin and Xi that they share a common interest in the pursuit of territory which, once upon a time, was regarded as being within their influence, to restore it in some kind of missionary approach as being truly part of the motherland to which it should now be restored.

As I said, in the case of Hong Kong, there is more than simply disappointment that the terms of the return of Hong Kong to China have been so badly treated. They were maintained for a period and the conditions followed as stipulated, but it is against that unhelpful background of change that the United Kingdom now needs to consider the establishment of a clearly defined relationship with China. As has already been pointed out, there is far from clarity on that matter, when clarity is urgent. It must be a relationship which does not prejudice our values; it must be a relationship that, from the point of view of both parties, is of mutual advantage. It is trite to say that it will almost certainly not be easy.

Such a relationship would best be viable if it is done with allies—I have particularly in mind allies from Europe. Our departure from the European Union is of course unhelpful in this regard, but it is not prohibitive. Respectfully, it seems to me that this would be an

important way of establishing a relationship with Europe in which, thus far, the present Government, have shown little interest in creating.

In any discussion about a relationship, there will inevitably be the issue of ethical foreign policy. I remind noble Lords—because I was there when he said it—that Robin Cook never said that we had to have an ethical foreign policy. What he said was that we had to have a foreign policy with an “ethical dimension”. The truth is that in extreme circumstances, where the interests of the nation are at stake, there might be a move to depart from a strictly ethical approach. I do not believe that that is anywhere near what we are discussing in this debate, but it is important to ensure that an ethical foreign policy is not to be used as a blanket and simply the basis for refusal. It also has to take account of the fact that President Xi is open in his belief that the rules conceived in the years immediately after the Second World War do not reflect the circumstances of 2022. There may be some scope for altering rules, but there can never be any scope for abandoning the principles which lie behind them—principles which are as important today as they were in the period after the Second World War.

Let me finish, if I may, on this point. Our interest and our interests in our relationship with China should not be episodic. This is a relationship, if it is achieved, that will require consistent and continuing review. We would not expect the Government to do anything other than to approach the matter in that way, but in addition to government implementation, there is an overwhelming obligation to ensure that the legislatures—both this place and the House of Commons—have the opportunity to keep responsibility for implementing any such agreement, as I have said I believe is appropriate. The reasons for that are very simple: as the summary says, the issue is complex, and it has certainly changed very rapidly over a short period of time. There is nothing to suggest that these two characteristics will not continue to have an influence on our relationship with China.

1.37 pm

Lord Stirrup (CB): My Lords, the International Relations and Defence Committee’s report *The UK and China’s Security and Trade Relationship* contains much material and covers a lot of ground, but the central thrust of its argument can be identified from the second part of its title *A Strategic Void*.

The Government’s integrated review contained many aspirations and listed many activities, including in the section on China and the Indo-Pacific. But lists are not strategies. They do not aid clarity; indeed, they often confuse. The committee’s report, like that of the Foreign Affairs Committee in another place, called on the Government to produce a strategy which would set out a framework for dealing with China, and indeed it suggested what such a strategy might look like.

In their response, the Government seem to suggest that they have a strategy but are not going to tell us what it is for security reasons. This, if it is more than just camouflage, is unconvincing. No one expects the Government to reveal exact plans, specific means and tactical details—if indeed they exist—and I for one

certainly acknowledge that intentional ambiguity can be useful in certain situations. But businesses wishing to engage with China need to have a clear idea of the risks they might be running. Academic institutions, too, need to have a good idea of how the Government might react to certain developments on the international scene. They do not need to know exactly what those reactions would be, but they need to be aware of where the Government set their priorities.

The issue of Taiwan, already mentioned this afternoon, is clearly the most dangerous aspect of our engagement with China. Supporting that country’s independence, while avoiding a general war over it, should be our top priority. President Xi’s recent statements have only added to the tension. The Government’s response to the report acknowledges the importance of the issue, but it does not say what assessments have been made of the risk of the likelihood of conflict and its possible consequences. This is not an area where I would look for detail, but I do look for an assurance that such work is in hand.

Beyond that, it is clear that China is, as one inquiry witness put it, out to make the world safe for autocracy. For those who have not read it, the special report in the latest edition of the *Economist* sets this out in stark terms. The Government’s response to the committee’s report admits that:

“Aspects of China’s approach to the multilateral system run counter to UK interests and values”,

and goes on:

“We will continue to take targeted action with international partners to defend universal human rights, free and fair trade, and ensure that in areas, such as emerging technology or space, that new rules, norms and standards enable freedom and democracy to survive and thrive.”

This is woefully inadequate. It makes the whole thing sound like a piece of peripheral business.

In fact, we are, or certainly should be, engaged in a fierce contest to determine the rules of the international order under which we will have to live and operate for most of the rest of this century. Very few things could be more central to our future welfare and prosperity; securing the right outcome should be one of the highest foreign policy priorities for the UK. It certainly is for the United States. President Biden has made his Administration’s position very clear on this and has set about assembling the necessary international economic, technological and military weight to counter that of China.

None of this is to argue against the desirability of business, academic and cultural links with China, but setting out the UK’s priorities in this regard would make it clear that those other areas of engagement would all be contingent upon the pursuit of our objectives regarding the international order. It is hard to see how spelling this out would endanger our security. It would, however, give those in business and elsewhere a clearer idea of the downside risks associated with such engagement.

As it is, if one reads the Government’s response regarding Huawei, for example, one gets the clear impression that this company would now have a substantial hold over our 5G network had the Americans not rather annoyingly imposed additional sanctions

[LORD STIRRUP]

on it. A little earlier, the Government's response says that the National Security and Investment Act is "country agnostic". That might be true with regard to the wording of the Act, but to suggest the same is true of its application seems to me breathtakingly complacent.

The principal risk for UK business is of course the likely adverse Chinese reaction to our opposition in the contest to determine the future rules of the international order. The committee called on the Government to conduct an impact assessment of such an outcome. The Government's response is a fine example of departmental waffle:

"The ... relationship ... is multifaceted";

they will

"manage disagreements and defend our values while preserving space for cooperation in tackling transnational challenges ... and ... continued pursuit of a positive trade and investment relationship in line with our national security and values."

It is cakeism at its best. But what do we do if somebody takes away the cake? We are given no answer.

This Panglossian approach is also evident in the Government's response on higher education. They say:

"We will also ensure that Chinese students are treated equally to all British and international students, including protecting them from any undue pressure on political issues."

Really? How? Are we going to ensure that their families in China are protected from official pressure or sanction? Are we going to monitor all their interactions with their own Government? Or perhaps these matters do not fall under the heading of "undue pressure".

The Government's response on supply chain resilience is little better. We are told:

"The Foreign Secretary has been clear that it is important that the UK does not become strategically dependent, and that, particularly in areas of Critical National Infrastructure, we work with reliable partners."

So what action has followed? What exercises have been undertaken with a range of scenarios to give us a better idea of critical vulnerabilities and how these might be reduced? What specific command and control processes have been set in place to train for and respond to threats to our national resilience? Once again, we are given only vague reassurances.

The Government could and should do much better. We are dealing with an increasingly autocratic regime in China. I would have thought that our experiences with Russia over the past decade would have taught us what we should never have forgotten: how dangerous such regimes can be, especially when they are militarily powerful and, most especially, when they have nuclear weapons. We need a long-term strategy for dealing with them.

The Government should set out such a strategy. They should give some shape and sense of priority to their otherwise all too comprehensive and sometimes contradictory aspirations with regard to China. The committee has proposed such a shape. Finding a satisfactory but peaceful outcome to the Taiwan issue is at the top, but close behind it comes our pursuit of an international order that is fair to all and helps to protect the world from autocracy. Trade and wider engagement with China should be pursued, but not at

the expense of higher-priority objectives, and in the knowledge that such prioritisation will at times lead to Chinese retaliation and all the associated risks.

In its leader article on China this week, the *Economist* said that

"handling the most powerful dictatorship in history was always going to require both strength and wisdom."

It is not at all clear to me at the moment that we see enough of either. I hope that we can get more from the next Prime Minister, whoever that will be.

1.46 pm

Lord Goodlad (Con): My Lords, I congratulate my noble friend Lady Anelay and the committee on the report and my noble friend on her speech introducing the debate today. Much has taken place since the publication of the report, all of which underlines the importance of its deliberations and recommendations.

It is a great pleasure to follow the noble and gallant Lord, Lord Stirrup, who spoke with such authority, particularly about the strategic considerations covered in the report. I agree with so much that was said by the noble Baroness, Lady Blackstone, the noble Lord, Lord Campbell of Pittenweem, and, indeed, by the noble and gallant Lord, Lord Stirrup, that I will try to be brief and avoid tedious repetition.

The main recommendation, that the Government publish a clear China strategy that identifies the long-term objectives and relative priorities, has been extremely well covered by my noble friend and the noble and gallant Lord, Lord Stirrup. It is noteworthy that in the debate in July introduced by the noble Lord, Lord West, my noble friend Lord Sharpe said that the National Security Council leads the strategic approach to China and that the Government

"do not publish NSC strategies on China or other issues."—[*Official Report*, 14/7/22; col. 1635.]

We all understand the reasons for that, as covered by the noble and gallant Lord. As the book of Ecclesiastes reminds us, there is

"A time to rend, and a time to sew; a time to keep silence, and a time to speak."

It is certainly true, as the report says, that the Government have not set out a clear position on their strategy for balancing their ambition for increased economic engagement with China with the need to protect our wider interests and values. However, as the noble and gallant Lord said, there is a distinction between having a strategy and spelling it out in every detail publicly. The Government have not yet struck that balance, and must do so.

The strategic concept document accepted at the NATO heads of government summit in June summarised the situation starkly and succinctly. In the unprecedented joint address by the head of the UK Security Service and the head of the United States FBI in July, the former referred to China remaining opaque about its strategy, intentions and military build-up; the latter gave an informed summary of how their organisation viewed the threats to our—and their—economic and national security and how they were responding to them. I hope that when he responds, my noble friend the Minister will go as far as he reasonably can to reduce that opacity and amplify what has been said publicly by the Government.

In dealing with China, I use the word to mean the Government of the People's Republic of China, rather than the country or its people.

I acknowledge that public utterances can sometimes make a bad situation worse. We in this country have historically taken, until recently, a very cautious approach. However, there is a distinction between counterproductive megaphone diplomacy and robust public exchanges. In my experience, Chinese government interlocutors respect plain speaking rather than circumlocution. Their own official spokesmen have seldom erred on the side of reticence or understatement. Speaking in private, which has been our tradition, may or may not carry more weight than public utterances, if indeed any weight at all, depending on the circumstances. The important thing in my view is to continue to engage. As the report says, there is no realistic alternative.

It is welcome that, in their response to the report, the Government said that they would continue to co-operate and engage with China in areas of shared interest, as my noble friend Lady Anelay, said, such as climate change, biodiversity and global health. To that I would add, among other things, Russia's threats to use nuclear weapons in Ukraine, which I believe have rung alarm bells in Beijing as elsewhere, as the noble Lord, Lord Campbell, mentioned. China has considerable political leverage with Russia, and that is clearly an area where it is worth trying to engage.

In their reply to the committee's report, the Government rightly recognised that British interests are best served by an international rules-based order—that has always been the British Government's position. It is proposed that the Government should play a leading role in strengthening international organisations, such as the World Trade Organization, and assembling a group of nations with sufficient aggregate political, economic and scientific power to counter that of China and successfully influence uncommitted countries. It would helpfully serve that important and laudable objective if the British Government themselves continue to uphold and treat international law as a whole and not as an à la carte menu from which to choose their own preferences. In that context, I believe it to be important that this country continues to abide by our treaty obligations under the joint declaration on the future of Hong Kong, which continue for a further 25 years, whatever the future circumstances may be and whatever China may do.

The committee rightly pointed out that, in seeking to further any of our objectives and strategic priorities, careful diplomacy would be needed and that the necessary understanding of China was neither as deep nor as widespread across government as needed. I share that perception. We live, needless to say, in straitened economic circumstances, but in the totality of government expenditure the Foreign Office budget is exiguous. We have spent time and money in the past, through the Great Britain-China Centre and other organisations, seeking to help build capacity in China in such areas as law and accountancy. We should now devote resources to building our own capacity, both linguistic and in knowledge of China's life, history and culture across government. It is encouraging that the Government in their response to the report have recognised that.

Nor should those efforts be restricted to government employees; there should be a holistic approach across government. The education system itself should be encouraged to foster a knowledge of Chinese languages, history and culture. I speak as the modestly proud father of one who studied Mandarin at both British and Chinese universities before working in China. This should be a high priority across government. Again, it is welcome that, in their response to the report, the Government commit to strengthening people-to-people links and support Chinese language teaching and cultural exchange with China.

The noble Lord, Lord Campbell, referred to the disgraceful scenes in Manchester, which we all saw on our television screens earlier this week. In his book *Experiences of China*, published in 1994, the late Sir Percy Cradock recounts how after the sacking of the British embassy in Peking during the Cultural Revolution, he, bloody but unbowed, surrounded by a howling mob, quoted to his British companions in distress Virgil's line from the *Aeneid*:

“forsan et haec olim meminisse iuvabit”—

perhaps even these things it will one day be a joy to recall. Perhaps we should today read a little further in the *Aeneid*:

“Durate, et vosmet rebus servate secundis”—

then endure for a while and live for a happier day. Or again:

“nunc animis opus, Aenea, nunc pectore firmo”—

now, Aeneas, for a bold spirit and a strong heart. The Government deserve our full support in this important and extremely difficult task of managing this relationship. We wish them well.

1.56 pm

Lord Alton of Liverpool (CB): My Lords, it is a great pleasure to follow the very thoughtful speech of the noble Lord, Lord Goodlad. I think the last time we were together at a public event was at the launch of the diaries of the noble Lord, Lord Patten, in which Sir Percy Cradock features quite prominently. Anyone wanting to understand the betrayal of the people of Hong Kong should most certainly read them. I declare my interests as vice-chair of the all-party groups on the Uighurs and Hong Kong. I am a patron of Hong Kong Watch and a member of the Inter-Parliamentary Alliance on China.

Notwithstanding the disappointment that it has taken so long for the Select Committee report to be debated, I put on record my thanks to the noble Baroness, Lady Anelay, for her superb chairmanship of the committee and for navigating us through controversial issues to produce a report which moves the debate beyond the naivety of the “golden era”—which was, as the noble Lord, Lord Patten, told us, an example of “doubtless well-meaning failure”. The report tackles hugely important questions about trade and security, not least the gaping wounds of lost national resilience and our phenomenal dependency on a country which stands accused of genocide.

Sir Malcolm Rifkind told us:

“China has become much closer to a totalitarian state than at any time since the death of Mao Zedong.”

[LORD ALTON OF LIVERPOOL]

We heard what we called

“conclusive evidence that China also poses a significant threat to the UK’s interests, particularly in light of the ... tilt to the Indo-Pacific region.”

We concluded that the UK has had a lack of clarity and a policy of “deliberate constructive ambiguity”, as my noble and gallant friend Lord Stirrup has reminded us, and what the noble Lord, Lord Patten, referred to as the “cake-ism” of the 2021 integrated review, which regarded China as both a “systemic competitor” and an “important partner”.

The report criticises the failure to provide any details on how the Government will balance plans for

“increased economic engagement ... with the need to protect the UK’s wider interests and values.”

It calls on the Government to produce a “single, coherent China strategy” and warns of serious risks to our security and prosperity—including to our international trade and investments over the longer term.

This month’s government announcement that China is to be formally designated a “threat” to Britain rather than a “systemic competitor” is a belated but very welcome move towards a clearer strategy. It follows the recent warnings by Jeremy Fleming, the head of GCHQ, about the CCP’s efforts to exploit control and surveillance capabilities in emerging technologies, such as satellite location systems and digital currencies, which he said represent a “threat to us all”. I have eight questions for the Minister about specific threats to which I hope he can give us some answers today—if not, I hope he will agree to write to us.

First, during the passage of the telecommunications legislation, the Government said they would strip out 5G Huawei components from our telecom network. This removal of 5G was to happen in January 2023, with fines if the deadline was not met. Now we are told that there will be delays, even though a designated vendor direction has been issued identifying, in the Government’s words, that

“covert and malicious functionality could be embedded in Huawei’s equipment.”

When will the decision on Huawei be fully complied with?

Secondly, why have the Government, unlike the United States, still made no move to ban and remove Hikvision and Dahua cameras made in Xinjiang and used to collect data up and down the length and breadth of the UK? There is an opportunity in the Procurement Bill to remedy this. Will the Minister be able to tell us whether that opportunity will be taken at Report stage of that Bill?

Thirdly, on Monday—the noble Lord, Lord Goodlad, and others have referred to this—the Minister told us that the assault on Bob Chan, the young man at the Chinese consulate in Manchester, was “a very serious incident.” I met Bob Chan yesterday. Can the Minister tell us when the Greater Manchester Police are likely to provide a report to him and the Foreign Secretary and to spell out the consequences when the brutality for which the CCP is renowned is exported to the UK, threatening the safety of the 133,000 and more Hong Kongers who have fled to the United Kingdom under the Government’s admirable BNO resettlement scheme?

I draw the Minister’s attention to a column in today’s *Times*, written by Jawad Iqbal, a freelance journalist, who says that what happened in Manchester was an “affront to British democratic norms and values.”

Fourthly, the BBC reported last week that up to 30 former UK military pilots are believed to have gone to train members of China’s People’s Liberation Army, lured by the CCP with large sums of money to pass on their expertise to the Chinese military. What are we doing to address that threat?

Fifthly, with the noble Baroness, Lady Anelay, and the noble Lord, Lord Anderson of Swansea, we were in two of the Gulf states last week and were concerned to learn of joint military exercises between China, Russia and Iran. So imagine my consternation on return on reading a report in the *Telegraph* saying that:

“British academics have collaborated on thousands of research papers with Chinese military scientists, according to a government-funded report that universities sought to suppress.”

Some 13,415 collaborative partnerships with China, Russia and Iran were identified, and 11,611 were between Chinese and British academics. Why was the report suppressed, and what are we doing in partnerships on things as sensitive as rail gun design, hypersonic missiles and tracking systems for nuclear submarines? Why are we sharing expertise or developing partnerships to do those things?

Sixthly, despite our intelligence service publicly warning Parliament of the presence of CCP operatives and spies on our Parliamentary Estate, with one claiming that she had even secured amendments to legislation in your Lordships’ House, why has no action been taken to bring her here, for instance, to answer questions about these subversive activities?

Seventhly, in addition to subversion of UK institutions, we have seen the subversion of international institutions, with the votes of countries being bought and linked to belt and road indebtedness. How are we countering this? For instance, what will be included in the National Security Bill, currently in another place, to limit interference by people operating on behalf of the Chinese state?

Eighthly, the Minister is rightly regarded as one of this country’s leading champions of renewable energy and sustainability. What does he make of reports drawn to my attention by the noble Lord, Lord Hunt of Kings Heath, that BMW is to stop producing electric cars in England in 2023 and moving the production of electric Minis from Cowley to China? Last year, Cowley made around 40,000 electric Minis. Why are we ceding our aspirations to be a leader in global electric car manufacturing? What can be done about this? How can we avert it? I will have more to say about resilience and dependency.

Ken McCallum, MI5’s director-general, has said

“what is at risk from Chinese Communist Party aggression is ... The world-leading expertise, technology, research and commercial advantage developed”

by technology companies and universities in the UK. We have to take that seriously.

In addition to threats to cybersecurity and technology, our report highlighted threats to maritime security in the Indo-Pacific region and to Taiwan, as we have heard, where we said conflict would be “catastrophic” and that

“managing this risk should be the Government’s top strategic priority.”

We raised serious maritime threats, the imposition of the national security law, the trashing of an international treaty and destruction of democracy in Hong Kong—all illustrative of the CCP’s contempt for international rules-based order—and what Michelle Bachelet recently described as “crimes against humanity” in Xinjiang in a report commissioned by the UN.

In his evidence to the committee, Charles Parton went further and said that genocide—not just crimes against humanity but outright genocide—is under way in Xinjiang. When she was Foreign Secretary, Elizabeth Truss said the same. The appalling treatment of the mainly Muslim Uighurs, which was referred to by the noble Baroness, Lady Blackstone, has included intense surveillance, much of it manufactured by Hikvision, mass detentions, forcible sterilisation and insertion of IUDs, forced migration, and the kidnapping of Uighur children, abducted from their parents and placed in state institutions, accompanied by terrible violence, torture and killing.

Both Sir Geoffrey Nice KC’s independent tribunal and the Holocaust Museum found evidence of coercive interventions by the Chinese government to prevent sizeable numbers of Uighurs from coming into being, suggesting that the deliberate goal is

“to biologically destroy the group, in whole or in substantial part.”

Nice’s tribunal concluded that this is indeed genocide.

I ask the Minister the same question that I put to George Osborne when he appeared before the committee. It was not a question about whether we should trade with countries that commit human rights violations, because we could identify countries around the world that commit human rights violations, it was: is it licit to do business as usual with a state credibly accused of genocide, which is the crime above all crimes?

In our report, we recommend that the Government

“should incorporate an atrocity prevention lens in its overall approach to trade. Current atrocity prevention tools and strategies have fallen short.”

When will the Government do this?

Then—as I said I would return to it—there is our appalling dependency on the CCP. Compare it with the clarity of its strategy of undermining resilience and security; acquiring intellectual property and data; and destroying competitiveness through slave labour in everything from green energy to surveillance equipment. One of the CCP’s reasons for wanting to destroy the freedoms of Taiwan’s 23 million people is to control the production of the world’s semiconductors—the cornerstone of modern economies. One Taiwanese company, TSMC, makes over 80% of the world’s most advanced semiconductors.

Meanwhile, further illustrating our incoherent strategy, we seriously consider allowing the sale to China of Newport Wafer Fab—our biggest producer of semiconductors. As Germany has discovered, love affairs with dictatorships come at a terrible price. Where does the sale of Newport Wafer Fab now stand?

During our inquiry, I was surprised to hear witnesses tell us how fortunate we were that China had made available invaluable help during a pandemic that had its origins in Wuhan. This included a reluctant admission that the Government had bought 1 billion lateral flow tests from China. They subsequently confirmed that they bought 24.1 billion items of personal protective equipment where China is recorded as the country of origin, at a phenomenal total cost of £10.9 billion. That is about the equivalent of the entire—reduced—British overseas aid budget.

This is not philanthropy. Increasingly, developing nations are being turned into dependent vassal states. We saw in the recent vote on the Bachelet report in the Human Rights Council that votes of those who voted with China not to even debate the report have been bought via indebted dependency. A diplomat recently said it was like having a

“1,000 pound gorilla on my back.”

Note, too, that by September, in the face of the global food crisis, China had given \$10 million to the World Food Programme, compared with \$5 billion from the United States of America. We see the same attempted systematic appropriation and subversion of international institutions, including the World Health Organization and the World Trade Organization.

Xi Jinping and the CCP have demonstrated time and again that they are unwilling to abide by international treaties, and that they are untrustworthy, cruel and unpredictable. This includes when it comes to the ongoing breach of the Sino-British joint declaration and the human rights crackdown in Hong Kong; the crimes against humanity or genocide taking place in Xinjiang; the launching of trade wars against countries such as Lithuania and Australia; the unlawful detention of Canadian diplomats; and the flouting of basic obligations under the WHO when it comes to sharing information regarding pandemics. Ministers could do well to look at the Biden Administration and recent legislation in the US Congress, including the CHIPS Act and the Inflation Reduction Act, to see a Government willing to invest in domestic industry, tackle climate change and reduce their dependency on authoritarian regimes.

If the West wants to protect itself, it must face up to the reality of the CCP’s history and its future intentions: executions; famine; deaths through forced labour; mass deportations; forced sterilisation and coercive abortion; purges of opponents; incarceration for dissent or unwillingness to comply with a brutal ideology—these are all the hallmarks of the CCP. With Vladimir Putin and Xi Jinping signing a declaration that there will be “no limits” to their friendship, it is crucial, as the noble Lord, Lord Campbell, reminded us, that we build our international partnerships and alliances through NATO, AUKUS and elsewhere.

To conclude, the CCP has been holding its rubber-stamp Congress. Obsessed with control—evidenced by its lockdown policy—it is veering in the direction of belligerent nationalism. But as has been demonstrated by “Tank Man” in Tiananmen Square in 1989, “Bridge Man” on the Sitong Bridge last week or Bob Chan protesting in Manchester on behalf of those who remain in Hong Kong, and by the brave

[LORD ALTON OF LIVERPOOL]

people of Taiwan, Ukraine and the young women of Iran, authoritarians often overestimate their hold on power.

Liu Xiaobo, the Chinese writer and dissident and Nobel laureate, who died in 2017 after serving four prison sentences, said,

“there is no force that can put an end to the human quest for freedom”.

He was right.

2.12 pm

Baroness D’Souza (CB): My Lords, it is a privilege to follow the noble Lord, Lord Alton. There has been a marked diminution of trust between the US and UK and China and its leadership, and the resulting tensions are likely to continue and even to escalate. The committee’s report is therefore extremely timely and important.

As we have heard repeatedly this afternoon, the main lacuna in the UK’s approach to China includes the lack of a clear strategy on what values and interests the UK is trying to uphold. What follows is a number of actions and policies which amount to a series of tactics rather than a strategy—tactics which are weakened as a result.

The report calls on the Government to remedy this by developing and publishing a single coherent China strategy which details objectives and how they plan to achieve them. The standard response to this request is either that it is already in hand or just about to be completed. So far, however, the UK Government have declined to publish their plans. China experts lament this and continue to push for details on both the overall strategy and the mechanisms by which it could be achieved.

What is needed is a new politics of balance: a stated policy of “on the one hand and on the other” approach. That would entail co-operation and reaching out to the PRC on matters of trade, environment and civil affairs while protecting national security, economic prosperity, personal data and values. If there were to be an unambiguous and consistent approach in all UK dealings with China that was clear not only to the PRC but to all countries in the Indo-Pacific region and beyond, red lines would quickly become apparent.

The takeover of Hong Kong by the PRC, dismissing all previous treaties and agreements, sadly, did not seem to constitute a red line, and fears that similar inroads on Taiwan would not evoke unequivocal action from the UK are realistic. Nor, apparently, is the widespread view that China’s actions against the Uighurs amounts to genocide eliciting strong enough condemnation and action by the UK Government, as we have heard from the noble Lord, Lord Alton.

The inconsistency of the UK approach to China’s aggression is itself a weakness that could be resolved in part with a strategic plan of action. Meanwhile, actions that are being taken or planned by the UK Government have a somewhat capricious, even unserious, flavour due to the lack of a stated strategy to which all tactical actions could and should be directed.

To put meat on the bones of tactics, the report and other contributions from China experts suggest a number of innovations. These include an in-depth study on the

extent of the security threat posed by the PRC, to be carried out in consultation with scholars and other advisers. The current FCDO China department refers to the PRC only as a “systemic competitor”, which tends to downplay serious efforts to infringe the UK’s integrity. A programme of recruitment is needed to ensure that there is wide expertise available to the civil servants and to government departments. Given that the PRC’s ambitions, intentions and methods shift constantly, there needs to be ongoing research, consultation and policy adjustments by the China watchers as well as effective cross-government liaison and co-ordination. Interestingly, there is no reference in the Government’s response to co-ordination with European partners on trade and security policies.

The Government’s response on Taiwan is to “grow our relationship”. Once again, what is needed here is a detailed inventory of actions to support Taiwan with strong lobbying for its inclusion in relevant international organisations; a willingness to accede to requests from Taiwan for asymmetrical—or porcupine—defence weaponry; and to encourage further visits by senior ministerial, parliamentarians and other arms of government personnel.

As in other nations with questionable values and freedoms, the outreach activities tend to centre around institutional and capacity building and non-traditional security areas, such as training and joint exercises. The BBC and British Council are long established and greatly valued soft-power organisations and their role in bridging peoples across nations cannot and must not be diminished. In this context, the planned or proposed cuts to the BBC World Service are, to say the least, disheartening.

Above all, there seems to be a consensus that the UK’s China policy must avoid being dominated by profit alone.

The Government’s response to the committee’s report is, to my mind, rather too full of intentions in place of actions: for example,

“We ... intend to increase our broader Defence Engagement including through capacity building and training, delivered by longer and more consistent military deployments”;

or, to give another example, the Government intend to overcome barriers to investment and point to the potential export opportunities in education, food and drink, pharmaceuticals and medical technology, without any concrete suggestions as to how this will be achieved.

Overall, the grandiose statement in the Government’s response that

“we will harness the UK’s strength as an outward-looking nation, confident in its ability to innovate, compete, lead and deliver for British businesses and the British people”,

is not always matched by diverse actions and intentions. If a coherent strategy can be agreed on which makes all the red lines clear and emphasises both the opportunities and constraints, there will be increased room for trade and soft power initiatives to achieve a much greater return.

2.19 pm

Lord Howell of Guildford (Con): My Lords, it is a privilege to participate in such a highly informative and well-informed debate on such a vital issue. It is a

bit hard to focus at the moment when I gather that we are once again in search of another Prime Minister, but that is an issue that we shall put aside for a moment and rightly concentrate on this one.

It is a very interesting report. It is remarkable that we are debating it now, a year after it was published. There seems to be something wrong with the machinery for deciding the timing of these things. It is an excellent volume, under the superb chairmanship of my noble friend Lady Anelay, and we ought of course to have come to it much earlier. Oddly enough, and ironically, because of that delay it has arrived for this debate at a very topical time indeed. China is now more than ever at the centre of our affairs—our home affairs as well as our international affairs—on energy questions and the climate issue, which has already been mentioned, where it is central. We have Xi Jinping at the 20th plenum eyeing up Taiwan again and saying that he is not ruling out force, and apparently we are being told by the strategists that Beijing says that, if China sees that America is getting too intrusive, it will, in those chilling words, “surround Taiwan” in three hours—a rather sinister warning of what is to come.

As for Ukraine, the Chinese role has always seemed to me—and, I think, to many others in this Room—pretty central to that as well. As long as Putin has felt that he has solid support from Beijing, he will not lose much sleep over threats from NATO and so on. Slightly encouragingly, I hear, and I am sure others will hear, that the Chinese are getting increasingly worried about Putin and feeling that they are losing control of him. Of course, what they are terrified of is that he will start with the tactical nuclear weapons. So I hope that, maybe if we have good back-track relations with China on that issue, we can exert some more influence on this evil man in the Kremlin.

Meanwhile, of course, China continues to be, embedded here at home right in the United Kingdom at the heart of our nuclear power replacement programme, which happens to be vital to the whole strategy of carbon reduction in the future. That is more and more important now, as our leaders realise that net zero is splendid but it will not be anything like enough to check the vast growth in emissions, coming not least from China but also from the rest of Asia, which is roaring ahead and for which entirely new policies will be needed. So here we are, dealing with and addressing an issue which is highly topical, despite this deplorable delay.

I just had one additional theme to add to the story, and indeed to the report and to the Government’s response, where it was a missing element. I refer to it in rather over-graphic terms used by one expert, who observed that China as part of its hegemonic strategy is hoovering up the developing world, and in particular the Commonwealth members of the developing world—the coastal states of Africa, but even more the islands of the global south: the South Pacific and the Caribbean as well, and indeed parts of Latin America too. This development does not get much mention from the witnesses in this report, and yet it is really the key issue in our relationship with China and the most serious threat in the medium term to our influence, to the transmission of our soft power and to our place in a

transformed world with a rising Asia accounting for an increasing volume of world product activity and indeed a major contribution to security.

The most visible immediate sign of that is what has been going on in the Solomon Islands, which I think took everybody by surprise. Indeed, it seemed to me, listening to our distinguished diplomats, that they were only dimly aware that the Solomons were part of the Commonwealth, that the Queen was the Head of State and that we appointed the governor-general. However, that picture was soon asserted when we saw photographs of the Prime Minister of the Solomon Islands with the Defence Minister of China inspecting a rather grim formation of burly-looking Chinese troops on parade. Was that supposed to be what we were trying to achieve in the Solomon Islands? Rapidly, people reassessed and increased our influence on them and realised that that is not the way we want things to go.

Then there is Vanuatu, of course, which has a huge Chinese base on it. Tuvalu has now been incorporated. Incidentally, the Solomons sit over one of the main maritime routes of the entire east Asian trade, which is a huge proportion of world trade, and the arrival of China there, and its proposal to have a nuclear base, is a matter that concerns us very much indeed.

Then we have Africa where, as we know, the Chinese have had their setbacks and are not always popular, particularly when they have used prisoners to do infrastructure work. But they call themselves Africa’s “dependable ally”, and are increasingly involved in a whole range of countries. Indeed, they have a military base in the top of Africa, in Djibouti, which is a real advance and departure. That is significant, because it brings home that we are talking about not just trade involvement—bags of gold, infrastructure, new conference centres, roads and railways and all that sort of thing—but about security co-operation. We are talking about military training, weaponry and the Sandhurst of China—the Sandhurst of Beijing, rather than the Sandhurst of Camberley—offering thousands of places for officer training to teach military values that are very different from our views of how armies should fit into democratic societies. All that is going on, almost—and I hope that I will be forgiven for saying this—with an oblivious disregard from our policymakers here about what is really happening.

That is the global south—and then we have the Caribbean, of course. I know that Barbados has not left the Commonwealth, although the media think that it has, because it has ceased to be a realm. They are very confused and do not actually understand what is happening in the Commonwealth at all. But those who went there tell me that, as they left, large jumbo planes were arriving and parking at the airport, covered in Chinese designations and signs. It turns out that the Barbadian Government have become dangerously involved, as have many other countries, in owing China a large amount of money for what they thought were grants, which turned out to be loans. They are going to cause a lot of grief when they have to be repaid.

So here is a picture of our Commonwealth of like-minded countries, which are privileged to be members of it—and it is one of the main sources of our transmission

[LORD HOWELL OF GUILDFORD]

and influence in the world. We would like to think that it would be a chain of liberty and democracy containing China, but almost before our eyes it is being turned on its head into a chain of Chinese projection of its power, instead of a containment of its power. It is a very serious development, not mentioned here and not mentioned by the Foreign Office; it is not understood, and it is coming into our lives in very serious ways and at great speed.

We have, of course, huge involvement in south Asia. We have our involvement in Five Eyes and the Five Power system, which was mentioned very thoroughly in the report. We have our links with Japan, which are again covered in the report, and we have AUKUS and the submarine plans, which are important. We have our ambitions to join the CPTPP. We are not involved in the RCEP. All these are organisations far larger than the European market, and far more important in the long term for our development.

We have that; versus that, we have a China which at a very deliberate, practical and detailed level—with not too much ideology but in detail—is constantly moving from island to island and state to state. China is arranging not only the links that I talked about earlier but also technology links and opportunities that they can use as basis for GPS, which we are told is part of the next war, in space, and for drone development, which you do not need on a small island, for a large airport with a large airstrip, and for a whole range of other technologies controlling maritime movements through the continental shelf and the UN's law of the sea provisions of immense strategic value.

I was saddened to hear from a leading Foreign Office expert a year or so ago that the Commonwealth was a bit boring; it was much-loved by the late Queen, but these little islands were very remote and of no strategic significance. The Chinese do not think that; they think the opposite. They think they are of high strategic significance, and they are involving themselves in these nations at a great rate and in many very effective, soft-power types of ways. I wanted to add that missing bit to our debate, to the Government's response and to the report, because it is the most important bit of all.

I wish we could have a strategy and framework, which noble Lords with huge expertise are calling for, but I do not think it will be like that. The pace of change of events is enormous, and we have to, at best, try to fit in with the hard cop, soft cop pattern. We need to be hard cop.

We listened to the noble Lord, Lord Alton, with his ceaseless and superb indications of the nasty, illiberal side of China, and what it is doing to people in thuggish ways—there was a little demonstration of that in Manchester last week, which I thought was very interesting. These are Chinese thugs at work; we know that this is a streak in the Chinese character. We have to listen to Xi claiming his endless term of office and talking, frankly, ideological rubbish about how we must go back to Marx and Leninism. He has issued his own absurd “Little Red Book”. The Chinese are not fools; I do not know how they will tolerate that sort of thing, but I do not think that it will last.

We have to be the hard cop there, but we also have to be the soft cop, because China is a world leader in technology, it is a decisive part of the world economy—I understand that China is the second-largest source of imports to this country—and it is embedded in our nuclear power, as I said earlier, and indeed in many other aspects of our infrastructure, partly as a result of being perhaps overencouraged 10 years ago. As noble Lords have rightly said, the world has changed radically. We now have to look at China with the scales dropped from our eyes and realise that we have to deal with it—while holding our noses—but that it is also, potentially, an increasingly dangerous threat to the order of a democratic, free world.

2.32 pm

Lord Teverson (LD): My Lords, it is a great pleasure to follow the noble Lord, Lord Howell, and his wise words, particularly on Chinese influence in Africa and beyond, because that is where the cut in our foreign aid budget has quite substantially taken away the power, prominence and respect that we had in international development. It is something that we pay for when our competitors take over.

My bedtime reading tends to be contemporary and modern history, rather than fiction—although obviously as you get close to the Trump Administration the two tend to merge. It is quite clear, and comes over in the report, that we as a nation were a major part of China's humiliation through the opium wars. Perhaps there is a lesson there that, as you overtake people going up the global league table, it is good to remember occasionally that you might be on the way back down a few years later—maybe that affects the relationship.

I am reminded that we had President Xi here in this Palace in 2015, only seven years ago. He addressed us as the combined Houses of Parliament in the Royal Gallery, and I was privileged—I will use that word—to meet him personally for an instant afterwards at a reception, because I had chaired a committee delegation to China a few years before. We were given the chance to say one sentence to him. I do not know whether he understands any English—he certainly makes out that he does not, and he probably does not—or whether what I said was translated, but I made some fatuous comment about the importance of the European Union. What I really wanted to say to him was, “President of China, you don't have to assert yourself as China in the globe, because the rest of the world realises that you as a nation will be a major player globally over the next century. You don't have to assert that in other ways; it is evident in the economy, size, population and other issues.”

Unfortunately, he clearly has not taken the advice that I would have given him. As has been said, we have very much seen this in Hong Kong and the end of “one country, two systems”. We have also seen it in the gradual but assertive implementation around the nine-dash line in the South China Sea; although we have shown that we still treat them as international waters, along with our other allies, predominantly America, its taking control of that area continues. On Taiwan, both we and China have become more threatening, as we saw in particular with the Nancy Pelosi visit. I am pleased to say that India, which we often forget about, is also

mentioned in this report, as is the control line, where China is claiming parts of the Indian nation—those are two nuclear powers occasionally facing off with border skirmishes. There is also the growth of its military power and the President going for life presidency of China. There are other big challenges that other Members have already gone through.

Connections with China are important, however. I will reflect some of the themes around climate change that the noble Baroness, Lady Blackstone, talked about, and then move on to supply chains, which the noble Lord, Lord Alton, mentioned. As the noble Baroness, Lady Blackstone, said, it is quite clear that China is the largest emitter of greenhouse gases in the world, having overtaken the United States. It accounts for something like a quarter of emissions. Without getting too techie on this, even on a consumption basis—often we look at China as the workshop of the world, exporting to us, and we export its emissions back—it still accounts for about a quarter of emissions, given its economic growth and the way that incomes have gone up there. Even cumulatively, to look back through history, China is now the second most responsible for the greenhouse gases in our atmosphere. No longer can it blame the western world for being the major emitter; admittedly, on a per capita basis, although it is now ahead of us in the United Kingdom, it is still well behind the United States.

Partly through our good work—and that of Alok Sharma in his presidency of COP 26—China has now set a target of peaking its emissions in 2030 and meeting net zero in 2060. I do not know whether it will do that; ironically, it seems it might actually achieve it through the continued zero-Covid policy, which has crippled and will continue to cripple Chinese economic capacity for some time to come, until it has to make that break—I hope for the Chinese population that it will use western vaccines.

It is imperative that we engage China in that process globally. As the noble Baroness said, it is ahead globally on investment in renewables of all sorts. In fact, it has three times the level of renewables investment of the United States, which is second. It is a key player in that area and we must encourage and include it globally, despite the rest of the issues, in those conversations moving forward. It is so important that we remain global leaders in that area. How does the Minister see our leadership now that the present Government—and, I presume, the next Government under a new Prime Minister—have endorsed fracking in this country? I would be very interested in his comments on that.

That leadership on investment, however, has another difficult effect on us. Through its supply chain and economy, China produces some 80% of solar panels globally. It has, if not quite a monopoly, a dominant oligopolistic position in supply chains nationally and globally, which is expected to rise to something like 95% if trends continue in certain areas of that supply chain. We in this country are very much into wind, and offshore wind, but solar is the major area of renewables transition and China has, and will continue to have, a stranglehold in that area. In EV batteries—I think the noble Lord, Lord Alton, mentioned EVs—it has a market share of about 60% at the moment in productive capacity. Even on wind turbines, 10 of the

top 15 companies globally are Chinese. Most of those are for investment within China, but believe me, Chinese companies are predatory globally. Once they fulfil their own market and have extra capacity, they will move outside. There is real concern here about the transition needed throughout the world when China has a stranglehold on those technologies. I am interested to understand from the Minister, who I know is very strong in these areas, how we might start to change that so we do not have the equivalent of Russian gas dependency that the European Union has had until now.

I mention one more related area: rare earths. Again, China has something like an 80% stranglehold on the production of rare earths. As we know, there are 17 of these elements and, because of their conductivity and magnetism, they are used in all sorts of high-tech applications. I am not so much asking about alternative sources of supply—although that is important and I would be interested to also hear how the Government are approaching that. To me, this is the key area where we need to move from a linear to a circular economy; this is true in batteries—lithium and others. For all transition and high-tech sectors, we need to concentrate on and incentivise a circular economy, so that we can recycle these products and use them within our economy, increasing our security and lessening our dependence on other, chancier nations, securing our supply chain and helping the earth's resources as well. Can the Minister say whether the Government are really going to push forward that agenda?

China may look on the United Kingdom as a not particularly helpful player in the past, but that is no excuse for its agenda at the moment. This report, produced under the excellent chairmanship of the noble Baroness, Lady Anelay, lays out a lot of those challenges. We must work with our allies in Europe, the rest of the world and the G7 to ensure that the rise of China is much more benevolent and less dangerous to us as a civilisation.

2.44 pm

Lord Hannay of Chiswick (CB): My Lords, it is a great pleasure to follow the noble Lord, Lord Teverson, particularly since he referred to a couple of themes I will mention myself: the pitiful state of our international aid performance and how that affects competition with China, and climate change.

We should perhaps be thankful for small mercies: we are debating this valuable report from the International Relations and Defence Committee a mere 13 months after it was published and nearly a year after the Government's response to its conclusions and recommendations. I join those who say that if we cannot remedy that sort of delay, we are not performing very effectively. However, I would not give any criticism whatever to the excellent introduction and presentation by the noble Baroness, Lady Anelay, at whose feet I sat for the years I was on the IRDC—not, I hasten to say, when this report was being written—and the noble Lord, Lord Howell of Guildford, who started that committee off on its voyage of discovery.

What a year it has been. It has upended some of the foundations of both the report and the Government's response, principally with Russia's invasion of Ukraine,

[LORD HANNAY OF CHISWICK]

and it is now concluding with President Xi's likely coronation for a further five years in power—or perhaps longer. It is no wonder that the Government are said to be going to revisit their pre-predecessor's security review; it would certainly be welcome to have the Minister's indication on the timing of that when he replies to the debate.

The first requirement for such a review would be the rather overhyped “tilt” in our security and defence policy towards the Indo-Pacific region—overhyped because not much has actually happened since it was proclaimed, other than the very welcome AUKUS agreement over the provision of nuclear propulsion submarine technology. In any case, the trouble about a tilt towards something is that it is necessarily a tilt away from something else, and this is hardly the time—following the invasion of Ukraine and Russia's nuclear sabre-rattling—to be tilting away from European security, which surely remains at the heart of this country's overall security and to which NATO has now committed itself with renewed vigour and determination. How do the Government plan to adjust that balance or, I suggest, potential imbalance? Do the Government recognise that perhaps the best contribution Britain could make to the security of Taiwan is to ensure that Putin's Ukraine gamble fails?

It was somewhat surprising to see nothing in the report, or in the response to it, about China's role as a nuclear weapons state, one which without much shadow of a doubt is substantially increasing its nuclear capabilities and arsenal. The need to draw China into a serious discussion of strategic stability between the P5 recognised nuclear weapons states is surely more necessary than ever, however daunting the obstacles may now look in the short term. What is the Government's view and policy on that critical issue?

I found some contradictions, in both the report and the Government's response to it, between the section on China's role in the multilateral system, on which the report and the Government's response were critical and rather negative, and what was said about the handling of some of the vital global multilateral challenges such as climate change and trade rules—and one should probably add health pandemics to that list. The report states bluntly:

“The challenge of climate change cannot be addressed without engagement with China.”

That surely cannot be gainsaid, in which case we will have to accept that China will need to play a major role in the search for solutions to these challenges. There I slightly differ from my noble and gallant friend when he said that we must lay down the rules; good luck to him, going off to the Chinese, telling them that we need their full commitment to climate change and saying, “By the way, here are the rules”. That sort of approach may be manageable with Russia, which can be treated as a pariah state, but it cannot be successfully used with China.

The problem of China's human rights record, which several noble Lords have referred to, clearly cannot, should not and must not be ducked—whether one is talking about Xinjiang or Hong Kong. However, we need a rapier rather than a battle-axe when responding

to the abuses taking place. Do the Government agree with that analysis? By the way, how will we handle China's bid to join the CPTPP if, as is to be hoped, we succeed in joining that group before China does and thus acquire a say in China's accession? How will we use that say?

In conclusion, I add one caveat to the committee's broadly very welcome call for a clear British strategy towards China. It must surely be evident that Britain cannot, on its own, hope to fashion or apply such a strategy. We must work one out in concert with our main allies and partners. We also need to recognise that we will not get a lot of support for such a strategy from the wide range of countries in Asia, Africa and Latin America, which have been referred to by many participants in this debate, if we frame it simply as a “with us or against us” choice and, even more so, if we continue to shrink our overseas aid contribution to helping these countries face their own main challenges. We need to reach out to like-minded countries to fashion this strategy and not simply wrap a towel around our head and produce it ourselves. I noticed that the advice that the Foreign Minister of the European Union gave to the Heads of Government who are meeting today on toughening up the EU's policy towards China bore a singular resemblance to the views expressed by many noble Lords around this Room this afternoon—so I think we know where to start.

2.52 pm

Lord Bethell (Con): My Lords, it is a great privilege to follow the noble Lord, Lord Hannay, who speaks with such wisdom and experience in these matters. I thank my noble friend Lady Anelay, the chair of the committee, for bringing this remarkable report. I echo my noble friend Lord Howell in saying that it was always a hard-hitting, wake-up call of a report, but it is even more relevant today. While the delay is regretful, this debate could not be more timely.

I completely agree with those speakers who have noted the failure by the Government to publish a clear China strategy. The noble Baroness, Lady D'Souza, was quite right when she said that that is a big mistake. My area is that of innovation and I just want to talk about what the implications are of that mistake in that area of innovation.

I saw for myself as a Health Minister during the pandemic the critical importance of trade and scientific dialogue with China. When the supply chains collapsed, I was on the phone trying to rustle up PPE from suppliers literally standing on the tarmac at Hong Kong airport. I had a role in the £3.5 billion-worth of LFDs that have been bought off China and which have been incredibly important in our battle against Covid. I also gave ministerial oversight to the development of new therapeutics and diagnostics, often with Chinese academic partners and suppliers involved. So I am in no doubt about the value of Chinese scientists to some of the great challenges of our time, including fighting disease and climate change.

However, we are entering a period where the CCP has outlined a clear manifesto for technological supremacy in a number of strategic fields—fields that we have a very keen and important interest in. Launched in 2019, as many noble Lords know very well, the Chinese

Government's "Made in China 2025" programme is a highly sophisticated state-led industrial policy, which has a clear purpose of making China dominant in global high-tech manufacturing. This is, I am afraid, an example of China turning in on itself, making preparations in case there is a confrontation with its rivals. We would be absolutely foolish to ignore this. We should take this 10-year plan seriously as a piece of hard-edged industrial strategy with key metrics and a ruthless approach to success.

We know a lot about China's approach. Beijing's hybrid innovation system blends academic collaboration, industrial partnerships, cyberespionage, direct investment and influence operations to enhance China's comprehensive national power and, in particular, to acquire modern technologies. I can report that it is absolutely working: China is making remarkable strides towards realising its dream of technological self-sufficiency. Chinese companies have caught up and even surpassed western firms in key strategic industries such as 5G, genomic science, AI, quantum computing, space and aerospace electronics. This does not necessarily contribute to the sum of human happiness because, unfortunately, China is at the same time becoming a competitive, authoritarian, imperial power, not necessarily apt to share its technological advantages. We will suffer if it dominates strategically important industries.

We should not give up in this battle for technology. We know that we have keen advantages still in important areas. The area of vaccines is one area where we have demonstrated the strength of our science. That is why I welcome the change in rhetoric from "golden age" to "global threat". But the implementation of the Government's new thinking is worryingly slow, as many noble Lords have noted, and I want to give two illustrations of the problem.

Let us take for instance the area of medical devices, an industry that we have very strong capabilities in, and one of the strategic industries identified in "Made in China". China lacks technological leadership in this area, and it is therefore a valuable market for European and American companies, as China imports over 70% of its medical devices. Given the importance of this sector to the resilience of the health system, the Chinese Government have worked on a five-year plan to make at least six companies in China reach the top 50 globally from pretty much a standing start. It is going very well for them. During the pandemic, as my noble friend Lady Anelay pointed out, Chinese firms boomed. Off the back of that success, in the last few months, Chinese ministries and commissions issued notices prohibiting all public medical institutions from procuring imported medical equipment without approval. Overseas firms are being pressured into technology transfers. Many are backing off trade and production in China, with an impact on jobs at home. Meanwhile, Chinese medical technology firms are beginning to use their domestic market power to drive down costs.

We have already seen in fields such as telecoms and solar energy how Chinese companies can use domestic market power to dump product and crush our businesses. If we do not have a thoughtful fight-back, we can lose technological advantage in an industry that protects our people, provides jobs and is critical for a better life.

That is why it is worrying that Chinese investors have such a strong presence in the British life sciences sector, embedded as investors, vendors and suppliers. For example, Tencent, China's leading investment house, is an absolutely remarkable investor that takes bold creative investments in some of the most strategically important growing companies in the world, including British companies such as Oxford Nanopore and Congenica. Some British firms would not have flourished if Tencent had not got involved. But we should be worried if British investors cannot make the same investments in similar Chinese firms.

We should review our laissez-faire attitude to Chinese investment, now that the CCP has picked up its pace for dominance in this key life sciences sector. Whatever Tencent's current governance arrangements, we have seen how the CCP can apply coercion on Chinese companies. How would we feel if, say, China invaded Taiwan, international relations deteriorated, and an investor with considerable China-state connections owned stakes in some of the most strategically important companies in the UK? This is a really important question, and I do not have the answer, but it is a question that the Government need to answer, and I do not know who is going to provide that up-to-date answer that reflects the latest events.

Secondly, we should be aware of the strategic threat around some of these industries—for instance, the genomics industry, which has grown massively after Covid-19. The value of health data now represents a new battlefield for parliamentarians, regulators and national security protectors. The CCP sees genetic data and genomics as a priority industry to target as part of its "Made in China" programme. It is acquiring and exfiltrating huge datasets to power its AI machinery for global surveillance, political control, mass disinformation and military strategic advantage. These datasets and the AI machinery will be key to future warfare and therefore have huge implications for our national security.

Allies in America, Australia and Europe recognise this threat and have sought to control the risk, including by blacklisting Chinese genomics companies, such as BGI Group, in response to human rights concerns and, possibly, participation in the persecution of Uighur Muslims. In the UK, BGI has links to British universities, companies and institutions on a grand scale, for instance with the University of Birmingham, the University of Exeter, the University of York, the University of Plymouth, Cardiff University and Newcastle University.

My fear is that we just do not understand the risks involved in commissioning genomics firms with close ties to the Chinese state—firms that have demonstrated the capability, resources and intent to misuse genetic data gathered from around the world. We do not understand what is being done to help keep this data safe. We seem to be relying on GDPR, and we are ignoring Article 7 of China's famous national intelligence law, which states that

"organisations and citizens shall support, assist, and cooperate with national intelligence efforts".

As the noble Lord, Lord Alton, rightly reminded us, we are at risk from Chinese Government-linked companies, and have sanctioned, for example, Huawei,

[LORD BETHELL]

Beijing Infinite Vision Technology and Hikvision. However, despite calls from MPs, noble Lords and campaigners, in the more sensitive area of human genomics the UK Government do not seem to show the capability to take even minimal action.

There is progress. The Procurement Bill and the National Security Bill present vital opportunities to address the UK's one-dimensional approach to national security and plug the serious gaps in our coverage. I pay tribute to the Government for statements from the Prime Minister—as she was—and the appointment of Ministers such as Tom Tugendhat and Nus Ghani.

However, the noble and gallant Lord, Lord Stirrup, is right: there is no sign of implementation behind that intent. Even if the powers are now on—or heading for—the statute book, I do not see the implementation plans, the resource building, the institutional infrastructure or the expertise recruitment to tackle these complex issues. When I was a Minister and had concerns about national security, I was met with a fuzzy and unclear response, and I am not sure that has changed.

My specific concern is that, despite the warnings of Ken McCallum at GCHQ about tech theft, there is no mechanism for answering the Tencent or the BGI questions. Where is that China policy that should provide the strategic direction? Who are the people who should be thinking through these risks? Which office at BEIS or elsewhere should be responsible? Where is the risk assessment published? The noble Baroness, Lady Blackstone, emphasised the engagement with risk assessment, but who will actually do that risk assessing?

Speeches and laws are all very well, but our relationship with China is changing very quickly and we need agile, expert trade infrastructure so that we can walk the very delicate line that maximises valuable global trade and protects our national interests against a formidable threat.

That is why recommendation 56 in the report is so important. I join the committee in calling on the Government to publish a detailed plan for implementation of the National Security and Investment Act, to provide confidence for overseas investors and to help us understand how investment will protect British interests.

I support recommendation 57, calling on the Government to conduct scenario planning on supply chain vulnerability and identify where action is needed to mitigate the risks. I support recommendation 63 calling on the Government to conduct an impact assessment of the potential consequences of increased political tensions between the UK and China on British businesses or Chinese investment.

We have a lot on, but I urge the Minister that there is not much time to put in place this implementation so that we can avoid the inglorious scramble we saw when Russia invaded Ukraine—and that was a much less important trading partner.

3.04 pm

Baroness Coussins (CB): My Lords, one of the report's conclusions is that:

“An increased knowledge and understanding of China—including its languages—within Government, the civil service, and the public more generally will be crucial for both constructive engagement and managing periods of stress.”

The committee calls on the Government to provide greater support for Chinese language teaching and cultural exchange with China—an issue also touched on by the noble Lord, Lord Goodlad. I declare my interest as co-chair of the All-Party Group on Modern Languages, and my other language interests, as set out in the register.

The government response to this conclusion and recommendation was positive and pointed to the Mandarin Excellence Programme, the MEP, which funds the teaching and learning of Mandarin in state schools, aiming to

“provide an increased pipeline of fluent Mandarin speakers to meet the future business and economic needs of the country.”

Set up in 2016, the MEP has been extremely successful. Indeed, since the Government's response to the committee's report was published, the figures have improved still further, with over 8,500 pupils enrolled to date.

GCSE results have been excellent, significantly above the national average, with 91% of the cohort achieving level 5 or above last year, and 72% with level 7 or above. In one north London school with a very mixed intake, the entire cohort achieved level 9. In addition, PGCE recruitment is going well and is back to pre-pandemic levels, which is a lot more than can be said for MFL teacher recruitment more generally.

An independent evaluation of the programme found that it was well-designed and balanced, was achieving its objectives and was having a national impact on the numbers of pupils studying Mandarin over and above those in the MEP schools. Research published earlier this year by Cambridge University described the MEP as an exemplar model which could be replicated for other languages. Even more significantly, in the context of this Select Committee report, it concluded that, if language barriers were removed and more was invested in the teaching of Mandarin, the UK could increase the value of its exports by £5 billion a year.

The UK's languages deficit has long been acknowledged as one of the barriers to export growth. In the SME sector alone, there is good evidence that language capabilities add 30% in value to success in export growth. The UK's deficit inhibits both recruitment and employability. The CBI has said that better foreign language skills are critical to increasing the UK's global competitiveness and ensuring that young people have the high level of cultural awareness that supports a successful career. The Government are to be congratulated on supporting the MEP.

The reason I wanted to speak today, in the context of this report, is to caution against throwing the baby out with the bathwater by responding in a disproportionate way to pressure to ban the Confucius Institutes which support the MEP, and instead to work with Taiwan rather than China for the teaching of Mandarin. These concerns have been expressed by the China Research Group of MPs and the Foreign Affairs Committee of the other place, and several others.

The Confucius Institutes have been described as effectively an arm of the Chinese state, which I have no doubt is a perfectly fair assessment, but the implication that they are having some sort of undue influence over the UK students learning Mandarin with the MEP in

our state schools is, I suggest, rather wide of the mark. We should be clear that these worries are not shared by the students, parents, teachers or head teachers involved in the MEP.

Katharine Carruthers, the director of the consortium consisting of University College London's Faculty of Education and Society, which actually delivers the MEP in conjunction with the British Council, points out that the DfE contract for the programme is with UCL, not the Confucius Institutes. In addition, every school participating in the MEP is responsible for engaging its own teachers locally, in exactly the same way as they employ teachers of Spanish, French or indeed anything else. The teachers are not provided by the Confucius Institutes; they do supply guest teaching assistants from China, but these are supplementary to the core classroom teachers. Some Confucius Institutes, however, also engage with Mandarin teaching in universities, and it is there that there is a potentially legitimate concern that some universities need to exercise caution to ensure that Chinese studies there are not influenced or delivered by Confucius Institutes.

There would be a major practical challenge to the support of the development of Mandarin teaching in schools if there were a switch to Taiwan from China, with obvious significant geopolitical ramifications too. The MEP's main practical challenge at the moment has been in sustaining pupil visits to China, because of Covid restrictions, but a comprehensive programme of virtual interactive learning with the help of 16 universities right across China has been able to fill some of that gap. It is difficult to see how this could be matched by far more limited Taiwanese institutions and resources.

In conclusion, I ask the Minister two questions. First, will he ensure that his colleagues in government, across various relevant departments, are fully briefed on the importance and success of the Mandarin excellence programme and understand that the role of the Confucius Institutes should be seen in its proper perspective, and that any action should be proportionate and properly targeted, given the actual structure, control and delivery of the programme in schools by UCL and the British Council? Leave the schools alone and let them get on with it—but, at the same time, closer monitoring of the situation in some universities is clearly advisable.

Secondly, I understand that government funding for the MEP has been guaranteed until 2024, with an expectation that it will be extended for a further year to 2025. Will the Minister confirm this and commit to pressing the strong and positive case for continued funding after 2025? This would be good for schools, good for our young people and their future employability and, as the Select Committee report concludes, good for UK-China relationships, not just in security and trade but in the all-important intercultural understanding that underpins all those geopolitical challenges.

3.12 pm

Viscount Waverley (CB): My Lords, I absolutely agree with the noble Baroness, Lady Coussins, but will express it differently. That difference is contained in the title of the report, which refers to a “void”. We are far short of understanding how to deal with China—and rather worryingly, that pertains to the US as well.

The noble Baroness, Lady Anelay, referred to the next update of the integrated review possibly being delayed until next May. Continuous review is fundamental in today's fast-moving world. I suggest that a rolling update should become the norm. She also referred to supply chain issues. Having returned from India and the Gulf last week, I believe that there is merit in encouraging countries such as India, and including countries such as Turkey and Brazil, to assist in the diversification of supply chain issues—not just for the UK but globally. This can also help the economies of developing nations.

The Government have become increasingly hawkish towards China and formally designated it a threat to Britain, with the redesignation bringing the UK's official position towards China closer to its stance on Russia. I reaffirm at the outset that the Uighur situation is an abomination, the Taiwan threat real and regrettable, and the Hong Kong circumstance sad and unbecoming for a state of the importance of China. My overall assessment is that China is becoming more inward-looking and protectionist, which is not helped by constant hostile rhetoric, with the deterioration of relations transitioning from hesitation to deep freeze and China signalling alignment away from being a rule-taker to a rule-maker in the international community.

China is a major trading, investment and supply chain partner, but its economy is at a crossroads, with slowing growth and increased debt and facing a property crash crisis. However, it is currently the world's second-largest economy and the world's second-largest public capital market, with the third-largest stock exchange and an IPO market of importance. It is responsible for one-third of global emissions, but is also the world's largest producer of renewable energy and committed to reaching peak carbon emissions by 2030 and net zero by 2060.

Its strategy is, on the one hand, to make its economy more resilient against external shocks and to fulfil self-sufficiency to counter the hostile geopolitical environment by being more reliant on the economies of scale of its large domestic market and increasing control over supply chains where import dependencies exist, most particularly for food, energy and high-tech inputs. The dual-circulation strategy, the interplay between domestic circulation of production, distribution and consumption by insulating the domestic market, whether in terms of natural resources or technology, is to vertically integrate its production. Chinese decoupling from the US is advancing, with China's master-plan to enhance its position through third-market engagement available through the belt and road initiative.

It should be remembered that the UK became the first western country to join the Asian Infrastructure Investment Bank, with a previous US Administration accusing the UK of “constant accommodation” with China. London's stance towards Beijing has now shifted from the so-called, perceived “golden era” to a complex phase of diplomatic and military tensions and scrutinised economic relations, compounded by US pressure. US national security strategy since the integrated review reflects a world order where great power competition is back in town, representing a profound move away from a not-distant past advocating for a deeper relationship.

[VISCOUNT WAVERLEY]

The integrated review made an economic and military case when it stated that the PRC is

“the biggest state-based threat to the UK’s economic security” and that its military modernisation and assertiveness threaten British interests in the Indo-Pacific. To China, a Cold War mentality of encirclement exists. It believes that London, with its Pacific tilt, is advocating an anti-China diplomatic and military coalition in the Indo-Pacific, with the Government’s U-turn on Huawei, combined with the first deployment of HMS “Queen Elizabeth II” aircraft carrier to the Pacific, and the trilateral AUKUS security pact between Australia, the UK and the US, escalating the relationship to a new hostile era.

How comfortable is the UK, in reality, in attempting to organise a unified anti-China front behind the Build Back Better World label? The G7 Cornwall meet suggested a differing narrative in the making, but now increasingly there appears acceptance of the US narrative and Washington’s framing of the US-China strategic rivalry as a life or death struggle between democracy and autocracy, treating China as an adversary. There is no question but that the urgent need is to conduct an overall review and analysis of our relationship. We cannot afford to ignore China and must seek to balance the relationship in a manner which draws together shared interests and aligns on underlying challenges, or we will face a steady drumbeat.

All this is a far cry from the economic mantra of a global Britain, with a view held by some that if we deal only with countries that share our values, we will have a limited range of countries with which to engage. Constant barking, confrontation and economic sanctions, including diplomatic restrictions and isolation, can have their place, but I wonder how effective and sustainable they are and whether they are likely to achieve positive outcomes. We should be wide-eyed when taking a tough policy line on China without clearly understanding what the impact, including economic, will be. I have already mentioned that, for me, the key takeaway from the report before us was the use of the word “void”, which encapsulates our lack of understanding of the techniques required to engage in a manner that advances or contains a relationship.

So, how to engage with the Chinese state? Engage we must, but we must certainly lead by example. I fear that, if we fail to do so, it will have consequences for the longer term, including a clash of ideals that would include the likes of Russia and Iran, which are anxious to drive a wedge between our immovable principles. An accommodation must be sought, otherwise I see no alternative other than a slow drumbeat emerging over the horizon. The outcomes of the current party congress, which will set the tone on domestic policies and international trade relations for the next five years, should be analysed with care and taken as a renewed engagement starting point.

I ended a recent contribution with the conclusion that “a window still exists to pour oil on troubled waters”.

However, I went on to say:

“Western policymakers and diplomats need to up the game and face the gravity of the situation with a supercharged, innovative carrot-and-stick strategy.”—[*Official Report*, 14/7/22; col. 1629.] I remain of that view.

3.21 pm

Lord Purvis of Tweed (LD): My Lords, as always, it is a pleasure to follow the noble Viscount. This has been a characteristically serious debate which has done credit to the excellent report comprehensively introduced by the noble Baroness, Lady Anelay. I had the pleasure of serving on the committee under her chairmanship, and indeed under that of the noble Lord, Lord Howell. We were blessed in this debate with contributions from both those chairs of the committee.

The IRDC is a significant and senior committee of this House, and the delays before its reports are debated are unacceptable. The fact that we made the same appeals when we debated the committee’s report on sub-Saharan Africa, which had been delayed and delayed until we had an opportunity to debate it, springs to mind. I hope that this is the last time there will be such a delay before we are able to debate such a significant report from this committee, because one of the purposes of these debates is not only to hold the Government to account but to inform the whole House of how we conduct that work in holding the Government to account. In that regard, I was struck by the contribution of the noble Lord, Lord Bethell, who rightly highlighted how, in many respects, there is a delicate line to tread in our relationship with China, but in order for us to tread that line, there needs to be the guidance of a clear government strategy. The fact that such a strategy is absent was the underlying proposition of the committee. It struck me when the noble Lord said that as a Minister he sought clarity and that it was “fuzzy and unclear”.

The Government’s response to the committee’s report said:

“The National Security Council continues to provide clear direction for the Government’s China policy. It is supported by the work of the Integrated Review Implementation Group on China”.

Can the Minister tell us why the National Security Council was abolished by the current Prime Minister, Liz Truss? I understand that it has now been replaced by a Cabinet sub-committee, which will not provide the clear direction that is necessary. What is the current situation? Is there a current situation? If not, it highlights the void not just in government strategy but in government operation. We cannot afford that as a country.

This is my opportunity to state on behalf of the Liberal Democrat Benches that what the Conservative Government are doing to our international reputation at the moment is just unacceptable. During this debate, I had a message on my phone from a good friend of mine who served in the United States Cabinet, who was in shock when he woke up to see the news from the UK. He was bemoaning—and sympathising—the fact that we are a laughing stock. He said: “The UK is too important to be laughed at.” That is from a former senior US official. I agree with him.

This debate on this topic really must be the opportunity to start providing more clarity on our way forward for UK relations with China. The committee highlighted—as have the contributions today—a whole series of areas where that strategy is necessary. It highlighted that there has been a shift, but it is unclear where that shift is to. We are, theoretically, currently in year 7 of the

golden decade announced in 2015. Whether this golden decade is now in deep freeze or is still government policy for trade and development, I do not yet know. The noble Viscount mentioned the Asian Development Bank; can the Minister clarify whether our support for that is still categorised under overseas development assistance or whether that has been cut? George Osborne said during that visit in 2015—like my noble friend Lord Teverson, I was there in the hall, but I did not have the opportunity of shaking the President's hand—that

“No economy in the west is as open to Chinese investment as the UK.”

Is it still? What is the Government's intent for that? The Government's response to the committee did not provide a great deal of clarity on that.

When the House debated the committee report on sub-Saharan Africa, so many areas combined with regards to our relationship with emerging markets and emerging countries, as well as the need for clarity on China. It is an absolute fact that, in the absence of a clear direction for our relationship with emerging markets and countries in Africa, China will fill that void. In the absence of a clear strategy, understanding and stability in our relationship with China, other countries will not see us as a reliable partner either.

We recognise that China's development and rise has been remarkable, lifting millions of its citizens out of poverty and single-handedly having a major impact on overall human development. However, we cannot use just one indicator alone. The noble Lords, Lord Alton and Lord Bethell, and others have highlighted these issues with our trading relationship—I will return to that in a moment. Over this period, growth in UK-China trade has been marked, but it is not equal growth, because the UK now has a trade deficit with China in goods of more than £40 billion. That is at an unprecedented scale in our trading history. Under this Government, this deficit has grown. We are now in the unhappy position that trade with autocracies has risen under this Government, but trade with democracies has fallen. This is not good for our national security, nor is it good for our resilience as far as our own industry is concerned.

This report is about how the UK Government now respond to these concerns. While recognising China's growth in the positive areas, my party and others in this debate have recognised some of the concerns, including China's challenges to the international liberal order, such as at the UN Human Rights Council. I have a little more sympathy with the noble and gallant Lord, Lord Stirrup, than with—if he will forgive my saying so—the noble Lord, Lord Hannay. The issue about rules, values and standards is not necessarily that we impose them, but that we work with allies on what we consider to be the most beneficial areas. If they are unclear on our approach in some of these areas, an alternative approach will become the norm. From data transfer to e-commerce, regulatory reforms, privacy, and human rights within supply chains, we have been at the forefront, with consensus, of establishing some of these norms and rules. There is, in many areas, a competing narrative with which, if we are not robust, they will be filled. On human rights abuses,

which have been referred to, we have debated them repeatedly and, unfortunately, will have to continue to do so.

We have heard in the debate about the aggressive posturing towards Taiwan, including the latest address by President Xi in the congress. A further concern is surveillance technology, which is used at home in China as a tool for suppression but has been bought here in the UK and by others abroad without the level of reliance on a set of standards, which we believe would be right for the use of surveillance technology. Of course, we have seen a regrettable and increasing trend of interference in civic debate in other countries—and, as my noble friend Lord Campbell of Pittenweem said, here in the UK, just within the last 48 hours.

We strongly support the need for a comprehensive China strategy but, in our view, a comprehensive industrial strategy too. They are intertwined. I hope that we will see some clarity on this soon from a new Government. It will mean that the UK has to have a significant review of China's preferential market access in a whole sweep of areas, from foreign direct investment screening to pension fund investments. It is not acceptable that local authorities and public sectors are not aware, when investing in a Chinese-indexed market, whether their investments are in regions and enterprises in China that are conducting significant human rights abuses. There needs to be much more clarity in this area. I have repeatedly asked the noble Lord, Lord Ahmad, whether any of the preferential agreements signed in 2015 have been reviewed in light of the grotesque human rights abuses, and the Government have failed to provide any clarity as to whether they have.

In an industrial strategy, we need a review of supply-side security. The noble and gallant Lord, Lord Stirrup, and others are absolutely right. On concerns with regard to Taiwan, how resilient is the UK if China seeks to weaponise our trade deficit in certain key sectors? We have seen this within the domestic UK market with regard to chip supplies, as the noble Lord, Lord Alton, said. Why has not the UK opened up discussions about the equivalent of a US chips Act? Why is the United States looking at this in a strategic way, while the UK has, as the committee put it, a complete void in that regard? We must be willing to cease research co-operation and technology sharing if our Chinese colleagues are unable to provide adequate reciprocity and transparency in the regulatory framework.

The noble Lord, Lord Bethell, was absolutely correct to raise the issue of data. I am genuinely concerned about the Government's current approach. He rightly said that China has access from government officials. The UK has now signalled that we will be leaving GDPR principles, but there is no clarity as to their successor. In some of our key sectors, the service sector and financial reform, this is critical, and I hope that the Minister has a response in his remarks.

I close on Hong Kong. It is a necessity for the UK to audit UK-based assets owned by CCP officials, state-owned enterprises and Hong Kong officials. We need to review bilateral FDI with Hong Kong relations. I hope that the Minister can say that the global human rights sanction regime is now being considered very carefully with regard to officials in Hong Kong. All those areas are vital, and we need to signal that we are now

[LORD PURVIS OF TWEED]

in the process of considering UK resilience in our relationship with China, in case of disruption. It is not a signal that we are seeking to remove ourselves entirely from our partnership with China or indeed to have, in certain areas, a weakening of the positive cultural relationship with the people of China. However, it is necessary for the United Kingdom to be resilient and to stand up for the rules, standards and values that we helped shape and should invest in, and we should work on with our partners.

Finally, I could not agree more strongly with my noble friend Lord Teverson. Many of the countries in emerging markets and developing nations that are looking at the UK and China at the same time see that the UK has stepped back. We have slashed support with very little notice, and there is a lack of stability and reliability in our relationship with them. That is creating a new void which China will fill, and that will be to the United Kingdom's long-term detriment.

3.35 pm

Lord Collins of Highbury (Lab): My Lords, I start by commenting that we have of course all been looking at our mobile phones during this debate. I agree with the noble Lord, Lord Howell, that the Prime Minister's resignation earlier today is not a matter for debate now, but I also agree with the noble Lord, Lord Purvis, that we should not underestimate the impact of the Government's actions on our global reputation and credibility. It will come back to haunt us.

I very much welcome this report, and certainly the excellent introduction by the noble Baroness, Lady Anelay. We have discussed elements of the report in previous debates, and I repeat what we said then: this is about making a very clear case for a consistent written strategy setting out the Government's security relationship with China. As long as Ministers maintain their policy of ambiguity, we cannot be confident that they are properly balancing the need for economic engagement with the importance of the UK's interests and values.

Unfortunately, as noble Lords mentioned, the response to the report gave no further indication of a wide-ranging strategy—far from it. Instead, there were only piecemeal points about the UK's interests and values. It focused on things such as the importance of avoiding strategic dependency on China. The Government argued that the National Security Council provided clear direction for their China policy, and that it was supported by the work of the integrated review. I too welcome the fact that events have overtaken us and the integrated review will be re-examined in the light of Russian aggression. I accept that that does not undermine the case that the committee has made. The fact that events have overtaken us does not undermine the fundamental case for a clear strategy in dealing with China.

As the noble Baroness said in her contribution and in her follow-up letter to the Minister, ambiguity and uncertainty are

“damaging to businesses and detrimental to our partnerships and alliances in the region.”

I hear what the noble Lord, Lord Howell, said about those alliances, but unless we are clear, they will not know what we stand for. The noble Baroness wrote that it

was unclear how the Government intended to balance human rights issues with the economic relationship with China, and how they

“will prioritise when these considerations clash.”

Amanda Milling said:

“We will uphold our values and protect our national security while promoting a positive and reliable economic relationship”.

As I have asked in previous debates, can the Minister say what exactly is the extensive programme of engagement with UK businesses to ensure that our policy is fully understood? The noble Baroness was absolutely right: the ambiguity continues to damage both our business interests and our political interests. Noble Lords will want to hear some concrete examples from the Minister, not just vague words.

The noble Baroness, Lady Coussins, mentioned the language deficit. It is a sad fact that, under the Conservative Government, the number of Mandarin speakers in the Foreign Office has fallen to a pitiful 14, the deployment of personnel to the strategically vital Pacific region has shrunk, and the often-mentioned China strategy is nowhere to be seen. The resultant drift and confusion undermine our position on the world stage, leave our allies unable to rely on British support and risk our technological and industrial advantages, while Chinese companies single out emerging technological advantages in areas such as semiconductors and biotech. Let me be clear. Labour will take a strong, clear-eyed and consistent approach to China, standing firm in defence of human rights, national security and international law while, as my noble friend, whose name I have forgotten—I am sorry.

Baroness Blackstone (Lab): Do not worry.

Lord Collins of Highbury (Lab): I had a mental block; it is age, I fear. As my noble friend Lady Blackstone urged, we will engage with China where it is in our interests to do so, particularly, as noble Lords have highlighted, in the global challenges we face that we cannot address unless we work with it, such as climate change, trade and especially global health. For years, the Government have turned a blind eye to human rights and national security concerns. Now they are divided and have no strategy, lurching between U-turns on issues such as Huawei and nuclear power.

In government, Labour will carry out a complete audit of UK-China relationships so that we can ensure the relationship reflects our interests and values and set a consistent strategy for the long term. China remains crucial to addressing those global challenges I have mentioned and is deeply integrated into the global economy. We will engage with China on the basis of our national interest and those clear principles but will not be afraid to speak out on human rights, particularly in Xinjiang, Hong Kong and Tibet. It is simply wrong that China has brought sanctions against UK parliamentarians for raising those concerns. I too pay tribute to the noble Lord, Lord Alton.

The brutal campaign of oppression in Xinjiang is a scar on the conscience of the world. In this House we have consistently raised the plight of the Uighur people, which the UN has said constitutes a crime against humanity and which our Parliament has voted to

recognise as genocide. We support absolute, strong action, including a ban on cotton produced with forced labour, and the extension of human rights sanctions against the individuals responsible. As part of that strategy, a Labour Government will increase our independence in critical national infrastructure and will not repeat the sort of mistakes the Government have made in the past, particularly over nuclear power.

However, as the report and noble Lords have mentioned, it is really important that we underline our soft power activity, particularly the British Council and the BBC, which are key elements of an overall integrated strategy. I noticed in today's *Guardian* an article showing how the Chinese Communist Party was using influencers in social media—it spreads without us even noticing that it is happening. What is our strategy in response to that? I do not see one. It is really important that we work cross-departmentally and across government to have that absolutely clear strategy.

As the noble Lords, Lord Howell and Lord Hannay, mentioned, we cannot do this on our own: it is really important that we work with our allies to provide real alternatives to China's finance and investment in the developing world. Again, we have sort of turned a blind eye to that. The noble Lord, Lord Howell, is also absolutely right to mention the Commonwealth; our response to that has been minimal. In fact, as noble Lords have mentioned, we have seen how we have cut our influence by going to 0.5%. We use a statistic such as 0.5% and 0.7% but those bilateral programmes, particularly in Africa, were cut overnight. There was no plan or strategy—no understanding of the impact. Instead, they were cut straightaway. The speed of those cuts, not just the amount, was incredibly dangerous.

I repeat what has been said about the importance of our relationship with Taiwan. We absolutely support and want to see dialogue and peaceful moves to address those issues across the Taiwan Strait. We have been clear about our serious concern about China's increasingly aggressive actions towards Taiwan and the attempts to intimidate its democratic leaders. We need to be clear about our support for that beacon of democracy. We also need to understand—I have said this about the global challenges—that we are not challenging the recognition issues that we addressed, but it is important that the globe does not miss out on the expertise that Taiwan has developed, particularly on global health. We should ensure that it is included in our discussions wherever possible.

I conclude by addressing the discussion this afternoon in the other place on the Urgent Question on the events in the Chinese consulate in Manchester. We had the Urgent Question repeat here, and I made the point to the noble Lord that it was absolutely essential that Ministers and the Foreign Secretary took responsibility and communicated the Government's concern about these actions. The fact that it was left to officials and the ambassador was not summoned was a disgrace. It is time for the government to be very clear. Jesse Norman said in the other place that the ambassador is not in this country. We have seen clear evidence of what has happened in Manchester, and we cannot tolerate that those sorts of people who conduct themselves in that manner should be allowed to stay in this country for a day longer.

3.48 pm

The Minister of State, Foreign, Commonwealth and Development Office (Lord Goldsmith of Richmond Park)

(Con): My Lords, I thank my noble friend Lady Anelay for tabling this debate and for her committee's work, as well as for her introductory remarks. I thank all noble Lords for their insightful contributions.

Last year in our integrated review, the UK Government assessed that China's increasing assertiveness and growing impact on many aspects of our lives will be one of the defining geopolitical factors of the 21st century. This is, therefore, a key and timely debate.

In line with the IRDC's report, I will cover the UK's approach to China, our trade relationship, regional security, and the importance of working with our allies and partners, and I shall do my best to answer as many of the questions that were raised as possible.

The global geopolitical context has changed greatly in the last year, and in response the Prime Minister has commissioned an update of the integrated review. Vladimir Putin's invasion of Ukraine has threatened our collective security and stability, and it has had an acute impact on global economic resilience, supply chains and energy security. We will continue to press China to use its relationship with Vladimir Putin to push for an end to his war, rather than condoning or excusing his actions.

The noble Lord, Lord Goodlad, made the point that China's influence on Russia is considerable. There is no doubt that that is true, so we continue to engage with China at every level—in Beijing, in London and at the UN—to make it clear that the world is watching what it chooses to say and do. Of course, we condemn any military support to Russia for its illegal invasion of Ukraine, and we expect China to stand up for Ukraine's sovereignty and territorial integrity and to uphold its commitment to the UN charter. Without going into detail, I note the comments made by the noble Lord, Lord Howell, on China's anxiety about Russia's potential use of strategic nuclear weapons.

As the Foreign Secretary recently made clear in his speech in Singapore, it remains a top priority for the UK to pursue deeper engagement with our partners in the Indo-Pacific region. China is a major global actor as a G20 member, with a permanent seat on the UN Security Council. This Government are committed to doing more to adapt to China's growing impact and influence. As we do so, our policy will be defined by our national interests, particularly our sovereignty, security and prosperity. It is in our interest to have a mature and robust relationship with China in order to manage disagreements, defend our freedoms and co-operate where our interests align.

One of the greatest strengths in our relationship with China is the link between the people of our countries. It is worth emphasising that the British-Chinese diaspora play a key role in our communities and culture. We continue to welcome hundreds of thousands of Chinese students to the UK and work to ensure that they are treated as well here as British and other international students are. International research collaboration, including within our universities, is central to the UK's position as a science superpower. However, as a number of noble Lords suggested, we will not accept collaborations

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that compromise our national security, and we work closely with universities, funding bodies and industry to protect our higher education and research sector.

In response to the noble Baroness, Lady Coussins, who raised Confucius Institutes in particular and asked what the UK is doing about them, the Government obviously take seriously any concerns about the operation of international organisations at UK educational centres. Like all similar bodies, the Confucius Institutes need to operate transparently and with a full commitment to our values of openness and freedom of expression. As with any international collaboration, universities have a responsibility to ensure that any partnership with a Confucius Institute is managed appropriately and that the right due diligence is in place. We encourage providers with any concerns whatever to contact the Government directly.

A number of noble Lords mentioned the importance of engaging China on the global issue of climate change, and they were absolutely right to do so. The committee rightly observes that we cannot deliver our global climate goals without engaging with China. It is just not feasible; it is not possible. That point was well made by the noble Lord, Lord Teverson, and the noble Baroness, Lady Blackstone. As the world's largest greenhouse gas emitter, and the world's largest investor in renewable energy, China plays a critical role. In particular, we are working with China and other financiers of international coal to accelerate momentum and ambition for the global transition from coal to clean energy through our COP 26 energy transition campaign. As a consequence, and on the back of very extensive diplomacy in the run-up to COP 26, we were able to have an influence on China's position. Noble Lords will know that China has committed to net zero by 2060 and has said that its intention, and its policy, is to see emissions peak by 2030, the end of this decade. China also committed to ending the financing of overseas coal, which we also pressed hard for in the context of our presidency of COP.

Scientific collaboration also plays a key role in mitigating climate change. The UK Government supported work by meteorological experts in both countries to model extreme climate change impacts around the world. We are increasingly working with China at the diplomatic level: first, to support efforts to secure an ambitious outcome for the CBD COP 15 in Montreal, at the end of this year; and, secondly, to follow up on commitments that we secured from China—quite late in the day, as it happens—to join other countries that signed the Glasgow leaders' declaration, the commitment to end deforestation by the end of this decade.

Even more importantly, we secured a commitment from China's biggest commodity trader, COFCO, to align its purchasing criteria with 1.5 degrees and our efforts to break the link between commodity production and deforestation. It was COFCO coming to the table that allowed us to encourage countries such as Brazil, under President Bolsonaro, to sign up to a commitment that they were absolutely not willing to sign up to that point. There are numerous ways in which we are seeking to work with China on climate change and the broader environmental challenge we face.

As an open economy, the UK Government welcome foreign trade and investment to support growth and jobs, including from China. However, we will not accept commercial activity that compromises our national security or values, and we have safeguards in place that enable us to engage with Chinese investors and businesses with increasing confidence.

The National Security and Investment Act came into force in January 2022. It is not specific to China and applies to all investors in the UK, regardless of nationality. We will not hesitate to use the Act's powers to intervene if and where necessary—including to block the most concerning acquisitions. The Act's annual report and final orders document the use of NSI powers to date, including to block two acquisitions by Chinese companies. In May this year, a package of measures came into force to update the UK's export control regime. This enhanced our military end-use controls and added China to the list of destinations to which those controls must now apply. These changes strengthen our ability to prevent exports and address threats to national security and human rights.

In different ways, the noble Lords, Lord Campbell and Lord Alton, and the noble and gallant Lord, Lord Stirrup, referenced the controversy over Huawei, which rightly dominated the news for some time in the year before last. On 13 October this year, the Secretary of State for DCMS issued a designation notice to Huawei and a designated vendor direction to 35 telecom providers. This gives 12 specific restrictions to telecom providers in their use of Huawei. The Secretary of State has decided that these legal controls are necessary and proportionate to our national security risks. The UK is now on a path towards complete removal of Huawei from the UK's 5G networks by the end of 2027.

The noble Lord, Lord Alton, also asked about Hikvision. I needed to check, but we continue to make clear our concern about human rights violations in Xinjiang—which I will come to in a few moments—including the use of mass surveillance and the technology used to facilitate it. We take the security of our citizens and establishments extremely seriously and have a range of measures, some of which I have just identified, to scrutinise the integrity of those arrangements.

The committee rightly identifies the risks to trade and investment and our supply chains in today's increasingly interconnected world. We recognise that China has clearly set out to use its influence in the global economy to pursue its broader foreign policy objectives. We monitor this closely and are working to strengthen the UK's critical supply chain resilience and avoid strategic dependency. This includes international collaboration with allies and partners to discourage trade restrictions and coercive measures.

My noble friend Lord Bethell emphasised this particularly well. To him I just say—he may even have been part of this—that BEIS launched the UK's critical minerals strategy in July, which sets out measures to improve the resilience of critical mineral supply chains. Obviously, supply chains are complex and markets are volatile, with most critical minerals sourced from just a small handful of countries. China is a big player, for reasons that noble Lords have already identified.

I will move on to respond to comments from the noble Viscount, Lord Waverley, who talked about British investment partnerships. Through BII, we are providing a positive development finance offer in the Indo-Pacific region and around the world. Our offer is characterised by high standards, transparency and reliability. It supports the Build Back Better initiative—I hesitate to use the term—specifically as an alternative to the belt and road initiative. With a particular focus on climate finance and green infrastructure, we are helping developing and emerging countries in the Indo-Pacific meet their financing needs for infrastructure and enterprise.

The Government have deepened economic ties with our partners in the Indo-Pacific region in the last two years. We have signed free trade agreements with Australia and New Zealand and a digital economy agreement with Singapore, and we continue to make progress towards a new free trade agreement with India. We are also now in the second and final phase of accession to the CPTPP. By acceding to the CPTPP, the UK will join a valuable network of countries committed to the international rules and norms that underpin free trade. Meanwhile, as an ASEAN dialogue partner, and the only European country to have been given such status, we recognise the key role that ASEAN plays. We have made clear our full support for the ASEAN outlook on the Indo-Pacific.

The committee rightly recognised the importance of working with allies and partners in the Indo-Pacific and beyond with regard to China. We speak to those partners on a regular basis to understand their approaches towards China, their hopes and concerns and more. There is much common ground between us; we share many of the same concerns. We and our international partners have a clear message: China must live up to its international responsibilities.

A number of noble Lords rightly referenced the horrors in Xinjiang—in particular, the noble Lord, Lord Alton, who has raised the issue many times with me in our various exchanges in the Chamber. The noble Baroness, Lady Anelay, also spoke powerfully about the issue, as did a number of other noble Lords. Clearly, China must be held to the same human rights standards as all other members of the international community. The UK has led international efforts to hold China to account for its human rights violations through the UN and through our sanctions regime and measures to ensure that no UK organisations are complicit in these violations through their supply chains.

Given the gravity of the recent UN High Commissioner's report, which found that China has carried out serious human rights violations—including, as the noble Lord, Lord Alton, said, possible crimes against humanity in the area—it is important that UN members are given an opportunity to consider those findings fully. On 6 October, the UK brought a vote to the United Nations Human Rights Council requesting a vote on the report. We did not succeed—the vote did not pass—and China successfully managed to stifle debate temporarily. However, we are convinced through our efforts that that will not endure and that we will be able to ensure that the report and its findings are properly digested and responded to in that key UN context.

I echo the comments of the noble Lord, Lord Collins, about those Members of Parliament in the UK who have been sanctioned by China, and pay tribute to them. Those sanctions are not only unwarranted but completely unacceptable, and we have provided, as noble Lords will know, guidance and support to those sanctioned by China, including a specialist briefing from relevant government departments on such things as cybersecurity.

Just to move to Hong Kong, China's national security law has undoubtedly stifled opposition and, more than that, criminalised dissent. In response, the UK has declared China to be in a state of ongoing non-compliance with the Sino-British joint declaration. As noble Lords commented, we also introduced a bespoke immigration route for British national overseas status holders and their immediate family members. The UK will continue to stand up for the rights and freedoms of the people of Hong Kong, as agreed in the Sino-British joint declaration.

I think it was the noble Lord, Lord Purvis, who asked why the Prime Minister had scrapped the National Security Council—I hope that I have attached the question to the right noble Lord. My understanding is that she replaced it rather than scrapped it; she replaced it with a foreign policy and security council. From my understanding, there is no difference in function, so we are talking about semantics and a label, as opposed to anything meaningful.

Lord Purvis of Tweed (LD): I am grateful for that clarification; perhaps the Minister could write to Members who took part. I looked at No. 10 Downing Street's briefing on the new Cabinet sub-committees. It is a markedly different committee which includes trade; it is not simply a change of title with the same definition—as I understand it, but I am happy for him to write to me with more information, because it is important.

Lord Goldsmith of Richmond Park (Con): I doubt I am qualified to get into a scrap on this issue, but my understanding is that there is nothing that the NSC was doing that is not done within the new council. But I shall seek clarity on the issue.

Regional partnerships are especially important in defence and security. We are deepening our engagement with Indo-Pacific partners bilaterally, multilaterally and with smaller groups of like-minded partners. The Five Power Defence Arrangements, where we work together with Australia, Malaysia, New Zealand and Singapore, reached their 50th anniversary last year. The AUKUS defence partnership with Australia and the US also strengthens regional peace and stability, and the UK has responded positively to the requests of our partners to build their capacity in maritime security. The deployment of the UK carrier strike group to the Indo-Pacific last year, where it engaged with 40 countries, demonstrated our commitment to partnership. Two Royal Navy offshore patrol vessels, now stationed permanently in the region, are further deepening this partnership and supporting capacity-building.

The former Prime Minister—my apologies: she is the current Prime Minister—has commissioned an update of the integrated review to be completed by the

[LORD GOLDSMITH OF RICHMOND PARK] end of the year. That integrated review will take account of and reflect the dramatic changes that have happened as a consequence of Russia's illegal invasion of Ukraine, but the priorities within the integrated review will remain the same: we are not looking at any dramatic shift.

I am so sorry, but I cannot read the names of who asked me certain questions; I apologise if I attribute them to the wrong noble Lords.

On Taiwan, the UK has a clear interest in peace and stability in the Taiwan Strait. As we have always said, the issue must be settled by the people on both sides of the strait through constructive dialogue, without any threat or use of force or coercion. On the issue of visits to Taiwan by western politicians—this is an example of where I cannot read the name of the noble Lord who asked the question—and specifically the visit of Speaker Nancy Pelosi to Taiwan, it is our view that China's military exercises were inherently destabilising. They form part of a pattern of escalatory Chinese activity over recent months which includes a growing number of military flights near Taiwan. These are not the actions of a responsible international actor. They undermine peace and stability in the Taiwan Strait, which is clearly a matter of global concern. The UK's long-standing policy on Taiwan remains exactly the same. We have no diplomatic relations with Taiwan, but we have a strong unofficial relationship based on deep and growing ties in an increasingly wide range of areas, underpinned by shared democratic values.

On the issue of academic freedom, particularly in relation to students from China here in the UK—a question raised by the noble Baroness, Lady Anelay—academic freedom and freedom of speech are obviously fundamental values to us in the UK. They are cornerstones of the UK's world-class higher education system and central to a student's experience. Universities have specific legal responsibilities to protect academic freedom and freedom of speech within the law. Academics, students and visiting speakers must therefore be empowered to challenge ideas and discuss controversial subjects. If institutions or individuals feel under pressure to compromise on those values, to compromise on academic freedom or freedom of expression, we strongly encourage them to come to the Government and provide us with that information.

It is essential to maintain the UK's place at the heart of an unrivalled global network of economic, diplomatic and security partnerships—partnerships that deliver for British businesses and British people. That is why the Government continue to invest in China expertise and Mandarin language skills across government and our international network. This expertise, coupled with a deeper understanding of the wider Indo-Pacific region, will be even more important as China's international assertiveness increases and our ties to the region continue to grow.

Before I come to the end, I want to address recent events in Manchester, which we discussed yesterday on the back of an Urgent Question. However, the Minister in the other place has since said more on the subject. Like other noble Lords, I have seen the consul general's Sky News interview, which has been referenced

in the debate today, in which he claimed that it was his duty to get involved in a physical altercation with a protestor. I would add, as my colleague in the other place did, that no matter how absurd those comments may appear to us, it remains important that we follow due process and await details from the police investigation before determining whatever actions we should take.

However, as the Minister for the Americas and the Overseas Territories, Jesse Norman, set out in the other place, we will take further action without any hesitation, depending on the outcome of that investigation. Our ambassador in Beijing will deliver a clear message directly to the Ministry of Foreign Affairs, and we will send a public message to the Hong Kong community in the UK. I was asked by a noble Lord—again, I sincerely apologise that I cannot read my own writing to see who it was—when that police investigation is likely to end. I am afraid I cannot give a specific date, but I will seek to extract one from the authorities and to share it if I can.

To conclude, the International Relations and Defence Committee's report makes a valuable contribution to this hugely important topic. We welcome the committee's scrutiny of our approach to China as we manage disagreements, defend our freedoms and co-operate where our interests align. I end by thanking my noble friend Lady Anelay once again for tabling this debate and all noble Lords for their insightful contributions.

Lord Alton of Liverpool (CB): My Lords, I asked a number of questions—eight in particular—which have not been answered. I recognise that the Minister cannot answer everything in the course of the debate, but I did ask if he could give an assurance that he would write to answer those questions he was not able to deal with.

Lord Goldsmith of Richmond Park (Con): I apologise if I did not answer all eight questions. I am quite sure I did not; I will check *Hansard* and will certainly follow up on whatever questions remain unanswered.

4.12 pm

Baroness Anelay of St Johns (Con): My Lords, I am very grateful to all those who spoke in this debate and contributed information based on their own expertise. They did so with a great depth and breadth of information, which has advanced the debate. Of course, I also thank my noble friend the Minister. I hope his offer to respond to all the questions posed by the noble Lord, Lord Alton, may be extended to other Members who have spoken today. I appreciate that the officials sitting behind him will be thinking, "Oh no"—or something rather stronger—but I know that the questions were asked with a genuine commitment to ensuring that our relationship with China is on the right track, so we would be grateful for responses to them.

It is always said that the first duty of any Government is to ensure that the defence of their country is secured. Of course, that includes economic security. At the beginning of the debate, I referred to my right honourable friend Liz Truss as Prime Minister, but during the course of the debate she has resigned.

Baroness Hooper (Con): As leader of the party.

Baroness Anelay of St Johns (Con): As leader of the party—and ipso facto, et cetera. It is a brutal world we inhabit, as we know, but that is the nature of democracy, however it is defined.

I refer to my right honourable friend having expressed the view that the approach to China in the integrated review was no longer the full description. Instead of being a systemic competitor, she recognised it in its true state as a “threat” to the security of this nation. I was very pleased to hear my noble friend the Minister make that important differentiation between the description of the Chinese people and the description of the CCP as it runs the Government of China. It is important that we always all remember that. I hope that whoever succeeds my right honourable friend as leader of the party, and potentially Prime Minister, espouses the same views on China as expressed by Liz Truss.

My friend, the noble Lord, Lord Alton, referred to our visit just two weeks ago to the Gulf—to Bahrain and Qatar—and the fact that we learned there about the joint exercises shortly to be carried out by China, Russia and Iran in the region. It was a real example of “in your face” diplomacy by them. We should always remember that China likes to show what its power really is.

We saw a series of alliances, agreements and co-operation which works very well in that region. I put on record today my thanks to the Governments of Bahrain and Qatar for their hospitality. I also thank

our UK ambassadors in Bahrain and Qatar for putting together such a really exhaustive—and exhausting—programme, which enabled us to see so much of the defence co-operation by our allies and friends in that area. I also thank our serving personnel there and those of the United States Air Force, whom we also met.

I mention this in a little more detail than other matters simply because it comes back to the matter of trust. The work we are doing in the Gulf, which is crucial to the security of this country, is possible only because of the way in which so many countries—France, countries across western Europe, the United States and others in the whole of the Middle East region—trust us and work with us to secure what is also our security. Therefore, I reflect very carefully on what the noble Lord, Lord Collins, said, about the importance of Governments remembering that they need to retain international trust if they wish to secure their objectives.

I hope that the objective of our Government continues to be to trade with China, because with its economic heft we need to do so, but to do it in a way that in no way undermines our adherence to the core values that have made this country a great place to live, and to ensure that it remains a great place to live for future generations, who must be watching with some concern today. They need to know that they have a safe future.

Motion agreed.

Committee adjourned at 4.18 pm.

