Vol. 826
No. 101

Tuesday
17 January 2023

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS
OFFICIAL REPORT

ORDER OF BUSINESS

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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

No party affiliation is given for Members serving the House in a formal capacity or for the Lords spiritual.

House of Lords

Tuesday 17 January 2023

2.30 pm

Prayers—read by the Lord Bishop of Carlisle.

Oaths and Affirmations

2.38 pm

Lord Kinnock made the solemn affirmation.

United Nations Security Council
Question

2.39 pm

Asked by ***Baroness Anelay of St Johns***

To ask His Majesty's Government what plans they have to achieve reform of the membership and powers of the United Nations Security Council.

Baroness Anelay of St Johns (Con): My Lords, I beg leave to ask the Question standing in my name on the Order Paper and, in so doing, remind the House of my unpaid interest as chair of the United Nations Association of Great Britain and Northern Ireland.

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): My Lords, the United Kingdom Government support UN Security Council reform. We support an expansion in the council membership, with new permanent seats for India, Germany, Japan and Brazil, and permanent African representation. We support the expansion of the non-permanent membership to take the total membership to the mid-20s. We also support responsible use of the veto. We participate in regular discussions on UN Security Council reform at the UN, including through the General Assembly-mandated intergovernmental negotiations on this very issue.

Baroness Anelay of St Johns (Con): My Lords, on this very date 77 years ago, the United Nations Security Council met for the first time, here in London. There has been much talk of reform and I very much welcome my noble friend's words today, but nothing much seems to happen on reform of the powers and the membership. It is a different world from 77 years ago. My noble friend referred to the intergovernmental negotiations. What text-based information have we already tabled, in the light of our ambassador to the UN having said in November that this would be the best way of moving forward, getting away from making promises and good statements, and getting the job done? When my noble friend was there in December, and when my honourable friend Minister Rutley was there just last week, what discussions did they have on this matter of a text-based way forward?

Lord Ahmad of Wimbledon (Con): My Lords, my noble friend speaks from experience and with insight and expertise. She is right about having text-based discussions, but she will also be aware of the challenges of any talk of UN security reform when presented. When I was at the UN in December, we did not engage specifically on this issue. We have a long-standing commitment to reform, but there are challenges, not least posed by the current permanent five members, which prevent progressive reforms taking place at pace. However, there is a real recognition that the extension of the veto challenge by the General Assembly and our respect for the views of the General Assembly are a reflection of a move in the right direction.

Lord Morris of Aberavon (Lab): My Lords, does the Minister agree that the prospects for reform, however desirable that may be, are near hopeless? From time to time, and with deep regret, Governments of which I was a member had to act without the approval of the Security Council, as in the case of Kosovo, to avoid a humanitarian disaster, or nothing would have happened.

Lord Ahmad of Wimbledon (Con): My Lords, I agree with the noble and learned Lord: there are challenges posed, and I have already alluded to them. The use of the veto often prevents specific action being taken. That is why the United Kingdom is one of the longest-standing members not exercising the veto—exercising that really was a matter of last resort. Of course, the challenge remains to ensure that the veto is used sensitively, but sometimes there are occasions where we need to act decisively to prevent humanitarian disasters taking place.

Lord Alton of Liverpool (CB): My Lords, on the subject of the veto, does the Minister recall that, in 2013, France came forward with a proposal not to abolish but to pragmatically reform the power of veto so that it could not be used where there were allegations of crimes against humanity, the use of genocide or war crimes? That was in the wake of what had happened in Syria. Is not his noble friend Lady Anelay therefore right that we need to revisit some of these questions, not least in the aftermath of war crimes in Ukraine, and what has happened in Tigray, and in Xinjiang to Uighur Muslims? Use of the veto to prevent investigation upholding the genocide convention or the Rome statute is one of the most shameful things and brings the Security Council into disrepute. Should we not be laying resolutions along with the French in the General Assembly and the Human Rights Council, at least paving the way for this kind of practical reform?

Lord Ahmad of Wimbledon (Con): My Lords, as I said to my noble friend, I agree that it is important that we see reform. That is why, for example, the United Kingdom has supported the accountability mechanism that was put forward, known as the Liechtenstein initiative, which is all about ensuring that, when the veto is exercised, there is accountability for the country that has done so. This now enables the General Assembly to hold vetoing members to account. I would add, once again, that the challenge and tragedy is, as we

[Lord Ahmad of Wimbledon]
have seen in recent events in Ukraine, that the egregious abuse of that vetoing right is very much evident and it has been used extensively by Russia.

Lord Purvis of Tweed (LD): My Lords, I support the Minister's comments seeking a permanent place on the Security Council for an African nation. That now echoes the Biden Administration's sub-Saharan Africa strategy and the position of the Canadian Liberal Government, but it should go further, seeking much stronger representation of African nations on the World Bank, the IMF and all the UN agencies. Following the Question asked by the noble Baroness, Lady Anelay, what is the Government's estimate of a timeframe for UN Security Council reform when Africa is likely to see permanent representation? Western powers simply stating their desire without a road map for reform arguably does more damage than staying silent.

Lord Ahmad of Wimbledon (Con): My Lords, I agree with the noble Lord: we have seen emerging powers around the world. As my noble friend said in her supplementary question, the world has changed from the time when the UN Security Council was first established and from the time it was reformed and extended. The current membership reflects what happened post the Second World War. The issue of Africa and Africa's representation is very clear. We welcome the fact that we have seen an increasing number of individuals from African countries emerging to senior leadership positions within the United Nations, but the real challenge is that the people who will ultimately give the green light to fundamental reform of the UN Security Council are its permanent members. At the moment, the challenge is not just reform; it is far more general than that, and specific to many of the conflicts we are facing. I cannot give a timeline, but at the moment I do not think it will be any time soon.

Lord Trefgarne (Con): My Lords, does my noble friend recall Resolution 502 of the Security Council, which authorised the Falklands operation, despite the fact that the Soviet Union, as it then was, could immediately have vetoed it, but did not?

Lord Ahmad of Wimbledon (Con): My Lords, one thing I have learned as Minister for the United Nations and from our membership of the UN Security Council is that it is important to build support within the UN and the wider framework of the UN family. That allows us, when an egregious abuse takes place, particularly of sovereignty—as we are seeing now in Ukraine and as we saw in the invasion of the Falklands—to come together as a global community, condemn it and act.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, does the Minister agree that, if Scotland became independent and the United Kingdom ceased to exist, our membership of the Security Council might be open to question? Is that not why President Putin seeks to break up Britain?

Lord Ahmad of Wimbledon (Con): My Lords, I do not want to contemplate a day when there is any break-up of the United Kingdom, and that is why we must stay united in ensuring that our United Kingdom—these four nations—is absolutely at one. The importance of the United Kingdom's position on the world stage through our membership of the P5 and active membership of NATO and other multilateral organisations demonstrates that strength. We are better and stronger together.

Baroness Coussins (CB): My Lords, can the Minister update the House on any progress there has been towards achieving a Security Council resolution on the protection of civilian interpreters working in conflict zones along the same lines as the resolution for the protection of journalists?

Lord Ahmad of Wimbledon (Con): My Lords, first, I commend the noble Baroness on her long-standing campaigning in this regard. I assure her that we continue to campaign on the very basis that she has illustrated. It is important that, as we stand up for media freedom, we also recognise the important role that translators and interpreters play.

Lord Collins of Highbury (Lab): My Lords, the penholder system of the Security Council gives the UK and other permanent members quite significant responsibilities to draft outcomes of documents. Does the Minister agree that it is important to involve non-permanent members in this process? If so, will the Government support extending the principle of co-penholders, or deputy pen-holders, so that we engage others within the work of the Security Council? I commend the Minister on how we focused on the General Assembly and achieved far more than simply worrying about Security Council reform.

Lord Ahmad of Wimbledon (Con): My Lords, the noble Lord is right: when we want to see the global community moving together, it is not the view of five countries that should prevail but those of the wider membership of the Security Council. That is why we work very closely together. For example, I host an annual meeting of outgoing and new members of the Security Council to establish their priorities, the current penholding situation and our current priorities, so that we can share objectives and ensure buy-in and support for their objectives as well as our own. We will continue to work in that co-operative way, strengthening further the work of the General Assembly.

Childcare

Question

2.50 pm

Asked by ***Baroness Sherlock***

To ask His Majesty's Government what steps they are taking to ensure that parents can access the childcare they need in order to work.

The Parliamentary Under-Secretary of State, Department for Education (Baroness Barran) (Con): My Lords, helping working families to take up and remain in work is a government priority. The majority of parents can access the childcare they need in order to work, thanks to the over £3.5 billion per year for the past three years that we have provided to support families with the costs of their childcare. We are aware that some government offers get less take-up; hence, the Government have introduced a £1.2 million marketing campaign to help raise awareness among parents.

Baroness Sherlock (Lab): My Lords, the ONS recently reported the first sustained rise in 30 years in the number of women not in the labour market because they are taking care of family—and no wonder, when it costs £14,000 to put a two year-old into full-time childcare in England, which is two-thirds of median take-home pay. There are allegedly free places for younger children, but the Government do not pay enough to cover the costs, so providers are going out of business. Universal credit gives some help, but only if you can afford to pay up front and then claim back, which, of course, many cannot. So can the Minister see that, in modern Britain, childcare costs are rising twice as fast as wages? Businesses need staff; parents cannot afford to work. What are the Government doing about it?

Baroness Barran (Con): I thank the noble Baroness for her question; the issue is very important and, as the noble Baroness knows, extremely complicated. We announced in July a number of measures that are under review to try to improve the supply of childcare and bring down the costs. My honourable friend the Minister for Children and Families is considering all of these actively at the moment.

Lord Addington (LD): My Lords, can the Minister confirm that the idea of upping the ratio of children to childcare staff has been removed from the table—and that going up to five three to four year-olds per member of staff, as has been suggested and is happening in Scotland, will not happen here? Lowering the quality of care will not help anyone.

Baroness Barran (Con): I would say to the noble Lord, first, that nothing is yet off the table. As I just said, my honourable friend the Minister for Children and Families is considering all options. I am not aware of any research or evidence showing that quality is deteriorating; indeed, our childcare ratios are among the lowest in Europe.

Baroness Bull (CB): My Lords, while the number of children with special educational needs and disabilities is going up, the capacity of childcare settings to support them is going down. According to Coram, only 21% of local authorities have sufficient capacity to meet their needs. Can the Minister say what the Government are doing to ensure that there is sufficient childcare provision for children with special educational needs and disabilities, given that the Government themselves have acknowledged the vital importance of early years inclusion to long-term outcomes?

Baroness Barran (Con): As the noble Baroness said, the Government are very aware of the importance of this issue. We have made a number of changes, particularly in relation to funding early years provision for children with special educational needs and disabilities, including increasing the disability access fund, which is now worth £800 per eligible child; it was increased from £615 last year.

Lord Sahota (Lab): My Lords, in 2010 there were 3,600 Sure Start centres in the country; by 2020, 1,300 of them were closed. Do the Government plan to reopen any of the Sure Start centres that were closed in the last 10 years?

Baroness Barran (Con): The Government are absolutely committed to families getting the right, co-ordinated early help. That is why we have announced funding for 75 local authorities to create family hubs; these will co-ordinate all the services, many of which were provided in the Sure Start centres.

Lord Kamall (Con): My Lords, the noble Baroness, Lady Sherlock, said earlier that this is very important, because businesses need staff, and particularly parents. Is the Minister aware of any incentives across government that are working with businesses to encourage them to provide childcare for their staff?

Baroness Barran (Con): I am not aware of specific examples to give my noble friend, although I do know that a number of businesses are very innovative in the childcare that they provide to their staff. Obviously, the Government have been very active in creating a basis for flexible working for every employee in the workforce, which is also critical in this area.

The Lord Bishop of Carlisle: My Lords, following the recommendation in a recent report published by the Work and Pensions Committee on universal credit and childcare costs, can the Minister tell us what assessment His Majesty's Government have made of childcare funding schemes in Scotland and in some Scandinavian countries? Have they investigated whether their costs are offset by other benefits to society, such as increased economic activity, additional tax receipts and personal well-being?

Baroness Barran (Con): A great deal of work is going on at the moment looking at different options, as I have said, to increase affordability but also to increase flexibility for parents. In addition to the report, which the right reverend Prelate mentioned, I can think of at least half a dozen think tank reports that have been published recently. What struck me in looking at those was that there is very little agreement on the solutions to this issue—hence the time we are taking to get it right.

Baroness Meacher (CB): My Lords, do the Government have a clear view about the maximum acceptable cost per hour of childcare? If the Government do have such a figure in mind, will the Minister explain to the

[Baroness Meacher]
House what it is? Are the Government providing subsidies to childcare to ensure that the cost does not rise above that level?

Baroness Barran (Con): Obviously, the majority of providers in the childcare market in terms of number of places—whether childminders or nurseries—are effectively private businesses. The Government are well aware that their costs have risen much faster than their constituent parts, namely labour and rent. The Government are concerned about that, and we hear the impact on working families.

Baroness Brinton (LD): My Lords, despite the Minister saying earlier that the Disability Access Fund had increased, Contact a Family, the disabled children's charity, in its most recent survey of parents, found that 87% of mothers with disabled children said that they could not work as much as they wanted to because the childcare was neither safe nor met their child's specific needs. What are the Government trying to do to ensure that appropriate childcare is available for disabled and seriously ill children?

Baroness Barran (Con): This is one of the areas that we are exploring at the moment and it is a particularly complex and challenging one. As the noble Baroness rightly says, every individual disabled child will need a bespoke package of support. Our aim is to make childcare flexible and affordable for parents.

Lord Turnberg (Lab): My Lords, many hospitals now have a creche available for their working mothers, but the problem now is that many of these close at 5.30 pm or 6 pm and nurses often have to carry on. What can we do about that?

Baroness Barran (Con): The noble Lord makes a good point, which really goes to the issue of the affordability of what in the jargon is known as "wraparound care"—outside conventional hours. One of the initiatives the Government have taken is to introduce what is known as tax-free childcare, which subsidises the cost of childcare for children between the ages of nought and 12. That programme historically had relatively low take-up, but I am pleased to be able to tell the House that the number of families using that tax-free childcare has more than doubled in the last four years.

Lord Winston (Lab): My Lords, the Minister seems to have given an inadequate answer to my noble friend about Sure Start. The research shows very clearly that Sure Start changed and improved the quality of collaboration between children, their sociability and indeed their intellectual development when they started at primary school. Why have the Government left this in the way that they have?

Baroness Barran (Con): I am sorry if the noble Lord thinks I gave an inadequate answer; that was certainly not my intention. What I was trying to say was that the Government absolutely recognise the importance of support for families, both in the first 1,000 days of a child's life but also in the longer term—since, in my experience, families do not work in a straight line—as children grow up in the family hubs. All I was trying to say was that there is more than one way of achieving the same objective.

Asylum Seekers
Question

3 pm

Tabled by ***Lord Dubs***

To ask His Majesty's Government how many asylum seekers are awaiting a decision about their status; and in the last 12 months, (1) how many have been granted asylum, and (2) how many have been removed from the country.

Lord Hunt of Kings Heath (Lab): My Lords, on behalf of my noble friend Lord Dubs, I beg leave to ask the Question standing in his name on the Order Paper.

The Parliamentary Under-Secretary of State, Home Office (Lord Murray of Blidworth) (Con): My Lords, the latest immigration statistics published by the Home Office show that 143,377 people were waiting for an initial decision on their asylum claim as of September 2022, and that 15,987 people were granted asylum or other leave in the year ending September 2022. Of the 11,974 enforced or voluntary returns, there were 774 enforced or voluntary asylum-related returns in the year ending June 2022.

Lord Hunt of Kings Heath (Lab): In last month's debate in the name of the most reverend Primate the Archbishop of Canterbury, my noble friend Lord Dubs made a very moving speech, where he said:

"The refugee issue is testing our humanitarian principles to the ultimate. Our response will determine what sort of country … we want to be … but particularly how we value our fellow human beings who have suffered greatly from … wars and conflicts."—[*Official Report*, 9/12/22; col. 378.]

Given the lamentable performance of the Minister's department, as we have heard from those figures just now, and the intemperate language used by the Home Secretary when she described asylum seekers as invaders, does he think this Government meet my noble friend's humanitarian test?

Lord Murray of Blidworth (Con): Yes, I do. The Prime Minister was clear in his remarks on 13 December that it is a key priority of the Government to address the unlawful crossings of the channel, to tackle illegal migration and to ease pressure on the asylum system. As the noble Lord knows, we will achieve that by doubling the number of caseworkers to help to clear the asylum backlog by the end of 2023, we will re-engineer the end-to-end process by reducing paperwork and interviews, and we will allocate dedicated resources to different nationalities in the asylum backlog.

Baroness Hamwee (LD): My Lords, in speaking just before Christmas to the Justice and Home Affairs Committee of your Lordships' House, which I am lucky enough to chair, the Home Secretary said that guidance for caseworkers was to be made shorter and easier to use. Can the Minister reassure the House that the Home Office is consulting experienced counsellors and therapists in the redesign so that the individual circumstances and experiences of each applicant can be properly assessed?

Lord Murray of Blidworth (Con): Yes. Any such revised guidance will take into account input from a whole range of stakeholders, no doubt including those of the type mentioned by the noble Baroness.

Lord Browne of Ladyton (Lab): My Lords, I know from my own experience when I was Minister for Immigration that when backlogs are large it is imperative to look after the most vulnerable people in custody. Why then did the Home Secretary end the system of annual investigations into the treatment of vulnerable adult detainees? Is the detention system working so well now that these investigations are no longer necessary, or are there some other protections for those people to ensure that the welfare of vulnerable adult detainees has not been compromised?

Lord Murray of Blidworth (Con): Certainly the inspection of detention facilities will continue. I am not aware of any change in policy in relation to the particular category of detainees that the noble Lord mentioned, but I will make inquiries in the department and write to him on that.

Lord Hannay of Chiswick (CB): My Lords, would the Minister tell the House what provision in the refugee convention, of which we are a party, permits us to refuse to even consider the asylum request of someone who arrives, irrespective of how they arrive?

Lord Murray of Blidworth (Con): As the noble Lord will be aware, in the Rwanda decision, the High Court considered the application of Article 31 of the refugee convention. I commend the High Court's reasoning to the noble Lord in answer to his question.

Baroness Berridge (Con): In the debate in the name of the most reverend Primate the Archbishop of Canterbury, there was much discussion of the Ukraine situation and Hong Kong. To the general public, those schemes seem like asylum to a place of safety, but in fact they are technically visa schemes. Could my noble friend the Minister outline that we do not seem to have the same problem in relation to those schemes? If he does not have the figures to hand, could he write to confirm what the average wait time is for vulnerable groups applying for those visas?

Lord Murray of Blidworth (Con): My noble friend is correct. I do not have to hand the figures on the wait for BNO applications from Hong Kong, which I think was the thrust of her question. I will find that out and write to her.

Lord Leong (Lab): My Lords, on 13 December 2022, I asked the Minister about the post-traumatic stress disorder suffered by Hong Kongers who fled the crackdown by the ruling Communist Party and are currently seeking asylum here. I asked him:

"What assessment have the Government made to identify those suffering from PTSD?"

He replied:

"On the BNO Hong Kong cohort, I do not have the answer, and I will write to the noble Lord in relation to it."—[*Official Report*, 13/12/22; col. 551.]

I am still waiting for that answer.

Lord Murray of Blidworth (Con): I am sorry to hear that the noble Lord has yet to receive an answer. I will chase it and endeavour to get a response to him as soon as I can.

Baroness McIntosh of Hudnall (Lab): My Lords, in his reply to the noble Lord, Lord Hannay, the Minister referred to a judgment which no doubt is available for anyone to read. However, for the benefit of the House, would he be prepared to summarise it? That would give an answer to the noble Lord's question: what, in particular, allows the Government to discriminate between asylum seekers who arrive by one method and those who arrive by another?

Lord Murray of Blidworth (Con): The 1951 convention describes the categories of people who might seek protection from their native country, and, as a result, they are entitled to make a claim for asylum. There is nothing in the text of the convention which limits the receiving nation state's obligation to consider applications from various classes of nations. That is why we have international agreements; for example, when we were members of the European Union, there was an agreement that other European Union member nations were not able to lodge asylum claims within the United Kingdom.

Lord Kerr of Kinlochard (CB): Would the Minister agree that it would be better if those waiting in that internal queue were able to work—better for them, the Exchequer and the country?

Lord Murray of Blidworth (Con): I am afraid that I must disagree with the noble Lord. It is clear that one of the major pull factors for people crossing the channel is that they hope to work in Britain. Legally allowing people to work would increase the pull factors for them to embark on dangerous and illegal journeys across the channel.

Lord Coaker (Lab): My Lords, time after time, we hear the Minister try to explain away the chaos of the Government's asylum policy. Time after time, new legislation is announced, chasing headlines. Time after time, the Chamber hears the appalling asylum case figures, with the shocking human consequences, as we have just heard again today. I will ask about one example: when will the doubling of asylum caseworkers to 2,500, as briefed by the Prime Minister last year,

[LORD COAKER]
happen? Yesterday, the Minister could not confirm that the recruitment of those caseworkers had even started. It is a shambles, is it not?

Lord Murray of Blidworth (Con): The Home Office currently employs about 1,280 asylum decision-makers and will double the number of caseworkers to help to clear the asylum backlog by the end of next year. Recruitment and retention strategies are in place, with the aim of increasing staffing, reducing the output in the number of cases awaiting a decision and increasing outputs of decisions. We have increased the number of asylum caseworkers by 112%, from 597 staff in 2019-20. We will recruit more decision-makers, which will take our expected number of decision-makers to 1,800 by summer 2023 and to 2,500 by September. We have implemented a recruitment and retention allowance, which has reduced decision-maker attrition rates by 30%, helping us to retain experienced asylum decision-makers.

Lord Purvis of Tweed (LD): My Lords, at the end of October, 222 unaccompanied minors were unaccounted for in the system. In November, I asked the Minister what the figure was, and he said that he did not know. The Government have presumably made major progress on unaccompanied children in the system, so how many are currently unaccounted for?

Lord Murray of Blidworth (Con): As the noble Lord knows, local authorities have a statutory duty to protect all children, regardless of where they go missing from. On the concerning occasion when a child goes missing, those local authorities work closely with local agencies, including the police, urgently to establish their whereabouts and ensure that they are safe. Ending the use of hotels for unaccompanied asylum-seeking children is an absolute priority for the Government. We will have robust safeguarding procedures in place to ensure that all children in our care are as safe and supported as possible, as we seek urgent placements with a local authority.

Nagorno-Karabakh

Question

3.11 pm

Asked by ***Lord McInnes of Kilwinning***

To ask His Majesty's Government what representations they have made to the government of Azerbaijan regarding the blocking of the Lachin Corridor between Armenia and Artsakh/Nagorno-Karabakh, and the consequences for the humanitarian situation in that region.

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): My Lords, officials, including our ambassador in Baku, have engaged with the highest levels of the Azerbaijani Government, including the presidential Administration, to urge the immediate reopening of the Lachin corridor. At the Organization for Security and Co-operation in Europe—including this morning—and at the United Nations Security Council, we have been categorically clear that the continued closure of the corridor risks a significant humanitarian crisis in the region, and access must be restored.

Lord McInnes of Kilwinning (Con): My Lords, I thank my noble friend for his Answer. What assessment have His Majesty's Government made of the humanitarian effect of the blockade? In addition, in relation to Article II(c) of the genocide convention,

"Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part",

what assessment has been made of the blockade?

Lord Ahmad of Wimbledon (Con): My Lords, I reassure my noble friend that the United Kingdom Government take their commitments under the genocide convention seriously. Where there is evidence that thresholds have been met, we will take appropriate action. I am aware that during and after the 2020 conflict, there were widespread reports of atrocities. In September 2022, there was widespread media reporting of crimes that may amount to grave breaches of the Geneva convention. The UK Government have raised our concerns directly with the Azerbaijani Government and will continue to do so. On the humanitarian point, we are working closely with partners. Indeed, this morning again I asked for access, which is currently being attained by various organisations, including the ICRC. We will follow up with direct conversations in Geneva as well.

Baroness Cox (CB): My Lords, my small charity, the Humanitarian Aid Relief Trust, supports a rehabilitation centre in Karabakh. I recently spoke to the director, who said that the situation is dire: the shops are empty and there are shortages of food, medical supplies, diapers—causing great problems for people with incontinence—and fuel for transporting patients. Schools are closing because there is no food, and Azerbaijan has cut off gas, internet supply and power, causing a risk of vulnerable people dying from hypothermia. Families cannot travel, so hundreds of children are separated from their parents. The situation is so serious that some fear genocide. I therefore ask the Minister: how long will the UK Government continue to allow Azerbaijan to inflict such horrendous suffering? Will they fulfil those genocide prevention responsibilities by working with the UN Security Council to require the immediate lifting of the blockade and/or launching humanitarian aid airlifts?

Lord Ahmad of Wimbledon (Con): My Lords, I commend the noble Baroness for her continued campaign in this regard. I am aware that both the noble Baroness and the noble Lord, Lord Alton, have written recently about this situation, particularly concerning the institutions which the noble Baroness mentioned, such as schools. As I have alluded to already, we are working closely with international agencies, including the ICRC, to get their direct impact assessment of the closure. The Government will remain a significant donor in this respect. I have also alluded to the importance we attach to our obligations and commitments under the

genocide convention. We will continue to work closely with our UN partners at the Security Council, as we did in December.

Lord Browne of Ladyton (Lab): My Lords, what are the Government doing to highlight the ambiguous role played by the 2,000 Russian peacekeeping forces in the region? How are they ensuring that, at the same time, Baku does not use the presence of those forces to conceal its own intentions and actions in respect of the closure of the corridor?

Lord Ahmad of Wimbledon (Con): My Lords, of course we are aware of the presence of regional actors, including Russia, as the noble Lord has articulated. Following Russia's invasion of Ukraine, we have currently suspended all engagement with the Russian authorities, except on a very limited number of issues. Their continued presence should be to keep the peace, as was intended, and not to exacerbate the situation. However, I regret that I do not believe that to be the case. We will continue to work using all good offices, particularly our direct contacts. Indeed, I met with the Armenian Foreign Minister in December to reassure him of our good offices in trying to reach a direct resolution to this long-standing dispute and conflict.

Lord Howell of Guildford (Con): My Lords, does not the present situation with this whole miserable, unending war, which has been going on since 1988, indicate how possibly unwise or unfortunate the Armenians were to put their trust in Russia? Russia's influence has weakened, and it is distracted by losing the battle in Ukraine. That has made it a feeble supporter in securing the position of Armenian citizens in Nagorno-Karabakh.

Lord Ahmad of Wimbledon (Con): My Lords, in the light of the prevailing situation in Russia's war on Ukraine, I am sure that many countries are now reconsidering their alliances with Russia and the support that they gain from it. One hopes that we will see greater stability across the European continent and in other conflicts around the world. There is a simple solution. Russia can step up to the mark, fulfil its international obligations and act as a peacemaker in conflicts around the world rather than making them worse.

Lord Bruce of Bennachie (LD): My Lords, it is clear that this situation needs to be resolved urgently, not least to try to ensure a long-term settlement between Azerbaijan and Armenia. What steps are the Government taking to promote negotiations which will both protect the territorial integrity of Azerbaijan and the rights of the Armenian citizens within Karabakh? Can the Government indicate that they are taking active measures to try to ensure a peace settlement and a long-term resolution, rather than see this long-standing conflict flare up again and again?

Lord Ahmad of Wimbledon (Con): My Lords, I agree with the noble Lord. First and foremost, we do not believe that there can be a military settlement to this particular conflict—I am sure that the noble Lord agrees with me. It has to be negotiated. That is why the UK Government are supporting the efforts of the OSCE—there was a meeting there this morning—the EU and other partners to secure stability and security for the region. As I have alluded to already, we are engaging directly with both the Azerbaijanis and the Armenians. Indeed, my colleague, my honourable friend the Minister for Europe, will be seeking meetings either this week or next with the Foreign Ministers of both countries.

Lord Darzi of Denham (Non-Afl): My Lords, as we have heard, the ongoing blockade of the Lachin corridor is causing a humanitarian crisis which has been widely condemned but to no discernible effect. Food is being rationed in Nagorno-Karabakh, schools are closed because of shortages and families have been separated. Does the Minister agree that it is time for the international community and the Government to step up the pressure on Azerbaijan by imposing sanctions over and above existing embargoes against the supply of arms?

Lord Ahmad of Wimbledon (Con): My Lords, I welcome the noble Lord's deep insight into this particular situation. I agree with him on the importance of seeking resolution and working with international partners. I have spoken in previous responses about the importance of negotiation. Conflict is not the solution. We will exercise sanctions across the board where we feel they will have a direct impact on a particular country, organisation or individual, but I cannot speculate as to any future sanctions which we may adopt.

Lord Alton of Liverpool (CB): My Lords, the Minister will have seen what Samantha Power of USAID has said about the implications of the blocking of the Lachin corridor, where she said a "humanitarian catastrophe" was unfolding. What discussions are we having with Samantha Power and our allies to ensure that medicine, food and energy, as described by my noble friend Lady Cox, are reaching the 130,000 Armenians who are blocked off in Nagorno-Karabakh? Given the answer that the Minister gave me in December to a Question about the joint analysis of conflict and stability—the JACS assessment—by his own department, which was completed in early 2022, will he agree to place a copy of that assessment in the Library of your Lordships' House so that we can know whether the Government really are honouring the obligations under the genocide convention that he referred to in answer to the Question from his noble friend Lord McInnes?

Lord Ahmad of Wimbledon (Con): The noble Lord will know, on the opinion that he referred to—the JACS—that it is not government policy; we do not put that in the public domain. However, I can say to the noble Lord, as I have said to him during other debates and Questions that we have had on this issue, that I can offer him a meeting, including with our officials, to share the assessment of the situation. On his earlier point about working with the United States and other partners, we are looking for a direct response from the ICRC. Again, I have asked our ambassador in Geneva to engage directly with the ICRC to give a full assessment, and I shall provide further details to the noble Lord and place a copy of that letter in the Library.

Lord Collins of Highbury (Lab): My Lords, can I push the Minister a bit more on Russian involvement, particularly on its so-called peacekeeping role? He mentioned the fact that he is making clear the cost of alliances with Russia. Can he tell us a bit more about how we are working with our allies to expose its role, particularly with regard to the corridor that we have been discussing?

Lord Ahmad of Wimbledon (Con): My Lords, Russia is doing a pretty good job of exposing its lack of activity to bring the two sides together. What is demonstrably clear to all partners, as well as to others who have aligned themselves with Russia within the European or the global context, is that Russia is not a reliable partner. It is not seeking peace; it was there to provide stability and security but its action in Ukraine has demonstrably shown what its intention is. However, we believe that there is a solution to be found. There are existing structures such as the OSCE and the UN and with our partners in the EU so that we can collaborate and work together to ensure, first and foremost, as we heard from the noble Baroness, Lady Cox, and the noble Lord, Lord Alton, that humanitarian access is increased, as it needs to be—and that we find a long-standing solution to this conflict, which has gone on for far too long.

Levelling-up and Regeneration Bill

Second Reading

3.23 pm

Moved by ***Baroness Scott of Bybrook***

That the Bill be now read a second time.

The Parliamentary Under-Secretary of State, Department for Levelling Up, Housing & Communities (Baroness Scott of Bybrook) (Con): My Lords, it is a pleasure to open the Second Reading debate of the Levelling-up and Regeneration Bill. For decades, successive Governments have failed to address the inequality of opportunity in our country. Economic growth has for too long been concentrated in a select few areas. This Bill creates the foundations for our long-term efforts to address entrenched geographic disparities across the UK. It does not purport to deal with every aspect covered in the levelling up White Paper, although noble Lords could be forgiven for thinking otherwise, given the scale of the Bill.

We all know the scale of the challenge that we face in levelling up our country. We see the consequences of geographic disparity across the country: in the unaffordability of housing for so many; in the hollowing out of our communities, as people leave for lack of local opportunities; and in the stark differences in educational attainment, health and quality of life depending on where you live.

The case for change is both economic and moral. Leaving parts of our country behind means opportunities are missed through underinvestment and overfocus on specific sectors. That costs us in terms of economic growth, of benefiting from our world-leading research and, most importantly, of each person who cannot achieve their potential through no fault of their own. We have a duty to support those already affected by geographic disparities, but we must also solve the underlying problems. To treat that support as the long-term solution is to fall into the same well-meaning trap which led to the current situation.

The Bill is intentionally designed to put in place the structures and tools to enable that long-term solution. The framework it creates will work with our efforts to support communities but it is deliberately focused on the wider objectives set out in the Government's levelling up White Paper. It is for this reason that Part 1 creates a statutory framework for the setting, reporting upon and review of levelling-up missions. As noble Lords will be aware, the missions set out in the levelling up White Paper set out the Government's 12 priorities for levelling up between now and 2030. I do not intend to relist the missions but as your Lordships will know, they range from health and well-being through transport and digital connectivity to devolution across England.

This ambitious programme for our country provides a mechanism for this House and the other place to hold the Government's efforts to account and to scrutinise any changes in the missions or how they are measured. It is right, I hope noble Lords will agree, that missions should be adaptable to the needs of the country, but that any adaption should take place openly.

Part 2 builds directly upon the local leadership levelling-up mission and provides the means to simplify, expand and deepen devolution across England, to which the White Paper committed. It creates a new institutional model more suitable for devolution to whole county areas outside city regions which have more than one council—the combined county authority. Alongside this, we are improving the existing combined authority and local authority models for devolution. This work is creating a consistent architecture across local government for devolution in England, where it is led by local areas.

Part 3 reforms the planning system to improve planning authorities' ability to shape their areas in accordance with the needs and wishes of their communities. Principally, this is achieved by giving greater weight to the development plan when decisions on applications are made, so that there must be strong reasons to override the plan, and by making a number of changes to aid the adoption of local plans. These include the introduction, through secondary legislation, of new gateway checks to help spot and correct problems and reduce the risk that local plans will fail at examination. We are also removing the pressure many planning authorities feel to duplicate national policy in their local plans to ensure it has sufficient weight in their decision-making. This will enable plans to be produced more quickly by streamlining the contents of plans to policies which are bespoke to the area, rather than those which apply across the country.

As at present, we will also produce some high-level policies on matters to be considered when preparing local plans. These will be separate from the new national development management policies, which will sit alongside the polices in the development plan. Part 3 makes a number of other changes to the planning system. This is a substantial part of the Bill and there are a few significant changes among the numerous technical improvements included in this part.

Chapter 1 enables the digitisation of the planning system, in support of which we are already working with planning authorities across the country. Our aim is to enable greater involvement at all stages in the planning system, but particularly to increase engagement in the production of the local plan, where local voices can be so important. We are also strengthening the regard of heritage within planning law and creating a new system of "street votes", allowing additional development on existing streets, where it meets prescribed requirements and is supported at a referendum. The issue of build-out of planning permissions also remains of concern to communities, and I know that many noble Lords have raised this issue before. Part 3 therefore introduces measures which will improve transparency around the speed of build-out and delivery expectations, backed up by new and strengthened powers for local planning authorities to act against unreasonably slow development.

Part 4 provides for the replacement, in most cases, of negotiable development contributions with a locally set, non-negotiable infrastructure levy. Planning authorities can at present often feel themselves at a disadvantage in these negotiations, particularly with the larger developers. Similarly, your Lordships will know that uncertainty over the obligations which will be requested can be a barrier for some of our smaller developers.

The levy addresses these concerns. The legislation will allow the levy to be set locally, meaning that local authorities can set different rates according to the nature of development. This will allow authorities to set rates reflecting their priorities, including securing at least as much affordable housing as that secured under the existing system, if not more. The new levy will be implemented through a test and learn approach, by introducing it in some local authorities first before rolling it out nationally to support local authorities through the transition period. We will publish a technical consultation on the new levy very shortly.

Part 5 grants time-limited powers for community land auction pilots. These will test an innovative mechanism for securing value and infrastructure for the local area from the allocation of land for development in a local plan. The Secretary of State is required to report to Parliament on the results of those pilots.

I turn to Part 6. Following our departure from the European Union, we want to learn from the experience of the past 40 years to tailor environmental assessment to better reflect the current pressures on the environment and meet the nation's environmental needs. The Bill will secure powers to address issues with the current system that have seen environmental assessment become less proportionate, less effective and more cumbersome. Even if nothing else were to change, the Government would need to take powers to avoid these regimes becoming outdated. As a core principle, we would not wish to see environmental protections eroded over time, and the Government wish to go further to ensure that these assessments deliver for the environment.

These assessments could and should be more effective, both in identifying the impacts which could occur and as tools for promoting environmental improvement. We want these reports to be an active means for pursuing environmental improvement and protection. It is this objective, building on the work of the Environment Act 2021, which we are pursuing through this part.

Further to Part 6, Part 7 puts into law a requirement for water companies to address nutrient pollution arising from wastewater treatment works by 2030. This, together with a nutrient mitigation scheme led by Natural England, will reduce the barriers to significant numbers of new homes while creating new and improved wetlands and woodlands, enhancing access to nature, improving the environment and helping to build much-needed homes.

Part 8 reforms development corporations in England to create a new, locally led form of development corporation to support local leadership of regeneration efforts. We are also updating other forms of development corporations to ensure that these valuable tools for co-ordinating large-scale developments can all benefit from the powers suited to their circumstances.

Part 9 makes changes to the system for compulsory purchase, including enabling its digitisation similarly to Chapter 1 of Part 3. The purpose of these changes is to allow authorities to make better use of powers in their areas, where they find that there is a case for their use in shaping and regenerating those areas.

Part 10 provides local authorities with a tool in their efforts to regenerate and protect their high streets. By means of a high-street rental auction, planning authorities will be able, where a property has been vacant for at least a year—or at least 366 days within a two-year period—to make arrangements for that property to be let on appropriate terms. This is a discretionary power for local authorities, and we will provide guidance to support them as to how and when to use this new power. However, we expect it to form a backstop position to assist in preventing the decline of those high streets at the hearts of our communities.

Penultimately, Part 11 provides for powers to acquire more information about land ownership and arrangements. These powers respond to calls we have often heard regarding the barriers for local authorities and others arising from the lack of transparency about who ultimately owns land and who has options and other interests in it. As noble Lords will know, the possible arrangements are myriad. The powers we are taking have been deliberately constructed to try to preclude the possibility that a form of interest in land might escape the transparency that we seek to create.

Finally, Part 12 makes a number of changes which seek in large part to tidy up various regimes and systems that interact with the main elements of the Bill. We are taking powers to create a scheme for the registration of short-term lettings, the proliferation of which can cause problems in specific communities. The register will improve consistency in standards across all types of guest accommodation and deliver much-needed evidence and data on the number and locations of short-term lets in England.

We are also making permanent the provisions, introduced during the pandemic, streamlining the application for pavement licensing for outdoor dining in the Business and Planning Act 2020. To make these provisions work, they will be taken forward with minor modifications to their previous form based on feedback on the operation of the temporary measures during the pandemic.

[Baroness Scott of Bybrook]

In connection with our wider improvements to the heritage regime, we are placing into statute the requirement for authorities to maintain a historic environment record for all their areas. We are also allowing the Secretary of State to commission a review of the governance of the Royal Institution of Chartered Surveyors and providing powers for fees to be charged in connection with monitoring, variations and transfers of marine licences.

The breadth of the subject matter I have outlined seems eclectic, but these measures are all connected by our desire to empower areas through both devolution and improvements to existing systems to take advantage of the opportunities that they see. Through the reforms in the Bill, we seek to make it easier for areas to agree to devolution suited to them and shape their areas to take advantage of new opportunities while supporting their communities and safeguarding and improving the environment.

For the majority of the measures in the Bill, we are making changes only in relation to England. In some areas, the Bill extends beyond England, such as on environmental assessment, where it extends across the UK. I hope to have more to say on that subject later during the passage of the Bill once discussions with the relevant devolved Governments have concluded.

The House will also have noted the delegation of powers which the Bill provides to Ministers. We recognise the legitimate concerns that noble Lords have on this topic. We have sought to ensure that the powers we take are justified and appropriate to the policy in its context. I hope to be able to reassure your Lordships and make our case in relation to each measure as the Bill progresses. We will, of course, listen carefully to any suggestions that noble Lords may have.

The Bill enjoyed extended scrutiny in the other place and emerged all the stronger for that consideration. Your Lordships' expertise on the complex matters with which the Bill is concerned can only further assist, and I look forward to working with them on achieving its objectives.

I very much look forward to the maiden speeches of the noble Lord, Lord Jackson of Peterborough, and the noble Baroness, Lady Anderson of Stoke-on-Trent. I join the House in giving them a very warm welcome to this place. I also look forward to the valedictory speech of the noble Baroness, Lady Harris of Richmond, who will contribute virtually. I hope that she can hear me when I say how much she will be missed in this House. I commend the Bill to the House and beg to move.

3.40 pm

Baroness Taylor of Stevenage (Lab): My Lords, first, I thank the Minister for the meeting she kindly arranged last week to enable questions on the Bill in advance of it coming before this House.

When I was growing up in the Sixties, we would occasionally speculate with our pocket money on something called a Jamboree Bag, I am sure that noble Lords are far too young to remember this piece of sweet shop nostalgia, but I say "speculate" because these bags offered far more in hope than they did in expectation. They generally contained about six sweets. Two would be sweets you really liked, two would be sweets you absolutely did not like, and the other two would be too stale to eat. They would also have a novelty or toy, which was inevitably disappointing—unless you got the fortune-telling fish we all longed for.

As I started the marathon read of this Bill, I had that same feeling of expectation. I am passionate about local government and the power of localism—I have spent half my life engaging in it—because I genuinely believe that only local solutions will work to solve some of the endemic inequalities our communities face. At the last general election this Government were elected on a promise to address geographical inequalities and regenerate and level up the UK. This Bill has the very noble aim of delivering that, but I am afraid to say that it lacks the ambition needed to address this mammoth challenge.

It is not just that the missions are not detailed in the Bill; it is difficult even to trace the link between them in some of the provisions, so the Bill is in danger of falling far short of expectations. This is exacerbated by weak reporting mechanisms, allowing for a bizarre pick-and-mix system whereby Government departments can choose which missions they will follow. The Bill as proposed allows Ministers to mark their own homework, so it should be accompanied by some sort of independent oversight and a clear role for Parliament to judge whether each department is adhering to its statutory responsibilities. If Ministers are able to revise, amend and delete missions at will, they absolutely must work with local leaders and representatives from across the UK on that.

On the issue of local voices, I want to turn next to the local government and devolution provisions in the Bill. The House will know that the UK today is the most centralised state in Europe. Stevenage, which I proudly call home, has twin towns in both Germany and France, and things are very different there. Ingelheim, on the west bank of the Rhine, is home to a global drugs company and keeps every euro of business rate that it raises. Autun, meanwhile, in the Morvan Forest, an area as protected as our Lake District, was able to build an agricultural conference complex from concept to first event within 18 months. My point is not that these exact policies are necessarily the right ones for the UK, but that we should be far more ambitious and open to ideas when looking to address the imbalance of power in our country. So I welcome the Minister's accepting that national challenges require place-based solutions, but I feel strongly that Part 2 would better deliver this if accompanied by greater powers and fairer funding, so that leaders can support local recoveries according to the needs of their own areas.

I do want to welcome the implicit recognition that devolution can drive economic, social and environmental development in local areas, but questions remain over whether the specific model of county combined authorities is the right one for every area. Local residents and leaders will always know their own area best and the powers they need to deliver their ambitions, so we will be seeking amendments to allow greater flexibility for our towns, cities and counties to determine their own future.

Despite its omission, I also want to address the barriers to levelling up presented by the Government's approach to local government finance. As a local government leader for 17 years, I can say from first-hand experience that the drastic savings imposed on local authorities since 2010 mean that their achievements during this time are all the more impressive.

All major projects coming before any council are always subject to detailed analysis of how the outcomes will be measured and monitored, including the environmental, legal and equalities impacts, and especially the financial impact. At a time when even the Conservative Hertfordshire County Council is announcing that it has "exhausted all options" in meeting its budget deficit, I hope the Minister will reflect on how the Government can better enable local councils to level up their areas.

Turning next to the planning provisions, I am sure I am not the first to suggest that the Bill might better be described as a planning and regeneration Bill. Despite the Government recognising the need for planning reform, Part 3 misses many of the proposals in the White Paper and lacks the ambition needed to address the housing emergency. Local communities deserve a greater say in the housing needs of their area, but I am concerned by clauses which seek to override local voices, particularly those involved in the creation of the national development management policies, and that these may take precedence over local development plans and diminish the local voice in favour of the mysterious "office for place". That is potentially a retrograde step, making planning something done to, not with, a community. We will examine the clauses on street votes too, including seeking clarification on voting systems, consultation and the registration of interests.

I also encourage the Minister to consider new provisions on how housing and planning can deliver on levelling-up missions. In particular, I hope the Minister will consider amendments from this House urgently to tackle the provision of social housing and ensure the right financial instruments exist to empower local authorities and social landlords to deliver. We will seek further amendments to ensure that local businesses benefit from housebuilding and construction in their area by addressing questions over local procurement. As I will discuss in further detail later, we should also consider opportunities to incorporate our net-zero ambitions into planning policy and benefit from the economic opportunities that this can bring.

Serious concerns were raised in the Commons about the infrastructure levy proposals in Part 4—that the levy as proposed will fail to secure as much, let alone more, public gain from developers as the present Section 106 and community infrastructure levy system. I am sure there will be significant scrutiny of this part, and we will seek particular clarification of how the Government's plans will address developers' claims that the levy makes schemes unviable. I hope the Minister can also give greater detail on how the levy can contribute to social housing and schemes of mixed tenure.

Parts 6 and 7 broadly relate to the environment. Whether intentional or not, it is regrettable that the Bill does not take further steps to use the planning system to tackle climate change and its impact on the most deprived communities. I will be particularly interested to hear the Minister's thoughts on how green jobs, new biodiversity targets and environmental planning challenges each relate to the levelling-up agenda. Unfortunately, the Bill does none of this, and we will explore amendments on these points.

I will be taking a particular interest in development corporations and Part 8, given my experience of growing up in a new town under the governance of a development corporation. I welcome the Minister's commitment to work with the House to ensure that we benefit from lessons learned and are able to strengthen the Bill in this respect.

Determining ownership of land and property can be fraught with difficulty. I am sure the House would agree that local authorities and developers should be able to make better use of brownfield sites for development. However, decontaminating brownfield land too often requires considerable expenditure. Those costs can mean that developing the land is unviable, which then disincentivises developers. Does the Minister believe that Part 9 could help to address this?

The Bill was an ideal opportunity to set out a framework for the regeneration of high streets. While I am pleased that the Government recognise the issue, I am unconvinced that the minimal provision in the Bill for rental auctions and the letting of vacant premises anywhere near tackles the major issues of town centre regeneration set out clearly in the two reviews undertaken by Bill Grimsey. These include looking at the disparity in costs between online and high street retail; creating more workspaces and homes in town centres to drive footfall; ensuring a sound leisure, culture, sport and tourism offer alongside retail to add to dwell time; and incentives for independent businesses. Without looking at these factors, we will never see our high streets thrive.

The Bill before us had enormous potential to genuinely address the structural inequalities of our country. I am greatly encouraged by the interest from this House in ensuring that it meets the challenges facing our towns, cities, counties and villages. We must not let that potential be squandered. Levelling up should be more than a slogan; it must be a cross-governmental strategy. That is why it is essential that the mission statements are embedded in what is proposed in the Bill. The provisions on devolution are a step in the right direction, yet, as the Bill currently stands, they are undermined by the retention and creation of other powers. The emphasis on the future of high streets is welcome, but must be paired with more ambitious action.

Unfortunately, as it stands, the Bill is a wasted opportunity. However, given the interest from all sides of the House in improving it, I have every confidence that, as amended, it will provide much more. I look forward to the debate, particularly the maiden speeches from my noble friend Lady Anderson of Stoke-on-Trent and the noble Lord, Lord Jackson of Peterborough.

3.50 pm

Baroness Thornhill (LD): My Lords, I begin by reassuring the House that my noble friend Lady Harris of Richmond is not leaving the House. The V next to her name on the speakers' list stands for virtual, not valedictory.

[Baroness Thornhill]

I thank all the creators of the excellent briefings we received, which are too numerous to list individually. From them it is clear that the Bill carries a huge weight of expectation. It seems as though a lot of these experts —pressure groups, charities and professional bodies—are not convinced that it will ever deliver what it says on the title page, while welcoming many individual aspects, as do we. We believe that this Bill will neither measurably level up nor ensure long-term regeneration, which is regrettable. We on these Benches think it is a missed opportunity to do both. The rhetoric will not match the reality. To echo the noble Baroness, Lady Taylor, it is like getting a soft Christmas present—you are hoping for a silk scarf but you get socks.

The Bill provides a framework for delivering the Government's 12 missions for reducing inequality by 2030, but it is a shaky one at best. Someone has definitely failed to look at the instructions for assembly, as it really does not hold together. The Explanatory Notes give us four overarching objectives, but it is hard to see how they live up to the aspirations of the missions. The missions themselves are not part of the Bill—Part 1 sets out how they will be set, monitored and reported on annually but not how they will be effectively delivered and funded.

Let us be candid: aspirations of this breadth and magnitude have failed to a greater or lesser extent under successive Governments over many years. This is a herculean task which we all want to get behind. Our job is to ask the Government what will be different this time. I am certain that we all want to see the missions succeed, but is everything underneath them strong and clear enough to actually deliver? Is there really a cross-government focus on levelling up? After all, you do not fatten a pig by weighing it.

The second objective covers

"the devolution of powers through the creation of a new model of combined county authorities".

Our view is that devolution should be much more than this, and so the Bill is yet another missed opportunity. It is centralist, with the regions of England controlled out of Whitehall still. It could be argued that it is about delegation with a bit of decentralisation, but it is not what we would call devolution. There is no significant commitment to fiscal devolution, nor to devolving appropriately down to parishes and districts—those closest, after all, to the communities that the Government seek to empower and engage with.

The third objective covers the regeneration of town centres and is probably set to be the most disappointing of all. For levelling up to work in the longer term, it must be about transforming the economic fortunes of left-behind areas. The proposals in the Bill are largely cosmetic quick wins, probably designed to arrive in time for the next election—heaven forbid—and not bold policy solutions to drive regional economic success. As a party, we will continue to work for more transparency in politics. We were particularly concerned at the apparent lack of impartiality in the distribution of the towns fund.

Your Lordships must excuse me while I take a drink: my cancer treatment has side effects, including dry mouth—I am sure lots of noble Lords are familiar with that.

A more attractive high street is important to how residents feel about where they live—I have no doubt about that. But a nice-looking high street will not thrive unless residents have more money in their pockets to spend in it and a reason to go to it. New businesses will not invest in challenging high streets without incentives, including serious reform of business rates and a costed and coherent plan to address wider economic factors. Drab, rundown town centres are a symptom of economic decline. This Bill does not address the root causes of that decline. Giving residents more say in street names and protecting alfresco dining does not quite get the investors' pulse racing. I admit that proposals for high street rental auctions and compulsory purchases sound interesting, but on closer examination, which we will all surely do, they could well have the opposite effect of decentralising investment —something to scrutinise at the Bill's next stages.

The fourth objective is the most controversial and has aroused the most comment. The Bill has at its heart the much-heralded planning reforms. We have been inundated with briefings from different organisations about this section, and they have been very revealing and sometimes worryingly contradictory in their interpretation. We will seek clarification on those contradictions.

One major concern is who wins at Top Trumps—the local plan or the proposed national development management policies? Which will the Planning Inspectorate give most weight to? These are really important questions. How will these play out in council chambers and planning offices up and down the country? We will be seeking an unequivocal answer during the passage of the Bill.

The Bill is full of words which are subjective and open to interpretation, such as targets being "advisory", but what does this actually mean? The word "guidance" pops up a lot. When does guidance mean that you can take it or leave it, it is up to you, and when is it a very strong diktat with punishment for non-compliance, such as the current housing delivery test? The word is very useful when MPs are playing the blame game: "It is not the Government's fault but the council's interpretation of the guidance". We will be seeking clarity on these issues. More seriously, the Bill is peppered with wide-ranging Henry VIII powers, not least the proposals in Part 5 to give the Government extensive powers to change a range of environmental protections, with very limited scrutiny.

One word we would like to see banished from the Bill is "affordable", in relation to housing. It is meaningless; affordable to whom? Our country needs social housing on a scale not seen for decades, and we will support all measures to ensure that this happens. We are deeply concerned that although one of the missions is restoring pride in place, and talks about community engagement and empowerment, the only solution that is offered to the problem of the second homes and short-term lets which blight parts of the country is a registration scheme. We believe that the Bill could do more to respond to the concerns of these communities.

A new draft of the National Planning Policy Framework is out to consultation at the moment, including the delivery test. The consultation closes in March. The final details of both will be extremely important in the application and interpretation of

many of the measures in the Bill. The draft of the NPPF is a serious document which deserves serious scrutiny. It may well, I hope, answer many of our questions and concerns and allay fears, but it may also provoke many more.

We are dismayed by the lack of focus on the role of the planning system in tackling the climate crisis. People living in the most deprived areas are often the most vulnerable to threats from a changing climate, and their homes urgently need to be prioritised for retrofitting. We are not convinced of the Government's commitment to this, as the rhetoric does not seem to match reality. There is much in this Bill—too much, one could argue—and I am sure that your Lordships are looking forward to getting stuck into the detail, because the devil will be in the detail.

4 pm

Lord Chartres (CB): My Lords, we have had a survey of the vast canvas set out by this Bill, especially from the Minister. Like many of your Lordships, I have many interests in the themes that have already been raised, but your Lordships cannot bear it now. I will draw attention to just one aspect and look forward to other speeches which, with the expertise of so many Members of the House, will deal with other aspects of the Bill.

A mention has been made of pride of place. One of the things about levelling up is the extreme importance of allowing local voices a share in creating development plans that really enhance pride of place in every part of the country. I want to draw attention to the immense potential of heritage, not only as something to be preserved and even enhanced but as a lead for regeneration—heritage-led regeneration, of which there are so many examples.

I really ought to declare an interest—my many years spent as chairman of the cathedrals and churches building division of the Church of England. The Church of England is entirely responsible for 45% of all the grade 1 listed buildings in the country. There are of course many other faith communities that have a similar stake in the built environment.

Heritage-led regeneration is very visible in a place such as Bishop Auckland. That must be one of the places where levelling up is a passion. The work of the Auckland Castle Trust has brought in local partners, increased pride of place, galvanised the local community and contributed considerably to the revenues from tourism. It is a very good example of heritage-led generation, not just a static effort to preserve something precious from the past, in a part of the country where levelling up is a very important theme indeed.

That is the first point. The second is one that we have already heard from the noble Baroness speaking from the Opposition Front Bench, who drew attention to the experience in other parts of Europe. The German Government have spent trillions of euros on levelling up and I hope that we are paying special attention to what has and has not worked in their strategy and planning.

Speaking from long acquaintance with the Berlin/Brandenburg area in former East Germany, one of the things that has worked really well, while certain other aspects of the plan have left a great deal of resentment behind them, is the cultural aspect of the plan, to regenerate areas and increase pride of place. So I hope that we will pay attention to the experience of some of our continental partners and that, as this Bill and programme develop, we will make sure that, in local development plans, local voices are really prominent in devising ways in which the heritage of the past can contribute to the regeneration of the future.

4.04 pm

The Lord Bishop of Leeds: My Lords, I am delighted to follow the noble and right reverend Lord, who has already stolen some of what I was going to say—great minds and all of that, maybe. When I first heard the phrase "levelling up", I thought, "Here we go again—another slogan in search of substance". Yet what we have heard today so far is that there is a great deal of potential substance to this Bill. I applaud the motivation and ambition behind it, and the attempt in the 12 missions to have a holistic approach rather than simply to pick off bits of our society. But I do think we need to take seriously, after the honest analysis that we had from the Minister, the argument that it gives the lie to the opening assertion of the White Paper that the UK is an unparalleled success story. If it was, we would not need the detail that we have before us. This sort of language of hubris can very easily militate against us taking seriously the scale of the task.

The parallel with Germany has already been mentioned. What is key to Germany—and I spent yesterday evening with 40 German soldiers and academics at a symposium in Leeds, in a curry house, but I will leave that bit out—is that what we learn from post-1989 Germany is not only that it has put in trillions of euros to level up between east and west but that the key to German success in many areas has been its federalism and its devolution of real power. Power is not centred in one geographical location. That means that investment and opportunity are able to take a long-term view, precisely because all of these things are rooted in local voices and real local power structures, not least in devolution to the Länder.

This approach to devolution has an impact on two of the missions that I want to focus on briefly. I realise the screen has gone blank, so I do not know how long I have got, but I will keep going. Oh, good—I have another five minutes. Marvellous.

I will be very brief. One of them is transport. One of the things that has constantly surprised me since I have been in this House is that investments in the north and south—in rail, for example—just do not bear comparison. If we look at the investment in Crossrail and then look at what was proposed several years ago for the entire north of England, it is ridiculous. There has to be serious investment, perhaps a rebalancing of investment, from the south-east and south to the entire north. HS2 might get you from London to Leeds 20 minutes quicker, but there is no point getting there if you cannot get anywhere else once you get off the train at Leeds. Having spent 90 minutes delayed on a train this morning, I feel that viscerally.

The east-west communications in this country are appalling, and they have economic, tourism, business and heritage weaknesses built into them. If you want

[The Lord Bishop of Leeds]
to go east to west, you have to drive along the M62. What does that do to you when you live in the north-east? So that is transport—and do not get me on to the TransPennine Express, which is a great misnomer.

The second area I want to focus on is education. The disparities between north and south are shocking. Partly it is not simply because of poverty. Poverty is a phenomenon in itself, but it has to be related to housing, education and some of the other missions that are set out in the Bill. Some 1.2 million people are waiting for social housing. I think it was Shelter that pointed out that since 1993 we have lost 21,000 social houses every year—and we wonder why we have a problem. Some 120,000 children are living in temporary accommodation, yet we expect them to perform at school. We have schools as well as churches and other institutions having to feed children when they come to school because they are not able to be fed at home.

Look at the free school meals stats and discrepancies, and at the number of food banks. What will we offer through this Bill to articulate hope and create a vision for a generation of young people who have not really had it thus far? It needs more than technocratic solutions; it needs an articulation, a vision, that is more than economic. What about the social capital? Are food banks now priced in? We are now seeing in parts of the north, where I live, people who gave to food banks queuing up to receive from them. That social capital cannot be taken for granted—and I would extrapolate from that to the wider charitable sector.

I want to applaud a more holistic, long-term, hopeful proposal whereby the missions are not, in the end, in competition with each other. Reporting will be crucial.

Before I sit down, I want to signal that my right reverend friend the Bishop of Durham is in discussion with the DfE and, through it, the Department for Levelling Up, about tabling an amendment, which was lost with the withdrawal of the Schools Bill, on land clauses affecting church schools in relation to local authority provision of sites for academies. So, this has been a general run around the issues, with a specific one at the end.

4.11 pm

Lord Bourne of Aberystwyth (Con): My Lords, it is a great pleasure to follow the right reverend Prelate, who has made some powerful points. Where to start? Well may one ask. There is certainly no shortage of challenges. The area is a real minefield. I suppose the right place to start is with the Bill, although it may not necessarily be the right place to finish.

I first thank my noble friend the Minister. Let us spare a thought for her; she has to grapple with a 400-page Bill, quite apart from all the additional documents and memoranda—and with Members of this House. She has set out the case very fairly and clearly and will approach the issues with characteristic hardworking determination.

The Bill is the right place to start and, as someone who believes very much in devolution, I think devolution is the right and wise approach. Indeed, the right reverend Prelate himself lives in, and is representative of, an area that now has devolution and which is all the better for that. People are better served by it, often with better solutions, arrived at nearer to people and often more effectively, be it Manchester, the West Midlands, Teesside, Tyneside or, indeed, West Yorkshire. It is the right process. I also very often support the combining of county authorities.

As I have said, the Bill is a starting place—this is a process—but clearly, it offers just a procedural framework. Given what we have seen during the pandemic and the cost-of-living crisis, the idea that we will solve some of these problems with a statue of JB Priestley and a sense of place is for the birds. We need a better-performing economy and better public services, and certainly, we need to concentrate on housing. I hope we will be able to approach the Bill in that spirit, in respect of both private and social housing. We need more of it, and urgently. That will happen only with those magic words: "a budget".

This is not down to the Minister. The Minister will perform and do a good job on the Bill, but we need to look beyond the Bill to how we deliver our country out of the crises and challenges we face—housing, the economy, and the health service. This Bill is not an obvious candidate for addressing the health service but, when we talk about levelling up, people are looking to our health service, thinking about how it served us during the pandemic and wondering how we will get ourselves out of this god-awful mess. That has to be with a budget to enable the health service to face up to some of the challenges of the 21st century—treatments, vaccines and so on. Similarly, on skills, many of our youngsters are still grappling with problems from the pandemic; that area too needs resourcing.

I hope the Bill is able to do something about the challenge of climate change, as well as housing. It has always been a mystery to me—and not just me—why we do not do more on the insulation of old buildings. It would be a boost for a green economy, for energy security, for our housing stock and for jobs. In short, it would be popular with everyone. No wonder the Government do not want to touch it. It really is extraordinary, so I hope we will be able to do something about that too.

The Bill is welcome. The Minister is working hard and should be congratulated on her efforts, but it is about not just what happens here—although that it important—but what happens elsewhere. We have to keep that within our sights and make a real difference to the lives of people in our country today.

4.15 pm

Baroness Warwick of Undercliffe (Lab): My Lords, it is a great pleasure to follow the noble Lord, Lord Bourne. As we have heard, levelling up embraces so many economic and social challenges, but I believe that the most fundamental is ensuring that families have a home, and it is on this basic issue that I want to focus.

In December 2020, PricewaterhouseCoopers published a survey titled "Rethinking 'levelling up'". It found that:

> "Housing was the stand out priority for our respondents ... 70% agree a focus on housing would be the most effective in levelling up the country and reducing inequality."

Polling by YouGov last year found that a clear majority of Conservatives want their party to deliver more affordable housing, with two-thirds calling for new developments to include more affordable housing.

It is clear that housing must play a key role in the levelling-up agenda. Social housing in particular is central to addressing regional inequalities, particularly health outcomes. For families struggling with unaffordable private rents and unsuitable or overcrowded accommodation, social housing would transform living standards, and the nation's health. Yet we currently face a grave affordable housing crisis: 4.2 million people are in need of social housing in England. Research from the National Housing Federation found that to meet demand, England currently needs 340,000 new homes a year for the next 10 years, including 145,000 affordable homes.

Social housing on this scale would help to bring down the housing benefit bill, support better health and well-being outcomes and reduce reliance on temporary accommodation. So why have successive Governments failed to realise this? Why have they allowed the supply of social rented housing to fall by 85% since 2010-11? The Bill could have really got to grips with this. Sadly, it is a missed opportunity to tackle our housing crisis and deliver the real levelling up which communities need and voters clearly want.

Happily, the noble Lord, Lord Bourne, mentioned health. There is a strong link between housing and health. In November 2021, a Building Research Establishment report, "The Cost of Poor Housing in England", found that poor housing could be costing the NHS £1.5 billion a year in treatment bills. Legal and General's research, "Levelling up through health", found that investing in housing, particularly affordable housing, yields a multiplier effect which creates jobs, boosting the economy as well as public well-being.

In particular, supported housing helps ease the pressure on the NHS and care services and saves the public purse around £940 per resident per year. It makes a vital contribution to positive health outcomes for disabled people, homeless people, older people, people with mental health problems, people who have experienced domestic abuse and many others. Yet the sector is under acute pressure from inflation, rising costs and funding uncertainty, leaving vulnerable people without a safe place to live. Will the Minister give us the Government's estimate of the impact on levelling up of the contraction in supported housing, and how they propose to reverse that decline?

I will briefly touch on regeneration, featured in the title of the Bill, and planning. Many communities are crying out for regeneration, but where are the measures that would unlock housing-led regeneration? With access to appropriate funding, councils and housing associations can deliver regeneration and employment support where it is most needed. Under current net additionality rules, housing associations cannot access grant funding for regeneration projects from Homes England, so they cannot regenerate homes that are often unfit for purpose. By changing that rule, the Government could unlock significant new funding for regeneration, delivering high-quality new affordable homes that support better environmental and health outcomes for residents. I hope the Minister will address this issue in her reply.

Lastly, on planning, there is a real risk that the Bill would further reduce the supply of affordable housing. Part 4 of the legislation creates provision for a new infrastructure levy to replace the current system for developer contributions via the planning system. That system is responsible for almost 50% of all new affordable housing. Without further protections included in the Bill, the new infrastructure levy risks diverting funds away from affordable housing towards other unspecified forms of infrastructure. In areas of low land value, it is difficult to see how levy rates will be able to deliver the same level of affordable housing as the present system. Ministers have said that the levy will deliver at least as much affordable housing as the current system, but can the Minister provide the evidence to support that claim? I urge the Minister to heed the calls from across this House, and from the housing sector, and include stronger protections for affordable housing in the Bill.

4.20 pm

Lord Shipley (LD): My Lords, I remind the House that I am a vice-president of the Local Government Association. I agree strongly with what the noble Baroness, Lady Warwick of Undercliffe, said in her comments on housing. As my noble friend Lady Thornhill said, levelling up is a herculean task that we should all get behind. I therefore welcome the Bill, in so far as it could start to spread power away from Whitehall if properly implemented and expanded, and could help to drive further regeneration and more skilled jobs. However, I fear that the Bill as it stands will not achieve the Government's stated levelling-up objective to

"grow the economy in the places that need it most".

It will need substantial amendment to do that. There is at least to be a statutory requirement to report on progress with the 12 levelling-up missions, and I welcome that. But I hope the Minister can confirm that it will include the scale of private sector investment into those areas.

The three things that most people want from a Government are a decent home, a secure job paying a fair income and a rewarding education, and yet the number of households renting in England and Wales has doubled over the last 20 years, as revealed in the 2021 census. Inflation today is reducing the value of pay. The cost of childcare is too high for many families. ONS data has shown recently that disadvantaged pupils in schools in the north do less well than their peers in the south. Transport poverty is growing in rural areas as public transport services are cut. Local authorities are being forced to bid for extra money for key public services because the money is no longer in their baseline. This is not levelling up.

The levelling-up Bill is effectively a planning Bill. On housing, the test for the Government is whether it leads to the building of more homes, particularly homes for social rent. The Bill may help, but we will need to examine the detail of the infrastructure levy to assess that further. As our briefing from Shelter has said,

"the current planning system prioritises maximum delivery of unaffordable homes that can be sold to the highest bidder, instead of well-planned developments with homes that people can genuinely afford."

[Lord Shipley]
As we have heard, there is currently a consultation on national planning policy. It ends in early March. Will the Government give us feedback before Report? We should have it.

Part 2 of the Bill is highly centralist. It does not offer devolution; it offers delegation and decentralisation, in which mayors and combined authorities compete against each other to win support from Ministers and the Treasury. Wales, Scotland and Northern Ireland all have devolved powers, but the Bill will not treat the constituent parts of England in the same way, and I do not understand why. England needs greater fiscal devolution. No Government can run England, with its population of 56 million people, out of Whitehall, and yet England will continue to be run out of Whitehall if the Bill is enacted in its current form.

We need to provide proper empowerment to the geographical areas of England, following the example of the Basque country in Spain, where public and private sectors have worked in partnership with trade unions and the voluntary sector to drive prosperity in their region. It could be done in the UK as we build capacity, but it will not happen with the degree of centralised control by Whitehall that the Bill proposes. Strangely, the Bill is far too centralist even at a local level, so we should look very carefully in Committee at the powers that will lie in the hands of mayors and at how mayors will be scrutinised on the decisions they take. There is an assembly in London but there is no such structure elsewhere in England—why is that?

I accept that the Government cannot do everything, but they can drive more and better jobs, build homes that people can afford to live in, do more in education and training, deliver better transport, and lead proper devolution throughout England with greater fiscal powers to generate growth beyond the limited financial powers planned by the Bill.

4.26 pm

Lord Birt (CB): My Lords, the challenge for any large organisation, whether in the public or private sectors or within government, is how to combine strategic direction with effective on-the-ground delivery. The Bill sets out many laudable aims, but does it add up to a strategy for regeneration and will it really deliver levelling up?

Among our greatest problems is housing; we have heard a lot about that already. Our social housing stock has shrunk by more than 2 million homes over the past 40 years. In the past decade, we have been building far fewer homes than we did in the 1950s, yet our population has grown by 9 million since 2000, and household growth is rising at an even faster rate; thus we are completely failing to match supply and demand and to meet every kind of housing need. How can we create, over the next decade or so, the many millions of homes we require, while at the same time delivering other public goods, protecting our countryside, constructing well-insulated homes and once again building houses of beauty? How can we combine national direction with local delivery? I hope the Minister can persuade us that the Bill will help us do all that.

I sit on the board of a company which is national in reach but is based in the heart of the north. Like any modern business, it draws on myriad different specialist skills, thus many staff travel long distances daily to work—some have homes hundreds of miles away from their place of work and find weekday lodging. Accordingly, any modern economy needs, nationally, an effective strategic road and rail system and, regionally, metropolitan transportation systems in areas of high population density. Around 6 million people live in the adjoining metropolitan areas of Merseyside, Manchester and West Yorkshire. How will the measures in the Bill enable a concentrated focus on creating an appropriate transport infrastructure to unlock the full potential of that vast population?

There is work to be done. Currently, we are missing a plan to link HS2 to Leeds or Liverpool—and to speed the right reverend Prelate the Bishop of Leeds home. The woefully misnamed TransPennine Express takes, plus or minus, one and a half hours to traverse the 72 miles between two great northern cities. Moreover, the M62 is routinely gridlocked, and many small roads between northern towns are overloaded. Just before Christmas, it took me a miserable three hours to travel the 16 miles by road from Leeds station to my destination near Halifax.

Finally, I turn to skills. Despite being on the verge of recession, we have vast skills shortages in every part of the economy—data scientists, financial analysts, digital marketeers, construction workers and every kind of engineer, to name but a very few. I am unpersuaded that the Government have yet analysed the UK's precise skills needs, now and in the future, or yet identified the means of their delivery. How will the framework outlined in the Bill address this vital issue? My fear is that, absent a clear delineation of responsibility, power and accountability at every level, we will fail coherently and expeditiously to address these critical and urgent issues, and thus continue to fail to achieve the levels of equality and prosperity that, as a nation, we all fervently desire.

4.30 pm

The Lord Bishop of Carlisle: My Lords, in the brief time available, I will address health inequalities between the north of England, where I live, and the south, and their implications for levelling up and regeneration. Health inequalities are defined as avoidable, unfair and systematic differences in health between different groups of people. In 2010, Sir Michael Marmot conducted his celebrated review into such inequalities, in the hope that this might lead to some improvement. Instead, we have seen an increase, rather than a reduction, of such inequalities over the last 12 years. For instance, life expectancy in deprived areas of the north-east is at least five years lower than it is in similar areas here in London. A baby boy born in Blackpool today can expect an additional 17 years of poor health compared with a baby born in Richmond upon Thames. People in all social groups in the north of England, male and female, are consistently less healthy than those in the south, and premature death rates are about 20% higher across all age groups in the north, due not least to lower lifetime chances.

These statistics—there are many more—are a stark reminder that inequalities in health are often closely linked to people's socioeconomic circumstances. This has been forcefully illustrated by the Covid pandemic, which, in the words of one commentator, exposed "deep fractures of inequality" running across our society. During the first year of the pandemic, the mortality rate was 17% higher in the north than in the south, unemployment was 19% higher and there were significant differences in mental well-being between the north and the south. It is now reckoned that health issues account for about 30% of the gap in productivity between the north and the south.

Reducing health inequalities is a matter of fairness and social justice, which is what the Levelling-up and Regeneration Bill is all about. It potentially provides us with a great opportunity to tackle those inequalities, not least by addressing some of their wider social determinants, two of which have already been mentioned by several noble Lords in this debate: transport and housing. Transport, especially in rural areas, has huge implications for access to hospitals and medical services. I recently had some post-operative treatment in the excellent general hospital in Hexham, and, while I was there, I took the opportunity to ask several of the staff what they would most like to see change. "Access" was their unanimous answer, and this is especially true in a huge, sparsely populated county such as Cumbria, which has neither big cities nor many large hospitals.

On housing, which was mentioned by so many speakers, we are all aware of the close connection, which the noble Baroness, Lady Warwick, reminded us of, between good-quality accommodation and good physical and mental health. The briefing from Shelter that I guess we all received comes as a timely reminder of the need for much more social housing in the north —not just, as the noble Baroness, Lady Thornhill, said, so-called "affordable housing" in expensive areas.

Alongside paying attention to transport and housing, any effective strategy for reducing these health inequalities must include a commitment to two other factors. One is community hospitals, of which we have a number in the county where I live. These not only prevent admission to acute units but enable earlier discharge from larger hospitals. They are an invaluable local resource, but many are losing beds and are starved of funds. The other is better integration between health and social care. I hope that the new structures—ICBs and so on —will make a real difference. I hope also that continuing work on levelling up and regeneration will be properly informed and influenced by two forthcoming reports on social care, from a Select Committee of your Lordships' House and from an Archbishops' commission.

This Bill commits His Majesty's Government to putting forward a statement of levelling-up missions, but it does not commit the Government to implementing them. My right reverend friend the Bishop of London regrets that she cannot be here today, but, with me, she will engage with the Bill with regard to increasing life expectancy and reducing health inequalities. Can the Minister give us some assurance that these issues will be adequately addressed and that the 12 levelling-up provisions will happen?

4.36 pm

Baroness Prashar (CB): My Lords, it is a real pleasure to follow the right reverend Prelate the Bishop of Carlisle. I agree with the comments he made about housing.

Last February's White Paper promised initiatives to make a real dent in regional disparities. This Bill will create a statutory basis for new forms of devolution, make it a legal requirement for the Government to set medium-term targets on reducing inequality and provide several other powers around planning and high street regeneration. Disappointingly, it is not ambitious enough. These measures on their own are not enough to meet the Government's 12 missions for reducing regional inequality by 2030, as stated in the White Paper. We need bold policies, not the cosmetic fixes contained in the Bill.

As we have already heard, the Bill contains several Henry VIII powers. As the noble Baroness, Lady Taylor of Stevenage, said, it is a complicated, mixed bag of measures that are hard to understand and will not make transparency, accountability and scrutiny easy.

In its current form, the Bill will leave us with a planning system that will be less democratic and will do nothing to build public trust. What we need is a democratic planning system that delivers sustainable communities and deals meaningfully with housing and the climate crisis. To achieve this, the purpose of planning must be set out in law. A statutory purpose for planning should be the foundation of levelling up, and it should focus the system on the holistic goal of sustainable communities.

My concern is about affordable social housing. As we have heard, housing is a fundamental human need, but our housing system is broken. There is a need for more social housing. To do this, we need to redefine the term "affordable housing" for the purposes of the infrastructure levy. As Shelter argues:

> "The Levy must aim to deliver more social housing than the current system and this can be done by … redefining 'affordable housing' to mean social rent and … making social rent housing an onsite requirement of new housing developments."

It is also vital that the Government tackle the issue of "hope value" as a barrier to building social and truly affordable housing. While there were encouraging comments by the Minister in the other place about hope value, I hope that the Government will consider removing the hope value payment requirement from designated housing schemes that deliver social rent housing.

The Government should also strengthen the provisions in this Bill to ensure that all homes promote health, safety and well-being, and help people to live well. A number of noble Lords have made the link between housing and equality.

I will not steal the thunder of the noble Lord, Lord Crisp, but last year he introduced the Healthy Homes Bill, which I supported. The purpose of the Bill was to create a duty to ensure that all relevant policies secured healthy homes; it provided a definition of a healthy home and the legally binding principles underpinning that. I hope that this is an opportunity to add some of the provisions of that Bill to this one.

[Baroness Prashar]

Alongside healthy and affordable homes, the Bill must do more to ensure that there is appropriate investment into community infrastructure. Currently, we have a complicated legislative framework, which has not encouraged place-making infrastructure nearly enough. Austerity and cuts to local authority funding have compounded this problem. Today many left-behind communities face declining infrastructure alongside poor-quality housing stock.

The fourth aim of Clause 1 is to achieve levelling up by empowering local leaders and communities, especially those lacking local agency. Empowering communities is a vital step in achieving the levelling-up agenda. To achieve the levelling-up mission, the Government should increase investment, particularly in early years education and literacy. Investment in that area is essential for social mobility and levelling up. In real terms, schools saw an 8% decline in funding between 2010-11 and 2019-20. We need to do better. To boost literacy, schools that serve disadvantaged communities need to be given more support by increasing the pupil premium for pupils in long-term poverty. This funding, alongside a multi-sector, multi-partner approach, can deliver real dividends and support the 12 levelling-up missions.

A positive example of a place-based intervention helping communities with high levels of deprivation in the UK are the National Literacy Trust hubs, established in 2013. I declare an interest as the trust's president. It works with local authorities, education providers and wider communities to improve literacy in areas with the highest levels of deprivation and literacy vulnerability. These sorts of initiatives need to be replicated and, of course, scaled up.

To conclude, holistic reform of planning laws is long overdue, and it is imperative that these reforms are included as part of the Bill. To achieve the levelling-up missions, the Bill must provide greater clarity on how the Government will provide healthy and affordable homes supported by community infrastructure. The Bill must support place-based interventions, particularly in education, through empowering local leaders and their communities.

4.42 pm

Lord Ravensdale (CB): My Lords, I declare my interests as set out in the register and note that I am co-chair of the Midlands Engine APPG. As a proponent of levelling up and an advocate for the Midlands region since I arrived in Parliament, I very much welcome the Bill, and the measures that it includes will make a huge difference to the Midlands region, which is home to 11 million people and contains some of the most deprived areas of the UK.

The area that I am most excited about is enabling greater local democracy—and thereby the proposals that exist to create a new combined county authority within the east Midlands, which will cover Derby, Derbyshire, Nottingham and Nottinghamshire. I believe that is the single biggest change needed to begin addressing the economic disparities that exist between the east Midlands and the rest of the country in transport, public affairs and R&D. As the right reverend Prelate the Bishop of Leeds stated, those economic disparities are where this all starts. The plea from local leaders in the Midlands is to get the Bill through and into law as quickly as possible so we can progress with our local plans.

I wish to make three points. First, on the levelling-up missions and their place within the Bill, the right reverend Prelate the Bishop of Carlisle put it across that we are missing the confidence in the missions and that they really will be achieved. We could do with those missions being explicitly stated in the Bill; that would add weight to the missions and provide the confidence that they will be achieved. The missions have been developed already within the White Paper. In addition, I was somewhat alarmed by the wording in Clause 5—the Government can at any time change or alter those missions. To increase confidence in levelling up, one of the key strategic goals of the nation, there should be some additional control by Parliament of any change to those missions.

Secondly, on high street regeneration, recently I took a walk through central Derby and asked my sons to count the number of empty shop units. We counted 14 over a 200-metre stretch in the city centre, from Iron Gate to Corn Market. The only retail outlets that seemed to be thriving were betting shops—I counted five. This issue is repeated right across towns in the Midlands region. Walking around comparable stretches in London, I see maybe one or two empty units at most. I know the Government get this, and I welcome the powers in the Bill to do with high street rental auctions and expanded compulsory purchase powers. However, what I am hearing from local stakeholders is that the Bill contains a lot of stick but we need to think more about the corresponding carrot: how we actually incentivise businesses to set up in these areas. The burden of business rates and occupational costs mean that it can be unviable for many small and independent businesses to trade from town centre premises. Proposals for town centre investment zones should also be considered. What measures are being considered by the Government on the incentive side to provide more incentives to set up in these areas? No landlord really wants their premises to be empty.

Finally, as others have pointed out, the Bill is essentially a planning Bill, and because of this, there exists a real opportunity for the Government to include within it additional measures related to the environment. Once such opportunity is measures to report on and regulate embodied carbon in buildings. As noble Lords will be aware, there are two types of emissions from buildings: operational carbon, which is heating, lighting, et cetera, which is already regulated under Part L of the building regulations; but there is also embodied carbon, which is essentially the production, transport and installation of building materials, and their demolition at end of life. At the moment, that is completely unregulated, despite accounting for fully one-third of emissions from buildings: 50 million tonnes of CO_2 equivalents per year, which is more than aviation and shipping combined. A proposal to regulate this already exists, developed by industry and known as Part Z of the building regulations. These regulations have wide industry support and similar regulations have already been rolled out internationally, so I believe all the groundwork has been done to allow the Government to move forward with them. What is the current

government position on regulation of embodied carbon, and how do they plan to implement Part Z? There could be a great opportunity within the Bill to do exactly that.

4.47 pm

Lord Randall of Uxbridge (Con): My Lords, I congratulate my noble friend on the Front Bench on introducing this large Bill. I slightly disagree with the noble Baroness opposite that it is a jamboree bag: I think it is more like a large selection box. Bearing in mind that there is so much in it, I shall concentrate on just a couple of issues.

National parks are very important to many parts of the country, particularly to the north. There are large centres of population and going to visit the national parks is excellent. However, at the moment they do not quite live up to what they are supposed to do; they are slightly disappointing. If there is an idea that a national park is going to be something like the Serengeti or Yellowstone, I am afraid it is not like that. There was an excellent review by Julian Glover, the Glover review of protected landscapes, and a lot of issues were raised in that. The Government accepted some in their response, but not quite all. I just say to the Minister that when it comes to Committee, I will be raising these and looking at some amendments. There is a huge opportunity to deliver the Government's own promises to uphold COP 15 commitments and to revitalise the protected landscapes for nature, climate and people. It was quite popular down the other end: a cross-party group of MPs thought it was a good idea and I am sure that the Government, on consideration, will realise that they were correct.

I would like to raise an issue, and I declare my interest as president of the Colne Valley Regional Park. This is a regional park that goes down the edge of the urban fringe of London, ranging roughly from Watford down to Spelthorne. It is a wide-ranging regional park that is facing increasingly frequent exploitation and is being used in very special circumstances. We have had to put up with HS2 and we may have to put up with Heathrow expansion. I would say to those who talk about HS2, "I would have gladly levelled up. You can have HS2 in the north. If you can just pick it up and take it, you are welcome to it".

It has become a bit of a free-for-all in the Colne Valley. There is a loss of green belt. There are long-term benefits for communities if we can just get co-ordination. One of the problems for the Colne Valley Regional Park is that it straddles lots of local authorities and even lots of political constituencies. The other day, I had two honourable friends—Boris Johnson and Joy Morrissey. The fact is that there is a variety of MPs and a variety of local authorities, and there is no co-ordinated plan for how they can address these planning issues. We need to refocus the very way we look at planning green belts and other things, ensuring that there is conscious co-ordination across these county boundaries and giving proper consideration to mitigation. You look at some areas and think, "Actually, it's not so important to us but it is to others". In the London borough of Hillingdon, we value that immensely—Buckinghamshire possibly less so, but I do not want to be mean about Buckinghamshire because I want to get Buckinghamshire on our side.

There is one final thing that I think we should be looking at—again, it is something that was raised down the other end—and that is introducing something called "wild belt". I say that because green belt, valued as it is, is often seen just as something that prevents urban sprawl. Then you look at brownfield, and some brownfield has more biodiversity than some greenfield. A wild belt designation would allow local authorities to understand where they can put development and where they should not. Again, that is something I will be hoping to raise in Committee. With that, I will say that I am really looking forward to the maiden speeches of the two new Members giving them and I say to them, "The House will be right behind you".

4.52 pm

Baroness Anderson of Stoke-on-Trent (Lab) (Maiden Speech): My Lords, it is still with some astonishment and a great deal of trepidation that I rise, for the first time, to speak in today's debate. I never imagined for a moment that this is where my journey would take me, and I hope that I will always be in awe of this building and of the calibre of debate in this Chamber.

Over the last month, I would have been lost, both metaphorically and in reality, without the kindness and support of noble Lords from across the House. Their collective welcome has been incredibly reassuring, and I am genuinely grateful. However, I believe I owe an even greater debt of gratitude to the officers and staff of the House, especially our wonderful doorkeepers, who have indulged my every ridiculous question, ensured that I have found my way and so far managed to keep me on the straight and narrow—a far from easy task.

I also have a number of noble Lords to thank personally, including my sponsors, my noble friends Lord Coaker and Lord Kennedy of Southwark, who I am proud to have known for many years. It is a personal joy to be able to work with them in this House. I would also like to thank my noble friend Lord Haskel, who has been given the unenviable task of mentoring me since my introduction to this House.

I stand here today in the footsteps of the women in my family, who instilled in me a hunger to fix the world's ills—although I cannot imagine that they ever thought for one moment that a member of our family would be in this place. My family arrived in the UK in the 1890s, fleeing the pogroms. My nana, in the first generation to be born here, was a determined woman. She taught me that food was love, that no one should ever be hungry and that, whatever little you had, someone else always had less, so the onus was on us to help them.

In 1936, when the Jarrow marchers arrived in London, my nana was waiting for them with food and socks. In the run-up to the Battle of Cable Street, she spent 48 hours stuffing razor blades into tomatoes, to be used as defensive weapons against the fascists—although that is a story she never wanted my mother and me to know, because she believed we would get ideas.

My mum did get ideas. She became a trade union activist and, ultimately, deputy general secretary of MSF and Amicus. She took me on my first demo when I was still in nappies; when I was four, she took me to collect food for the miners, and when I was 11 on my

[Baroness Anderson of Stoke-on-Trent]
first anti-fascist demo. She has dedicated her life to fighting for those who struggle to find their voice. She taught me the importance of campaigning against tyranny and racism, wherever it is found, and every day I seek to be more like her.

Noble Lords may be aware that I was formerly a Member of the other place. It was a privilege to represent the people of north Staffordshire. I am sure that I will bore many noble Lords on the importance of ceramics and the history of my adopted city, as it is also where I met my wonderful partner Gareth and his brilliant daughter Hannah. It is my city that anchors me and which I love, but that does not mean I am not aware of our challenges. My great city—like so many others across the Midlands—needs help as we grow beyond our industrial heritage.

Today's debate is therefore timely, as we discuss and consider how we rebalance the economy of our country so that the postcode of your birth is not an impediment to your future. There can be no greater aspiration for our country than to ensure that opportunity exists for everybody, that access to culture, education and housing is freely available, that incomes are not an accident of geography and that people can thrive in the communities in which they were born.

I am proud to live in one of the six towns of Stoke-on-Trent, but the latest statistics available from the Department for Work and Pensions state that 53% of the children in my town of Tunstall are living in relative poverty and that over 20,000 children are in the same position across the city. These statistics were collated prior to the current cost of living crisis and will today be significantly worse.

As my noble friend Lady Taylor of Stevenage stated in her opening remarks, levelling up must be about people. It cannot and must not be just about investment in buildings. In Stoke-on-Trent, much like our country, our people are our greatest asset. It is investment in those people and their life chances that will change the lives of the people of north Staffordshire and many of our former industrial heartlands. When colleges are having to buy shoes for their young learners, when hunger is a distraction in the classroom and when a day's childcare costs more than a day's wages, we cannot hope to level up anything.

Across our country, our towns and cities know what they need to bring success and opportunity, but too often they are forced to compete with their neighbours for tightly controlled short-term funding. If we are to level up our country and give places such as Stoke-on-Trent the tools and resources they need to benefit their residents, we should be encouraging co-operation, not competition. Levelling up will succeed when it is something that is not done to buildings for photo opportunities but is done with local people to address and eradicate the social ills which hold them back.

At its heart, levelling up has to be able to give everyone who wants it a chance to make a life for themselves and their family, in which secure employment provides a decent salary to pay the bills in a safe and thriving community. It is about people and their hopes. As my nana said, there is always someone with less than we have, and it is our duty to help them.

I am delighted to be joining your Lordships on these Benches, to fulfil our role as a revising Chamber in order to make legislation work for our great nation. I look forward to working with all of you in the months and years ahead, to deliver for my party and our country.

4.58 pm

Lord Hunt of Kings Heath (Lab): My Lords, it is a great honour for me to follow my noble friend and to thank her for an extraordinarily moving and well-judged maiden speech. She is one of the bravest politicians I know; she called out the scourge of anti-Semitism, which threatened to corrode parts of my party when Jeremy Corbyn was leader. Time after time, she exposed anti-Semitism and suffered abuse and threats as a result. She would not be intimidated or silenced. Under Keir Starmer's leadership, my party has dealt decisively with this, but it would not have been possible without the courage of my noble friend and others. I am delighted to salute her today for this.

My noble friend also brings huge experience of the city of Stoke-on-Trent, Staffordshire and the West Midlands. As she said in her powerful speech, what a contrast between the Government's claims and the reality of the legislation before us. We are promised in the Bill that we will see devolved power, reduced inequality across the country, a boost to productivity, pay and jobs, an improved planning system and better environmental outcomes—yet, when we look at the Bill, what do we see? We see inappropriate and extensive use of executive powers through Henry VIII clauses, delegation as opposed to the devolving of powers, and what delegation is on offer seems conditional on promoting mayors and combined authorities. There is no new money for levelling up, little protection for the environment, and the concession made to nimby Conservative MPs in the Commons has rendered the 300,000 target for new homes unenforceable and unrealistic. The evidence for that is clear in the comments made by building companies only days ago that they are reducing their estimates for new starts immediately.

On sustainability, huge opportunities are being missed, the Chris Skidmore *Net Zero Review* published last week states:

"The Review is also clear that there must be more place-based, locally led action on net zero."

It calls for the Government to

"empower people and places to deliver",

noting that this will lead to

"more local support but will deliver better economic outcomes".

Our planning system could have been a huge lever for contributing positively to net zero and environmental targets but, as far as I can see, the Bill skates over this.

As for levelling up, we are not seeing much of this in the industrial heartlands of our country, in the West Midlands, where we are performing at 10% below pre-Covid levels in economic activity. The unemployment rate in the West Midlands for August to October 2022 was 4.9% compared to the UK average of 3.7%. As over 10% of jobs in the West Midlands were in the manufacturing sector compared to 7% nationally, one would have thought that the West Midlands would have been a priority area. Yet public spending in the

West Midlands in 2021 was £12,841 per person, compared with £15,490 in London. Ministers continually ignore the needs of the Midlands.

I say to the right reverend Prelate the Bishop of Leeds that if he thinks that travelling from Leeds to Manchester is slow on the railways, he should try going from Birmingham to Leicester. Unfortunately, in the programme for scaled-up railway improvements in the West Midlands and East Midlands, there is nothing for the Birmingham to Leicester route.

On devolution, this is a Government who have spent the last 13 years continually centralising power, not just in Whitehall but in Ministers through the use of secondary legislation, to give them an extraordinary addition to their powers. Even when devolution is proposed—actually it is not devolution, it is delegation—it is often conditional, and depending on the adoption of a mayoral or combined authority system. Where is the radical skills agenda that needs to be devolved to local level? What about finance for the transport infrastructure and transport operations? I listened very carefully to the right reverend Prelate the Bishop of Carlisle on the links between health and what the Bill is trying to do. Why are we not seeing a transfer of responsibility for aspects of the NHS, as we have seen in Greater Manchester?

The more one looks at the Bill, the more it seems focused on sucking up powers from local authorities. How else does one explain Clause 57, which would allow local authority functions to be conferred on a mayor without the consent of all the local authorities within a combined authority area? I agree with the District Councils' Network, which argues that devolved arrangements should be firmly rooted in the principle of subsidiarity so that the right decisions on delivery are made at the right level. Or take Clause 58, which my noble friend Lord Bach will speak more extensively on, which removes the requirement for the consent of all councils of a combined authority for the transfer of police and crime commissioner functions to a combined authority mayor—why? Could it be because, on 6 May 2021 the people of the West Midlands voted for a Labour police and crime commissioner but the Conservative mayor, Mr Andy Street, had wanted to be his own police commissioner? The constituent local authorities would not agree. Instead of respecting the views of those local authorities in the West Midlands, as well as of the electorate, who voted for Simon Foster to be the police and crime commissioner, the Government want to allow Mr Street to single-handedly abolish our right in the West Midlands to vote for a democratically elected and directly accountable police and crime commissioner. I hope we will remove that clause and Clause 57 from the Bill.

Despite all the Minister's puff, the Bill provides little devolution or regeneration, no levelling up, huge environmental risk and insufficient affordable housing.

5.05 pm

Lord Stunell (LD): My Lords, first, I congratulate the noble Baroness, Lady Anderson of Stoke-on-Trent, on her excellent and feisty maiden speech. We look forward to hearing more from her, and more about Stoke-on-Trent, in the future.

The Bill comes clanking into sight three months late and after a couple of rather drastic rebuilds from where it started. It follows last year's White Paper, which itself hugely overpromised, with 12 missions, six capitals and five pillars. Now, three Prime Ministers later, we are left with at best a framework Bill. It contains no money, no messages and no actual missions—it is a skeleton Bill where the bones do not join up. It may be best described as an "empty box of dreams" Bill.

Even if we accept that the Bill is about only the mechanics of administering levelling up and not the policies that might deliver it or the money that might pay for it, it is, nevertheless, still a failure. When it comes to those mechanics, the common thread—or perhaps the missing link—is any evidence of sound governance based on the principles of democratic accountability, with powers devolved to and exercised by the bodies nearest to the communities they serve.

First, the Bill hands to the Secretary of State powers that should rightly be exercised by local government, combined authorities and the newly formed combined county authorities. Secondly, the Bill insulates CCAs from effective democratic scrutiny and challenge. Thirdly, the Bill leaves the marginalisation of town and parish councils unchallenged, while failing to recognise that the solution to the central problem of putting more homes in more places is staring it in the face in the form of neighbourhood plans.

I will spend a minute on the centralising of executive powers by the Secretary of State in the Bill. I asked the House of Lords Library for a list of all the Secretary of State's new powers as set out in the Bill. The Library replied very helpfully by referring me to the Government's own delegated powers memorandum and warning me that it is 375 pages long. It is stuffed with Henry VIII powers. The Library drew my attention to what it described as a "non-exhaustive" list of 25 of them, highlighting a dozen or so in particular.

At Second Reading, I simply say to the Minister and to noble Lords that it cannot be called genuine devolution if the Secretary of State can at any time override any local plan anywhere with the trump card of "nationally significant" development, and it cannot be genuine devolution of powers if the Secretary of State can parachute in a national development management policy on any topic, at any time, on any area of the country, with no appeal and no escape. Added to that, such a power reduces the certainty of a stable local planning environment that is essential if local growth and well-being are to follow from it.

That failure in sensible governance at the top is compounded by the lack of democratic accountability in the new CCAs. We will have a mayor—that is one thing—but who on earth will be the "associate members"? The Government's Explanatory Notes say they might be "local business leaders". In practice, they will be selected by the majority group on the CCA to join them round the table and then be given a vote, and seem to be a resurrection of the somewhat corrupt institution of alderman. Surely they should have no place on a CCA, which is already shorn of any effective scrutiny.

What does the Bill propose should happen below that, at the all-important community level of government? There is no hint of double devolution in the Bill—of a

[LORD STUNELL]
cascade of powers and money to town and parish councils or neighbourhood forums. In fact, it is somewhat the opposite. In the later stages of this Bill, I and my colleagues will want to test thoroughly all these deficiencies and omissions and try to rescue some trace of the democratic accountability and local community decision-making that must be at the heart of any effective levelling-up mechanism, in this Bill or elsewhere.

5.11 pm

Lord Thurlow (CB): My Lords, I add my voice of welcome to the noble Baroness, Lady Anderson of Stoke-on-Trent, and congratulate her on her excellent maiden speech. We welcome her to this House and look forward to her contributions in times to come.

Like many other noble Lords, I looked at this Bill and simply read "Planning Bill". It seems to me overwhelmingly so and that is where I wish to contribute. In this regard, I fear the Bill has missed important opportunities. I declare my property interests as in the register and as a former chartered surveyor.

As a former member of the RICS, I will begin with a brief reference to Clause 213, which follows the Bichard review—I do not see the noble Lord in his place, but he may be speaking later. It is a very short clause, with five subsections. The RICS deserves this close focus from us following the mess it has got itself into in recent years. My only amendment would be to extend the period between compulsory internal reviews to 10 years rather than five, to avoid the risk of a process of almost continuous review.

I too am interested in the briefings from a number of charities and other lobby groups. Generation Rent referred to 29 homes a day being lost from the rented sector. Transferring these thousands and thousands of homes to holiday accommodation and short-term rentals brings a significant tax benefit to investors and a severe loss of tax revenue to the councils concerned. The investor benefits are non-domestic rates, where there are reliefs for small businesses; mortgage interest offsetting, which is not available to home owners; and a less stringent regulatory environment. Yet these changes of use from homes to short-term lets increase local resentment from communities unable to match the deep pockets of the highly geared investors. Much higher loan-to-value mortgages are available to businesses than through the affordability tests required of young, aspiring families wishing to live in their traditional communities. This should be a central plank of the Bill.

The Shelter report has been referred to. That under 3,000 social rented homes were provided in 2022 from Section 106 agreements is a complete disgrace. With council house waiting lists at 1.2 million, that provides less than 0.25% of the council house waiting list requirement—it does not scratch the surface. Since 1980, almost 2 million social housing unit sales have taken place. I agree with the noble Baroness, Lady Thornhill, that we must abandon "affordable". It is out of context. We must focus on social housing. We are faced with a crisis in social housing, and this Bill is a great opportunity to fix it, but it fails. What will ensure the provision of social housing? The noble Baroness, Lady Warwick of Undercliffe, made this point very clearly.

There are positives in this Bill. There is more local focus, and it is better plan led, but, frankly, housing is meant to have been plan led for years. The focus on heritage assets is good, enhancing enforcement powers is vital, and increasing planning fees is welcome. However, the 12 levelling-up missions at the start of the Bill are all very well, but they read as big woolly statements that count for little. Principal among the negatives, in my view, is the resourcing of planning departments. These are the crucible of good planning decisions, and yet for years there has been a crisis of turnover in planning departments from the planning professionals. There is a shortage of experienced and skilled planning individuals. There is a huge financial resource problem. The prohibitive costs of appeals stop a lot of planning authorities or councils engaging in fighting decisions that they think mistaken and that have been forced against them.

This Bill is the best opportunity for years for more numerous social housing units, which must be provided. That crisis is just getting worse.

5.17 pm

The Lord Bishop of Bristol: My Lords, it is good to be here considering this much-awaited piece of legislation. I declare my interest as a member of the Church Commissioners board, as set out in the register. I congratulate the noble Baroness, Lady Anderson, on her powerful maiden speech and on the stories of her female antecedents. I look forward to the maiden speech of the noble Lord, Lord Jackson.

I am also grateful to the noble and right reverend Lord, Lord Chartres, for his speech on the role of heritage in levelling up. As the current Church of England lead bishop for church buildings, I want to look at one detail in this Bill, which provides an opportunity for the clarification of the law on local council funding for parish church buildings. Across the country, parish churches are vital to the flourishing of their local communities. Initiatives have brought about much transformation in recent years. Exemplifying this is the current Warm Welcome campaign. Since its launch, thousands of churches and other places of worship across the country have welcomed 2.6 million people, providing space for relationship and community building and practical support as the days, like today, get colder. Add to this the ongoing work done in every region by church-run food banks, debt advice centres, domestic abuse support services and so much more. As your Lordships can imagine, I want to live in a world where such services are not needed, but it is important that action can be taken now to address systemic inequalities.

Moving towards that end, I believe it would help greatly to ensure that parish church buildings and their environments are safe to play their vital role in the community. The clarification which is currently required is whether the Local Government Act 1894, which forbids parish town and community councils grant-aiding places of worship, has been superseded by the Local Government Act 1972, which states that such grants are permissible. The perceived conflicts between these laws gave rise to advice from the National Association of Local Councils in 2017 that funding a place of worship might result in legal challenge, making

councils very nervous about doing so as matters stand. We are aware of several instances of local councils ceasing long-standing financial support of their local churches since this advice was issued. Previous attempts to clarify this in guidance have not so far provided the necessary reassurance. Clarification in this Bill would therefore increase confidence and reduce ambiguity for parish councils across England. I hope that the Minister will consider this, and I look forward to discussing it further.

The second area of opportunity that I wish to raise concerns housing and planning. The right reverend Prelate the Bishop of Chelmsford regrets that she cannot be in her place today, so I will speak very briefly to matters that she hopes to raise during the progress of the Bill as lead bishop for housing. I share her interest and that of many in this Chamber.

As noble Lords have already indicated, the current Section 106 system has underdelivered on social homes. We have heard, not least in the immediately preceding speech, of the shocking failure of investment and development. An ambitious programme of affordable housing is essential to a real levelling up of this country. We join calls from Shelter and other organisations for the removal of hope value from the Land Compensation Act 1961, and for the guarantee that the infrastructure levy will deliver at least as many social rented homes. We also urge a rebalancing of affordable housing tenures to prioritise social rent and make affordable housing an on-site requirement for new housing developments. As stated simply in the report by the Archbishops' Commission on Housing, Church and Community, *Coming Home*:

"We need more truly affordable homes".

Finally, I wish to raise an area of concern in the Bill, which I share with the right reverend Prelate the Bishop of Durham. Clause 101 would allow the appropriate authority to apply to the Secretary of State for planning permission where a development of Crown land in England is considered to be of national importance. This would bypass local concerns, particularly around controversial developments such as permanent asylum accommodation centres. I ask for this to be looked at again.

In conclusion, the Bill presents an opportunity to address inequalities that hinder the welfare of many; let us seize it.

5.22 pm

Baroness Jones of Moulsecoomb (GP): My Lords, I have a few criticisms of the Bill, not least the fact that it does not mention climate change. As I have often mentioned, climate change is the biggest existential threat to all of humankind; it is not just about the north or the south but the whole world. The Government have been so deficient in mentioning it and putting it into a context that can make a difference.

It is now three years since the Conservatives won an election. They promised to level up the country. You would have thought that, finally, the levelling up Bill might give us an idea of what levelling up actually means. Voters might have thought that they would have been levelled up before the next election was due, but apparently not. It has been three years of economic decline and mismanagement, and the Government concede in this Bill that we have not levelled up yet, and fail to set any timescale for when we will be levelled up. Perhaps the Minister could give us an indication of that timetable.

Moving from the intangible levelling up to very real regeneration, I note that the Bill is another missed opportunity to make the planning system fit for the 21st century. The Green Party now has hundreds of dedicated councillors across the country, and one of the things that infuriates them most is the planning system. Whether they are a lone ward councillor trying to interact with the system or the chair of a planning committee who has their hands tied by national planning policy, making it impossible to make the best decisions for their local community, what is obvious is that we have a centralised bureaucracy that does not work. The planning system should unlock our transition to a clean, green country with warm, insulated homes and beautiful, human-scale communities. It should give communities a strong voice in shaping their own local environment, while protecting the global environment by design.

We need to move away from the current system, where there is a shadow banking system of developers buying land, obtaining planning permission and then selling the land for a huge amount of profit for very little work. Around one million new homes that have been granted planning permission are not being built, so we need to unblock the system and get those homes built. If the developers will not do it, it should be opened up to communities, councils and social housing providers to build the homes instead.

The Bill should unlock more social and affordable housing. People do not necessarily need to own their homes, but nor should they be condemned to a lifetime of spending extortionate amounts of money renting poor-quality homes from private landlords. More than one million people are on waiting lists for housing while we lose around 22,000 social rented homes each year. We have to turn that tide. The Bill is an opportunity, and it has failed.

It is difficult to put a finger on this Government's biggest failings over the past 13 years as there are so many of them, but scrapping the zero-carbon homes standard has to be up there. To this day, people are buying newly built homes, expecting them to be built to modern standards, but they have got terrible insulation and cost a fortune to heat. The Bill is an opportunity to ensure that every new home is warm and green, and I look forward to bringing amendments on that.

Homes are just one part of the equation for building green communities. It is time to end the car dependence that is designed into the planning system. We can legislate for the creation of 20-minute neighbourhoods, where people can access key facilities such as schools, healthcare and public transport within a short walk from their homes. We can build walking and cycling networks into the planning system and ensure that key routes, such as old train lines, are protected and developed into safe cycling routes.

After a lost decade of austerity and starving councils of funds, it is no surprise that local planning departments are bursting at the seams. As we have heard, there is a huge shortage of planners who want to work in the

[Baroness Jones of Moulsecoomb]
public sector when the private sector is so much more lucrative. This is perhaps most apparent in planning enforcement, which is failing massively.

Finally, I have thought about democracy and public participation in this. We really have to look at what needs national oversight, participation and prescription, such as tackling the climate emergency, and what can be left to local councils and communities to decide. The Bill builds in more centralisation of key decisions and will force councillors to make more and more inappropriate decisions based on very poor rules set in Westminster.

5.27 pm

Lord Jackson of Peterborough (Con) (Maiden Speech): My Lords, it is an honour and a privilege to address your Lordships' House for the first time. I do so with some humility and not a little nervous anticipation.

Walter Bagehot once remarked rather ungraciously:

"The cure for admiring the House of Lords is to go and look at it."

I would venture quite the opposite. Having served in the other place, I have only now begun to appreciate the residual wisdom, experience and knowledge which exists among Members of this House as it fulfils its proper constitutional role of scrutiny and oversight of the Commons and the Executive.

I am grateful to the officers of the House and the staff for their warm welcome and professionalism—and not least to the excellent catering staff, who made the celebration luncheon on the day of my introduction such a unique and unforgettable occasion. I wish warmly to thank those noble Lords who did me the honour of introducing me: my noble friend Lady Stroud, who combines intellectual rigour with a principled advocacy of the family, and my noble friend Lord Lancaster of Kimbolton, a man dedicated to the service of his country, both in and out of uniform, over many years. We made our maiden speeches in the Commons on the same day in June 2005—he, no doubt, did so with much more aplomb.

Noble Lords will note that I have taken Peterborough as the geographical part of my title. I am somewhat conflicted, having been dismissed by the electors of that constituency in 2017—what is called "offboarding" in human resources—but I do not bear grudges. Not only is it a fine old city and a new town but, more importantly, it is home to friends and my family, to whom I owe inordinate thanks for their loyalty and support over many years, especially my wife Sarah.

Perhaps I myself am an example of levelling up. My mother was born into poverty in County Wexford as the Second World War broke out, and my father began his work life in the railway coachworks at Wolverton, aged 16. Their faith and encouragement have played a big part in leading me here to your Lordships' House, as well as a degree of serendipity and luck.

It is natural that I should speak on this Bill, having been a local councillor in London for eight years focusing on housing and planning. I was honoured also to serve as a vice-president of the Local Government Association, and I advocated for elected police and crime commissioners many years before it was fashionable.

The United Kingdom is a deeply divided nation and regional imbalances are long standing, a product of over-centralisation, relatively weak local government, poor infrastructure and investment skewed towards London and the south-east. The gap between the richest and poorest parts of Britain is larger than in any other European country on any empirical measure—GDP, gross value added, regional disposable income or life expectancy, for example. It is a startling fact that, north of the line between the Wash and the Bristol Channel, where 47% of Britons live, people are as poor as those in eastern Germany or the US state of Alabama.

This Bill is an urgent necessity if we value social cohesion and a sense of national unity, as well as wealth creation and prosperity. Levelling up is not merely a slogan but a political ambition with a long pedigree at the heart of Tory thinking, and it should be seen in a wider historical context. Disparities between different parts of the country—regional, geographical, social, economic—have bedevilled us for decades. I would argue that the Brexit vote was, at least in part, a direct reaction to this endemic problem, which all Governments, whether Labour, Conservative, coalition or Liberal, have failed to address. The problem is hardly new.

Disraeli's *Sybil; or, The Two Nations*, published in 1845, highlighted the growing gulf between rich and poor. Disraeli's persuasive analysis was a catalyst for half a century of Conservative social reform, culminating in the 1867 Reform Act but also including slum clearance, public health Acts, a Factory Act and improvements in working-class housing.

I welcome this Bill—its legally binding levelling-up missions, the ambitious commitment to further devolution, practical steps to bring empty residential properties back into use and auctions for commercial properties to regenerate our high streets. But I will conclude on housing, which is my passion. I strongly endorse the Government's target of building 300,000 new homes in England by 2025. Levelling up is also arguably a catalyst for addressing the worsening issue of inter-generational fairness. That means building affordable homes for young working people. Fewer than a fifth of under-40s now own their own home; 25 years ago, the figure was almost two-thirds. It is a parlous situation for a party that pioneered the right to buy, especially as many local planning authorities are now pausing or abandoning their local plans. I say gently to my erstwhile friends in the other place: be careful what you wish for when you vote to block housing developments. As a party that believes in the free market, it is hard to extol the values of capitalism if you keep voting to prevent your constituents owning capital. A market for votes is a free market too.

Finally, I never expected to end up in this place, but I promise to use my opportunity and good fortune for the common good and to play an active and constructive role in your Lordships' House for many years to come.

5.34 pm

Lord Moylan (Con): My Lords, I congratulate the noble Baroness, Lady Anderson of Stoke-on-Trent, on her maiden speech, but it falls particularly to me to give a welcome to my noble friend Lord Jackson of Peterborough on making his first speech in the House—and what a very good speech it was, indeed.

My noble friend became a London borough councillor on the same day that I did, back in 1990, but he was politically much more successful and advanced from that position in due course to membership of the House of Commons. He lost his seat in Peterborough, as he said, but what he failed to say, because he is too modest, is that he won the seat three times before losing it, and in very difficult, challenging circumstances because it is, of course, a marginal seat.

My noble friend has been a great success during his time in the House of Commons, and he has stood up for Brexit consistently throughout the whole of his political career. He has a hidden skill, which I was unaware of until recently: in his earlier life he was a human resources manager—indeed, he has a higher degree in human resources management. No doubt, that explains his legendary emollience and persuasiveness of character. I welcome him to the House, as we all do, and we look forward to further contributions, which I am sure will be greatly valued by noble Lords.

Turning to the Bill, I welcome the fact that this Government actually have a strategy for trying to improve regional development. This is almost revolutionary, so rare is it; we have not seen it for a very long time. To that extent, the Government deserve a great deal of congratulation. There has been far too much carping on other Benches when in fact, we should be saying well done to the Government for trying to do something for the first time in decades.

However, I regret that too much of the Government's laudable ambition is being subverted into bureaucratic ideas about the creation of new layers of government and new mechanisms for government co-operation. This is a stale agenda. What people want—illustrated by the Brexit vote, as my noble friend referred to—is empowerment in their lives rather than simply new layers of government or new powers for existing government. Part of that empowerment means government getting out of their lives rather than telling them what to do. If we were to address those issues through this Bill, I think we would find it more fruitful in bringing that about.

I draw attention briefly to a couple of matters raised in the Built Environment Select Committee, which I now chair. The first is the register of short-term lets. We looked at this recently in a short study, and it was the unanimous conclusion of members of the committee that registration of short-term lets should be optional for local authorities in areas where it is a particular problem. We saw no merit at all in the idea of a national or compulsory register. The fact is that this is a problem, which can be severe, in particular areas; it is not widespread. It is concentrated in particular areas, including parts of London and certain parts of the country with a strong traditional tourist industry.

Noble Lords have said that the infrastructure levy must not be diverted from housing. Let us remember that the original purpose of Section 106 was to mitigate the effects of development. The concern of the Built Environment Committee is that an infrastructure levy might mean that funds are not available to mitigate the effects of a particular development in its locality because they could be spent in other parts of the local authority. We need to be careful. It is not all about affordable housing; other things matter too, including building road connections, street lights and local primary schools.

I want to express a degree of concern about street votes. I am unhappy about the notion of a free-for-all on pavement licences without any consultation with persons—I admit that I am one such—who might live above premises that could benefit from this.

As we come to Committee, I raise a particular concern about NSIPs and the giving of government permission to large-scale projects which never then advance to achieving a DCO. There is no way of terminating NSIPs, so they continue as a blight on the territory in the adjacent land even though they do not proceed to development.

Finally, I hope that if we are going to have these larger authorities, one benefit might come from them to alleviate pressure on the minicab industry, which is important in many parts of the country. We could try to transfer to larger authorities the licensing of minicabs, so that it is not necessary for firms to apply for multiple licences in quite small areas through district authorities that could apply at a higher level and achieve the same effect with less bureaucracy. I look forward to debating some of these issues in Committee and beyond.

5.40 pm

Lord Hain (Lab): My Lords, I also congratulate the noble Baroness, Lady Anderson, and the noble Lord, Lord Jackson, on their excellent maiden speeches.

Levelling up may be a Tory pledge but it is sadly not a Tory priority. It is a commitment but sadly without any conviction. Last year, for example, the richest fifth of households paid only 9% of their disposable income on indirect taxes while the poorest fifth paid 23%.

It is state-funded cash benefits, such as the state pension, pension credit and child benefit, together with imputed income from benefits in kind provided by public services, such as the NHS, decent social care, education, free childcare and free school meals that really help to reduce inequality and level up. Last year, the contribution to reducing income inequality made by cash benefits and benefits in kind was 20 times as great as that made by taxes of all kinds.

Yet the Office for Budget Responsibility has confirmed that 82% of the decade of Tory austerity under Chancellors Osborne and Hammond involved cuts in public spending amounting to over 7% of GDP, equivalent in today's terms to £180 billion—more than the entire NHS budget for England. State-funded cash benefits are the biggest single factor in helping to cut income inequality in Britain, so cuts here are especially damaging.

Tory public sector pay freezes and pay caps have also hit public services hard. They have led to critical staff shortages on a massive scale, which in turn have generated enormously long waiting lists, missed performance targets and delivery failures, as well as forcing workers to go on strike. Yet the Resolution Foundation reckons that three-quarters of the fiscal tightening announced since spring 2022 is once again focused on public spending cuts. The familiar Tory pattern is repeating itself. Rishi Sunak's vision for his premiership is turning into the same old Tory cuts story.

As Labour's Shadow Levelling Up Secretary Lisa Nandy says of the unequal distribution of income and wealth in Britain in her brilliant recent book:

[LORD HAIN]

"The winners continue to win, the losers continue to lose".

Our industrial heartlands, once the engine room of Britain, are performing at 10% below pre-Covid levels, after a decade of underinvestment, huge amounts of money stripped out of communities and taken out of people's pockets.

Last year, the Commons Public Accounts Committee reported that billions of pounds had been squandered on ill-thought-out levelling-up plans, forcing areas to compete over tiny pots of levelling-up money, effectively competing for minuscule refunds of the money stripped out of those very communities by long years of Tory austerity. The chair of the committee stated bluntly that

"government are just gambling taxpayers' money on policies and programmes that are little more than a slogan, retrofitting the criteria for success and not even bothering to evaluate if it worked."

The shared prosperity fund, which was meant to level up, is delivering £1.1 billion less in funding to English regions than came from the European Union structural funds it was designed to replace and which the Conservatives promised to match but have not done so.

Wales is full of areas that need levelling up, yet the overall shortfall to the Welsh budget is more than £1.1 billion. Overall, Welsh capital funding falls in cash terms in each year of the current three-year spending review period and will end up 11% lower in 2024-25 than in 2021-22—so much for levelling up.

Despite recent increases, the Welsh Government budget in 2024-25 will be £3 billion lower than if it had grown in line with GDP since 2010-11. Tragically, the Tory so-called levelling-up agenda is a complete sham, and I strongly recommend Lisa Nandy's brilliant new book *All In: How We Build a Country That Works* for a real levelling-up agenda.

5.45 pm

Lord Foster of Bath (LD): My Lords, I, too, congratulate both maiden speakers on excellent and powerful contributions.

As others have said, the Bill as it stands leaves a great deal to be desired. Opportunities to deal with many issues have been missed, from addressing, for instance, how our creative industries could play a greater role in levelling up to including reference to climate issues in the planning elements of the Bill. Smaller but important issues have been missed, such as electrical safety in short-term lets. Electrical Safety First points out that there is an alarming situation where STLs are not covered by the same electrical safety regulations as traditional holiday accommodation, rented accommodation or STLs in Scotland.

However, those and many other issues can be covered by amendments. I want to concentrate on one issue that has not yet been mentioned: the failure of the Bill to tackle inequalities between rural and urban areas. Back in 2019, I chaired the Select Committee on the Rural Economy. Our inquiry found that rural communities and the economies in them have been ignored and underrated for too long, with government policies designed primarily for urban areas. Compared to such areas, we discovered that in rural ones: house prices were higher while wages were lower; council taxes were higher while government support for their councils was lower; funding per head for services such as healthcare, policing and public transport was lower despite costing more to provide; and broadband, business support, banking and other services lagged way behind those in urban areas. The committee concluded:

"We must act now to reverse this trend, but we can no longer allow the clear inequalities between the urban and rural to continue unchecked."

It is clear—at least to me—that any Bill that aims to level up should have, at least as one of its key components, steps that will start the process of levelling up between urban and rural communities. The challenge now is well illustrated by recent work by the Rural Services Network. Using government headline metrics, it demonstrated that if all rural areas together were treated as a single region, their need for levelling up would be greater than any other region in the country. However, the Bill does nothing to address that challenge, which is especially surprising given the promises made by the Government when they responded to that Rural Economy Select Committee report. Sadly, in their response they rejected our key proposal for a comprehensive rural strategy but promised—back in 2019—that all future policies would be rural proofed.

I have therefore looked for evidence that the Bill before us has been rural proofed. There is nothing in either the Bill itself or the Explanatory Memorandum that refers to rural proofing. The evidence of any desire by government to begin the process of levelling up between urban and rural communities, whether in the Bill or in any other actions, is hard to find.

Analysis by the Rural Services Network also showed that current government-funded spending power for predominantly rural areas lags way behind that for predominantly urban areas. Government grants per head for services such as police and public health and even from the UK shared prosperity fund—excluding Cornwall—are correspondingly lower in rural areas at a time when, for example, house prices are rising faster than elsewhere.

Therefore the challenge remains, despite even more recent promises that we heard when the White Paper was published. In June last year a departmental spokesman said:

"Rural areas are at the heart of our levelling-up agenda. Our White Paper is a plan for everyone, including rural communities who rightly expect and deserve access to better services, quicker transport and quality education."

I have two simple questions for the Minister. Where is the evidence that rural areas are at the heart of the levelling-up agenda, and what happened to the requirement to rurally proof Bills, including this one? It appears that once again our rural communities are being left behind.

5.50 pm

Lord Best (CB): My Lords, I declare my interests, as on the register, and I have three points to make on the Bill. I preface these comments with the overarching observation that it is admirable for the Government to be bringing forward a range of measures with the ambitious goal of levelling up geographic inequalities, health inequalities and other disparities in society. I commend the honourable intentions of the Bill.

My three Second Reading points all relate to the housing agenda, since the levelling up of housing opportunities and outcomes is so fundamental to addressing all the other inequalities in health and well-being, as well as in productivity and economic success. First, although "regeneration" features so prominently in the Bill's title, the proposed legislation's housing content is concerned almost exclusively with the building of new homes. For social housing, Homes England has pursued a policy over recent years of funding only projects that add extra homes, not those that upgrade the existing stock. But many areas need a big injection of funding—a second decent homes programme—to modernise down-at-heel social housing. The recent Rochdale tragedy demonstrated the urgent requirement to improve outdated ex-council housing.

In the private rented sector, with more landlords now looking to exit the market after the interest rate rises, this is surely the time to support social housing providers to step in and acquire and modernise low-grade rented housing stock. For substandard owner-occupied housing, mostly owned by older people with few resources, we have not yet made progress in achieving greater energy efficiency and decarbonisation while addressing fuel poverty and tackling miserable conditions.

Secondly, in terms of new development, the Bill has provoked huge anxiety in the world of housing, as we have heard already in this debate, about the way that obligations on housebuilders to provide affordable homes will be affected by the switch from Section 106 agreements to the new infrastructure levy. The Government clearly wish to see at least as much affordable housing after this Bill is enacted, particularly for social housing at rents affordable to those on lower incomes. We need to strengthen the legislation to underpin that intention. It would be a tragedy if "levelling up" led to a diminution of the already hopelessly low level of supply of truly affordable housing. There will be some important amendments here.

Thirdly, and finally, is this to be the Bill that goes a step further and achieves some fundamental change to our housing system, which for decades has failed to meet the nation's needs? It will not make sufficient difference just to improve the ways in which we coerce reluctant housebuilders to develop the housing that our communities require. Could this be the Bill that enables local councils themselves to take back control and achieve what their locality needs in terms of quality, affordability, speed of build-out and more?

The bold step to achieve that would be to adopt the recommendations of the 2018 Letwin review, with development corporations established at arm's length by councils with CPO powers and the capacity to borrow. Will the Bill enable these corporations to acquire sites, prepare masterplans and parcel out the land to fulfil locally determined objectives with a variety of development uses, from homes for first-time buyers to retirement developments, from social housing to green spaces and so on?

So, there must be more emphasis on regeneration, amendments to the Bill to bolster the vital affordable housing element in new schemes and, more fundamentally, government backing for development corporations that capture land value and return us to building what the nation actually needs.

5.54 pm

Baroness Blackstone (Lab): My Lords, as the noble Lord, Lord Best, has just implied, there are few areas of public policy—in fact, I think there are none—that can do more to address the Government's welcome aim to level up than a substantial increase in social and affordable housing. The enormous disparities that exist in the quality of UK housing are a source of huge inequality between those on low incomes and the better off. These disparities contribute to a poverty-stricken environment for many thousands of children and young people who are growing up in appalling housing conditions—conditions that affect their physical and mental health and damage their educational opportunities. That in turn blocks the development of skills needed to improve their communities and, more broadly, to create economic growth. That vicious circle must be broken, and any notion of genuine levelling up is for the birds unless it is.

It is hugely disappointing that successive Conservative Governments have totally failed to address the crisis in housing supply, in which over 4 million people have serious housing needs. It is scandalous that the supply of social rented housing has fallen by 85% since 2010. I hope the Minister will agree that that must be rectified as a matter of urgency. It is not possible to be confident that the Bill will reverse this decline by making it possible for both local authorities and housing associations to greatly increase the provision of social housing.

The introduction of an infrastructure levy, which will largely, although not completely, replace Section 106 agreements that require developers to contribute to social house building, is flawed. There is a danger that the levy could lead to a diversion of developer contributions from affordable housing to other forms of infrastructure. How do the Government intend to limit that? I would be glad for an answer from the Minister.

How will the Government also make sure that there is a system that promotes more ambitious social housing targets, rather than existing levels of underdelivery becoming the new acceptable standard? It is not clear that the infrastructure levy will actually deliver more social housing than the current system. To do so, the levy should be set at a level that will cover all the costs of social and affordable housing specified in each local authority's plan. It should be paid in advance or, at the very least, phased through the development rather than requiring local authorities to borrow against the expectation of infrastructure levy income later.

The Bill should provide a valuable opportunity to build into the planning process ways of mitigating the effects of climate change and of meeting net-zero targets. It is therefore welcome that the National Planning Policy Framework recognises this potential contribution. Further consultation is to take place on what is needed, which, crucially, should include changes to enable new methods of demonstrating local support for onshore wind development and the repowering of onshore wind. However, it is worrying that these decisions and other changes contributing to a net-zero carbon future will take place after the Bill's passage and with limited parliamentary scrutiny. We are not currently on track

[Baroness Blackstone]
to meet our net-zero targets, and I would be grateful if the Minister could say how the Government intend to use the planning system to help this happen.

Lastly, I wish to express concern that the Bill centralises decision-making in a way that denies local communities the ability to make and then implement decisions based on their assessment of what is needed. As currently drafted, the Bill certainly makes national development management policies a threat to local democracy. Clauses 86 and 87 transfer substantial policy-making powers to the Secretary of State. Assurances from the Government that there was no intention that these clauses should lead to an undemocratic effect, and that local development plans would continue to take precedence, are not convincing. A legal opinion from Landmark Chambers states that the Bill

"radically centralises planning decision making and substantially erodes public participation in the planning system".

Legal safeguards must be introduced. Attempts in another place to amend these clauses were rejected by the Government, and I ask the Minister why. Ministers are apparently still determined to appoint themselves extraordinary powers and to override local policies. So I conclude by inviting the Minister to bring forward amendments to these clauses in Committee. If she declines the invitation, I assure her that others will do so.

5.59 pm

The Earl of Lytton (CB): My Lords, I declare my professional and personal interests in this matter as a chartered surveyor in the areas of planning, heritage and short-term lettings, and as a vice-president of the National Association of Local Councils. I am grateful for the briefings from NALC, the RICS and others. The speakers' list for this Second Reading means that much of my thinking will go unsaid, for which noble Lords may be grateful. Nevertheless, this is a behemoth of a Bill. Although there is plenty on the broader aspirations of the Bill that I can support in principle, unfortunately time allows me to focus only on where the proposals appear to me to be defective.

I start with the proposals for combined county authorities, which it appears will be created by ministerial fiat without democratic input, with members of the authority having at best indirect local democratic accountability and the associate membership having none at all but potentially still with voting rights. I see local democracy being diminished by that.

On Clause 75 and long-term empty dwellings, a one-year trigger is not long enough to prevent unfairness to people with genuine good reason, such as executors dealing with a deceased person's estate, properties undergoing renovation, or, for that matter, those properties which cannot be let because of poor EPC ratings or defective services—and all that assuming that there are no planning delays where consent is needed. In addition, the definition of periodically occupied dwellings in Clause 76 would very likely catch all sorts of unintended cases, and the proposal lacks proper evaluation of the problem.

On short-term lettings, I declare an interest. Under Part 12, I suspect that many would qualify as a business property. But even when so advised, building authorities frequently consider that they are under no obligation to request a review by the Valuation Office Agency, to which direct owner access is problematic. That is unreasonable and needs to be rectified. On registration, I am at least glad that the Secretary of State will consult first.

Despite the Government's warm words about communities, there is little that fosters or promotes the role of parish, town and community councils, which was referred to by the noble Lord, Lord Stunell. There is nothing that deals with the community representation inequality in unparished areas, the absence of powers of general competence and the continued lack of resources for this sector. There is nothing that protects the social and financial investment in neighbourhood plans from being flouted by principal authorities or being further undermined by a street vote. Online meetings ought to be a general option, but they are precluded at the moment.

Turning to Chapter 3, on heritage assets, I declare that I am an owner of listed buildings. The new temporary stop notice proposals would be fine were it not for the complete lack of clarity about what works will be caught. Historically, many councils take the view that any alteration, minor or not, requires formal consent, but there is a fundamental unfairness in that approach, made worse by poor levels of resourcing and poor heritage competence. I could go on about unreasonable delays, unnecessary expense and impractical conditions, but I will move on.

On planning enforcement in Clause 107, I am curious as to the justification for extending the four-year period in relation to unauthorised works to match the 10 years for changes in use. The considerations are not the same. The four-year rule has been in place since 1947, and in this modern age we have far more surveillance facilities than ever. I question whether the change is of practical benefit, given council resources. We need more detail.

Part 10, on the proposed enforced lettings of vacant shops, seems to be an example of a poor grasp of the practicalities, the dangers of overriding commercial agreements, and the risks to local authorities and market sentiment. Shops are not kept empty for fun, and this measure displays little appreciation of the costs or consequences.

Noble Lords will expect me to comment on Clause 213 and the proposal to reserve the Secretary of State's powers in relation to the Royal Institution of Chartered Surveyors. Noble Lords may well be aware that, long before the Bill was published, RICS had accepted the report of Alison Levitt KC into a purely internal matter. In actioning the vast majority of her recommendations, it then commissioned my noble friend Lord Bichard to review its governance and purposes. He reported last June; RICS accepted his recommendations, retained him as a senior independent governor and committed to five-yearly independent reviews henceforward. So what is the matter with that willing self-reformer? It is a politically neutral membership body constituted under a royal charter, with clear ethical, professional, technical and disciplinary codes, which operates globally and, above all, with independence. I suggest that "independence" here means freedom from interference of any sort, including political. Would the Minister agree that any such interference could of itself affect domestic and

international perceptions of RICS and with it the reputation of this country as a safe jurisdiction for professionals?

Finally, given the assurances made by Lee Rowley MP in the other place, will the Minister agree to meet me and representatives of RICS, before Committee, so that we can understand the department's grounds for this measure?

6.05 pm

Lord Holmes of Richmond (Con): My Lords, I will speak on three matters: pavement licences, local finance, and digital and financial inclusion.

When we debated the Business and Planning Bill in 2020, we looked at the matter of pavement licences in the midst of the Covid pandemic. We needed to ensure that businesses could carry on, largely by carrying on their operations outdoors. That was quite right, but even then other noble Lords and I ensured that accessibility and inclusion were critical within that process. Perhaps this is an ideal moment to reassert the primary purpose of the pavement—and, if the word "pavement" is not clear enough, we could import a helpful Americanism: the "sidewalk". Indeed, it is the side of the road designed for where we can walk, and we should be able to walk safely, securely and accessibly along it. The measures in the Bill are concerning on the aspect of pavements.

It is possible to have business involvement without cutting across inclusion or local voices and local involvement. Some 81% of blind people say that general street clutter on the pavement and e-scooters have a hugely adverse impact on their daily experience. It is not just about blind people but about wheelchair users, people with children in pushchairs, and young and older people; this is for all people. We need to ensure that our streets are accessible and inclusive for all. To that end, would my noble friend the Minister agree that we should strongly consider reinstating the 28-day consultation period, as set out in the Highways Act? We should have a clear demarcation of licensed areas, with tactile markers or barriers, or both. During Covid times, those were said to be temporary measures; under the new licensing scheme, those areas could be there for two years, so they need to be clearly demarked. Would my noble friend the Minister agree that we need to strongly consider changing the clauses which seek to offer the mandatory granting of licences automatically? The pavements must be safe, secure and accessible for all.

I turn now to local finance, which is a huge problem in this country. Some 70% of equity investment goes into businesses in London. If we look at investment across the piece, we see that investment is largely made by businesses less than two hours from the business in which they are investing. Would my noble friend the Minister agree that there is a strong case for regional, mutual banks, as is the case in Germany, which does so much for SME finance in that country? We hear so much about SMEs being the backbone of the British economy, the largest private employer and the large companies of tomorrow, but to what extent do we have a system which seeks to support them and offer them the lines of credit and the flow of funds they require?

Finally, there is very little about financial and digital inclusion in the Bill. I believe that they could be two of the key drivers of levelling up and regeneration for individuals, cities, communities and our country. I intend to table amendments in Committee on that subject, and, like many noble Lords, I believe that when the Bill leaves your Lordships' House it will be in better shape. Perhaps we cannot make it shorter, but we can make it better.

6.09 pm

Baroness Sheehan (LD): My Lords, I declare my interest as a director of Peers for the Planet. The planet is facing potentially catastrophic challenges from climate change and damage to the ecology on which, ultimately, all life on earth depends. Carbon dioxide in the atmosphere is at unprecedented levels: 421 parts per million, as measured at the Mauna Loa observatory. These levels are more than 50% higher than pre-industrial levels and were last seen over 4 million years ago, when sea levels were between 5 and 25 metres higher than today—high enough to drown many of today's largest modern cities.

It is a sobering thought that, even if we were to stop burning fossil fuels today, the impact of the carbon dioxide already in the atmosphere would continue to cause a rise in global temperatures. This is a stark reminder that we need to take urgent and serious steps to become a more climate-ready nation and work to create an economy with a workforce equipped to carry out high-quality green jobs to transform our infrastructure and protect our natural environment.

The Skidmore review, *Mission Zero*, published last week, makes reassuring reading, and I welcome it. Every one of its 129 recommendations is designed to maximise economic investment, opportunities and jobs across the UK, all while working towards achieving our legally binding net-zero targets by 2050. So the Government have an opportunity in the Bill to give that clear direction to investors, both public and private, across all sectors of the economy. Those opportunities must be of the highest quality, and they must be future-proofed to meet the twin challenges of our changing climate and nature depletion.

After all, this is a Bill in which the Government seek to embed processes that feed from central government to local government. It is a Bill in which the Government take greater powers for themselves, yet they do not once mention mitigation of, or adaptation to, climate change, or put in the Bill their wish to safeguard our natural capital. One glaring example is the environmental outcomes reports, EORs, which will replace the environmental impact assessments and the strategic environmental assessments—processes that are currently used to assess the impacts on nature and the climate of planning proposals. But the Bill does not include details of the EOR regime: that will be left for a later date, through secondary legislation, and will therefore of course be subject to lesser parliamentary scrutiny. This is unsatisfactory. There is also a big question mark over the proposed EORs' interaction with the habitat regulations requirement. Can the Minister clarify whether the EOR regime will supersede the habitats regulations? If that is the case, can she give an assurance that protections will not be weakened?

[Baroness Sheehan]

Planning is key to satisfactory local outcomes. Having spent four years on a planning committee, during my time as a local councillor for the beautiful ward of Kew in the London Borough of Richmond, I can testify to that. But the changes to the planning regime seem to move power away from the people most affected by the proposed changes to centralised bureaucrats. The changes also do not have at their heart a green agenda.

In conclusion, Chris Skidmore's review urged Ministers to grasp this historic opportunity, and it emphasised yet again that future economic growth is green growth that will benefit every part of the country. Without incentivising investment in green jobs in less prosperous parts of the UK—not least in improving our housing stock, greening our infrastructure and providing quality upskilling opportunities—we will fail those communities. I fear that, in its current form, the Bill puts us in grave danger of doing just that.

6.14 pm

Baroness Boycott (CB): My Lords, I am very pleased to follow the noble Baroness, Lady Sheehan, and my few remarks will build on what she said. I will look at where the money is going, in terms of UK public procurement, which, at the moment, accounts for £300 billion a year, or 13% of GDP. Recent research by the World Economic Forum estimates that government procurement accounts for 15% of our greenhouse gas emissions. By harnessing the enormous lever of procurement, government can show strong leadership in driving climate-positive and nature-positive public procurement. As well contributing towards the achievement of our net-zero and environment targets, it can contribute hugely to levelling up across communities by driving investment in new, low-carbon technologies, services and skilled jobs, as well as better health and well-being outcomes. You can get a lot of bang for your buck out of this.

I will also reference Chris Skidmore's *Net Zero Review*, which came out this week. It recommended that the Government

"develop a public procurement plan for low-carbon construction and the use of low-carbon materials, by the end of 2023"—

which is this year. It also recommended that the Government

"set standards and build new markets for low-carbon construction through its own public procurement standards",

which would

"send strong signals to the sector and enable firms to test innovations and start to scale them up"—

which is precisely what we need. We need to link into this agenda, which will help drive opportunities across all local authorities and will hugely help private companies. The Part Z campaign is already calling for these kinds of changes. Building regulations to introduce the reporting of carbon emissions and to limit embodied carbon emissions in new developments would of course help to drive down emissions. The Bill is the perfect place to introduce these changes.

The *Net Zero Review* also highlighted the example of how Preston in Lancashire has used its net-zero delivery strategy to retain procurement spend locally and to prioritise procurement from local and socially responsible businesses, helping to build community wealth. In my work on food over the last 15 years or so, I have seen a lot of local authorities make decisions about the local procurement of food, which is a win-win, not only for local growers, who have a market, but for the end users: we, the eaters, get better food at better prices.

In a report on the impact of locally spent money, the New Economics Foundation found that, if you spend £1 in a local shop, you will generate £10, but, if you spend it on a multinational or a company that is not local, such as Tesco—I am not singling it out—that money goes whizzing back to head office and does not circulate in the community. In this case, it is not just the growers who do not get the work; it is also the plumber, the locksmith and the printer, because that money is taken away. We have seen other towns do this, and I have put down amendments to other Bills to look at 50% of government procurement being used locally to generate local jobs and industry.

I will make two final points. During Report on the Procurement Bill in the Lords, an amendment was passed to ensure that the strategic priorities included in the national procurement policy would include achieving our climate change and environmental targets, adding social value, promoting innovation among all potential suppliers and minimising fraud. That Bill is now approaching Committee in the other place, and I hope that the Government will not seek to remove this important amendment.

Finally, another huge lever for linking up the delivery of our climate change targets and levelling up is planning, as many noble Lords have pointed out. In its progress report to Parliament, the Climate Change Committee recommended:

"Net Zero and climate resilience should be embedded within the planning reforms that are expected"

to be part of levelling up and regeneration. The *Net Zero Review* recommended that a reformed planning system

"should have a clearer vision".

The Government have recently consulted on reforms to the national planning policy, seeking views on

"opportunities to support the natural environment, respond to climate change"

and make sure that it always contributes to "mitigation and adaptation". However, the reforms are proposed to come in after the Bill has received Royal Assent, so please could provisions be included in the Bill to fully align our planning system with net zero at every decision-making level and to demonstrate that government leadership and commitment are really about delivering net zero, as well as social benefit?

6.19 pm

Baroness Willis of Summertown (CB): My Lords, I declare my interests as set out in the register, in particular as a non-executive director of NatCap Research Ltd.

At face value, the aims of the Bill—to address geographical disparities and spread opportunity more equally—are very welcome. As we have heard, the Bill seeks to achieve these aims through wide-ranging reforms to the planning system, including those that will directly

impact the way in which we manage our environment. However, as currently formulated, the Bill misses several critical opportunities to align with the UK's stated ambitions and policies for addressing climate change, nature loss and, importantly, for enhancing the societal benefits that we obtain from the UK's natural capital.

I will focus my comments on three important environmental opportunities which I believe are currently missing from the Bill. As a number of people, including my noble friend Lady Boycott, mentioned, the first missed opportunity is embedding climate change in the planning system. I will not repeat what has already been said, but I emphasise that and ask the Minister please to consider how the Bill can set an explicit purpose for the planning system to contribute to meeting the targets in the Climate Change Act.

Missed opportunity number two is to make significant progress on the environmental targets set out in the Environment Act and on commitments we very recently agreed to at COP 15. The planning system has a critical role to play in meeting Environment Act targets. It will not be possible to halt nature's decline and stop water pollution without better strategic planning.

One relatively simple step that the Government could include in the Bill is a recommendation to ensure that protected sites which are already designated—such as national parks and AONBs—are empowered to make more of a contribution to nature recovery. This could be done by implementing the Glover review, which recommended just this, that national parks should have new purposes, powers and duties to boost nature and tackle climate change.

A second—and again relatively easy—step would be for the proposed local nature recovery strategies to be fully embedded within the planning process as statutory planning documents. The UK is one of, if not the most nature-depleted countries in Europe, yet many other European countries have the same population density, climate and infrastructure issues. What is going on? We are top of the leader board for the fragmentation of our protected and nature-rich landscapes, and a lot of that sits at the door of the planning system. Will the Minister please consider how this Bill could be used to empower local planning authorities across the country to work across county boundaries to establish bigger, better and more joined-up nature, as recommended in the Lawton report right back in 2010?

Finally, the third missed opportunity is levelling up on access to nature and associated health inequalities. There is now a strong evidence base that access to nature and green space is an essential part of improving people's mental and physical well-being and cognitive abilities. Particularly for young people, a number of good, recent studies in top scientific journals have indicated that, regardless of socioeconomic background, those who have access to green space on their way to school or who see green from their classroom windows show a year-on-year improvement in their levels of concentration, mental reasoning and resulting exam scores compared to those in more urban and green-deprived environments.

Similar to access to free education and healthcare, access to green space should be a citizen's right in the UK, yet this important opportunity is currently missing from the Bill. I therefore urge the Minister to guarantee that access to a healthy environment will be a levelling-up mission in its own right. Delivery could include, for example, requirements for access to nature and that everyone should be able to access it within 15 minutes of their home.

The above points touch on just a couple of the opportunities with which the Bill could—and should—be made to connect and mutually reinforce the UK's levelling-up, climate and nature agendas. I look forward to tabling amendments to include these additional features in the Bill.

6.24 pm

Lord Wigley (PC): My Lords, I too congratulate the maiden speakers, and congratulate the noble Lord, Lord Holmes of Richmond, on the concise and clear way in which he outlined four points in just four minutes—perhaps an example to us all.

I want to address the way in which this legislation impacts on the devolved Governments. I will start with three basic points. First, there is a huge disparity in wealth between south-east England on the one hand and many parts of northern England, Wales and Northern Ireland. Strategies of successive Governments have failed to close that chasm. It is not just the fault of Westminster Governments: the failure of the Welsh Government to use EU structural funds in a strategic manner is also open to criticism.

Secondly, if there is to be a new strategic approach rather than a mishmash of palliatives, that strategy has to be co-ordinated between the various tiers of government.

Thirdly, areas offered financial help for a worthwhile project will, obviously, jump at the chance. However, having positive responses from local areas does not guarantee provision of a coherent, overall strategy. That needs a co-ordinated approach at all levels of government.

The Bill does not appear to provide new resources. If much-needed new money is available, it surely must be prioritised in co-operation with the devolved Governments.

Amendments are needed for safeguards to be written into the Bill to clarify whether the powers arising from it have implications for the devolved nations. The portfolios devolved to Wales include responsibility for housing, roads and planning—all central to this Bill. In Parts 1, 2, most of Part 3, and Parts 4 to 8—as well as in other parts—the Bill includes many provisions for the UK government Minister to take initiatives which may apply to England and Wales. Furthermore, Clause 218 appears to give the Secretary of State powers to amend an Act of Senedd Cymru or of the Scottish Parliament. Clause 83 places a duty on the Secretary of State to "consult" devolved Administrations, but there is no need to secure the agreement of the Welsh Government. Let us be clear. The functions central to the Bill are either devolved to Wales or they are not. If they are devolved, the English Minister has no right to interfere with them. There are, of course, responsibilities in Wales which still rest with Westminster, such as the police and broadcasting. Their devolution to Wales would certainly be very welcome.

[LORD WIGLEY]

If new money is eventually available, everyone will want to benefit from any funding they can obtain to deliver their programme. No one should be blamed for trying to get a share for their own square mile. However, the truth is surely that the economic regeneration of our communities will never be built on the sandy foundation of handouts and giveaways. It must come back to the old Chinese proverb that if you give a man a fish, you feed him for a day; if you teach him to fish, you feed him for a lifetime.

Surely northern English cities, like our communities in Wales, need assistance to enable them to help themselves. They need the capacity, skills, training and vision to want a better future and to drive the work that will secure it. Levelling up will happen as a consequence of such investment. It comes at the end of the process which gives local communities the vision and confidence to believe in themselves and to desire to build a better future. The UK Government can help them in this process but not, I fear, adequately through the Bill. They need an enabling Act, harnessing the powers, skills and vision of local communities and giving their locality, as of right, the authority to act for itself. They need provisions that enable them to help themselves, not to depend on handouts. The Bill fails to deliver such a coherent approach.

6.29 pm

Baroness Young of Old Scone (Lab): My Lords, I draw attention to my environmental interests in the register.

When I was a kid, every Christmas I knew by the shape of the parcel under the tree that my present was going to be a book, but I could not stop hoping that it just might be a pony. This is how I feel about the Bill. I desperately want it to be a pony. Let us see what we can do perhaps to make it so.

This is a big Bill at 408 pages, yet most of its elements make no mention of climate change or biodiversity declines, two of the major threats to future prosperity. People in areas of greatest economic disadvantage experience further disadvantage from poor-quality environments. For example, they have lousy air quality and lack access to green spaces and the benefits they provide to physical and mental health, yet there is no mention in the Government's levelling-up missions of climate change and biodiversity and ecosystem decline. We must look on these not as missions but as omissions.

On the built environment, we have heard concerns from many noble Lords about proposed changes to the Section 106 arrangements and the impact on social rented housing, which is so important to levelling up. The lack of attention to climate change in the Bill makes this worse. Poorer communities in substandard, damp houses with poor insulation pay through the nose for fuel and the privilege of being colder and sicker, choosing between heating and eating, yet there is hardly any mention at all of climate change in this Bill. I do not know why I am surprised by that, since the Prime Minister signally omitted any prioritisation of the climate change and environmental challenges in his recent vision.

Levelling up must be environmental as well as economic. Apart from anything else, green jobs are going to be growth jobs. In Part 6, one of the few places where the environment gets a look-in, the Bill sweeps away strategic environmental assessment and impact assessment mechanisms for environmental appraisal, which the UK played a huge role in developing. We do not know what the Bill puts in their place, as it merely gives Ministers powers to design environmental outcomes reporting. This is one of the first examples of the Jacob Rees-Mogg assault on retained EU legislation —of which much, much more when that Bill comes to your Lordships' House.

The Bill's provisions for environmental outcome reporting leave it to Ministers to make sweeping changes to environmental impact assessment without any parliamentary scrutiny. Will the Minister remedy that and ensure widespread consultation on these initial and any future changes? Will she assure us that existing EU case law on strategic environmental assessment and EIA will have some status in the future arrangements? We have learned much over the past 30 years that is too valuable to lose.

The Government say that the Bill is about devolving power, but national development management policies seem to go in the opposite direction; they appear to be top-down and centralising, overriding local and neighbourhood plans, ignoring local differences and lacking consultation. Can the Minister assure us that the Government will amend the legislation to ensure that those policies will be subject to consultation, along the same lines as consultation on the National Planning Policy Framework and the national significant infrastructure proposals?

This Bill is such a lucky dip—or, as my noble friend said from the Front Bench, a jamboree bag—that I doubt whether noble Lords will be able to resist lobbing stuff into the mix, particularly as we have been firmly told that we are not going to get a planning Bill. This may be the only opportunity under this Government to raise further environmental issues, so I personally feel the urge to lob coming on.

Let me outline some of the things we ought to see in the Bill that are currently not in it. Noble Lords have already talked about implementation of the Glover report recommendations for enhanced environmental and climate change powers for national park authorities. Secondly, there should also be a statutory status within planning law for local nature recovery strategies, joining up across Defra and DLUHC policy. There is a novel thought: joining up across government. Thirdly, there should be strengthening of protection for ancient woodland—I wonder whether I have said that before. It was promised in the sidelines on the Environment Bill but has been slow in materialising from DLUHC, so pressing for statutory arrangements would be worth while. I hope also to table some amendments on improved arrangements for tree protection orders.

Fourthly, a new environment and climate change purpose for the green belt is long overdue. The green belt needs to work harder for its living—for people, for local communities and for levelling up. Fifthly, we need a statutory status for land use framework proposals, outlined in the recent Select Committee report on land use to your Lordships' House. Lastly, we need a simple

and elegant amendment that would allow disadvantaged communities across the land all the health, environment and social benefits to be gained from having access to local land and a right to grow their own food. So watch this space when we get into the jamboree bag.

I finish by simply stressing that we really have to help this Bill to ensure that levelling up is about environmental, just as much as social and economic, levelling up. I congratulate the two maiden speakers and my noble friend Lady Taylor of Stevenage, who gave a great speech at the beginning—but the speech I really want to hear is that of the noble Lord, Lord Heseltine, who invented levelling up. I look forward to it very much.

6.35 pm

Lord Scriven (LD): My Lords, I remind the House of my position as a vice-president of the Local Government Association. Like many, I was looking forward to this Bill. You could say that I was even excited at the prospect of a set of provisions that would unleash the economic, social and environmental opportunities of all the towns and cities across the land—maybe I need to get out more—but, having read the Bill, my excitement turned into a feeling of utter disbelief and confusion.

Is this Bill's focus devolution and economic growth? Is it planning guidance, housing, or the control of local government structures and finance? I have no idea what its driving purpose is; it seems to be a pick-and-mix of whatever was in the Secretary of State's in-tray, which he has decided to cram into one Bill. At the same time, he has given himself so many powers that all he will be doing is sitting in a Whitehall office making provisions for rules on street votes in Saltburn, making new design orders for development in Southampton, or deciding the financial constraints of the council in Sheffield. Indeed, this Bill could be diagnosed as having a split personality.

Part 1 of the Bill sets the whole tone of the Government's thinking. Devolution is derived from the Secretary of State's pen—deciding what is important, what is to be measured and when, and marking his own progress. That is why this Bill is flawed before it starts. It is still the Whitehall-centric view of the country from SW1: deciding if all is going well from that vantage point. It is indeed a "Henry VIII powers on steroids" Bill.

The elephant in the room is that there is no reform of the Victorian monolithic structure of Whitehall itself. You cannot have an empowered set of regions until you start looking at the reforms of Whitehall needed to facilitate that. If the Government really are radical about what matters to local areas, let them decide what is important in closing the economic, social and environmental gaps. Let them have a say and put them at the centre of whether progress is being made in closing the economic, social and environmental gaps. Why cannot that be turned around? Why cannot local areas be the judges of what is important and how progress is being made, along with government?

It is also what is not in this Bill that shows why it is doomed to fail on levelling up. When we look at other countries, we see that they cannot control sustainable economic growth in any region without having full fiscal devolution. Here in England, only two property-based taxes are the levers that local politicians can pull to raise income to invest in their area. In France, local areas have nine taxes; in Germany, the figure is more than 12; and in New York City it is 22. The OECD has shown that, to be effective, local areas need to have a split of taxes based on 60% property and 40% non-property. Other than the iron glove of the Treasury, what stops local areas in this country having fiscal powers to make the right investment decisions and create the right incentives for their areas? We have to stop the Oliver Twist approach of holding out the begging bowl and asking the Secretary of State, "Please sir, can I have some more?" in a bidding war for time-limited funds that is flawed and will continue under this Bill. This is an area that these Benches will return to in Committee.

This Bill has many great intentions but unfortunately, the powers in it are not really being devolved to local areas. Devolution means that local areas, local politicians, local businesses and local communities can make real decisions about investment, fiscal issues and significant issues that affect their area. This Bill stems most of that power still from the Secretary of State's pen in Whitehall.

6.40 pm

Lord Stevens of Birmingham (CB): My Lords, as we may be about to hear from the noble Lord, Lord Heseltine, the inequalities which divide our country are deep-seated and long-standing, so the Government are right to act, but there seems to have been a voltage drop between the 240-volt diagnostic clarity of last year's levelling up White Paper and the flickering 12-volt legislative battery before us today. There is wide agreement in the House this afternoon that this is essentially a misnamed local government and planning Bill, which is strange given the Bill's preoccupation with naming things. For people who do not like "Acacia Avenue", it goes to great lengths telling them how to rename their street. It has nine pages telling mayors how to rename themselves "governor" but, on some of the most pressing levelling-up concerns, the Bill has zero pages.

What, for example, will the Bill actually do for people in Shard End, the part of east Birmingham where I was born? It is in the bottom 10% of most deprived wards in the country and is, as it happens, the most pro-Brexit area in Birmingham, so people there want change, but despite the Bill's length you would be hard pressed to point to much in it that will practically benefit them. So, as well as amendments on housing, infrastructure and the environment, here are three further suggestions for perhaps more radical reform.

First, we could use the Bill to really drive inclusive and sustainable economic growth. Without it, levelling up collapses into a zero-sum redistributive arm wrestle. Taking my cue from the right reverend Prelate the Bishop of Carlisle, I say that a good place to start would be tackling working-age poor health, which today's *Times* reveals costs the economy a staggering £150 billion a year, equivalent to 7% of GDP. It is time to get more creative and more radical. For example, at a time when the economy has an acute labour shortage, consider national insurance tax incentives for employers

[Lord Stevens of Birmingham]
offering evidence-based physical and mental health workplace support. At a time when the OBR has just hiked its forecast for future incapacity and disability benefits spending by an astonishing £7.5 billion extra a year—which, by the way, far outstrips any earmarked funding for levelling up—it is time to break with the Treasury orthodoxy of AME/DEL accounting. Instead, let us legislate to include a devolution deal option for mayors, combined authorities and local authorities to gain-share with DWP when local initiatives offset future benefits costs.

Secondly, let us use the Bill to help overcome political short-termism, by giving much stronger statutory teeth to the Government's own levelling-up missions. That might force honest debate about what it will take, for example, to deliver the Government's public health mission of five extra years of healthy life expectancy—because the Health Foundation says that, with current policy, that will take a mere 192 years to achieve. Or take social care. Last June in a Written Question I asked the Government how they track the required availability of social care across the country. The answer was, "We don't, and we won't." Now the whole country is living with the consequences: ambulances are backed up and A&Es are at breaking point because 13,000 people are stuck in hospital. Instead of 40-plus new hospitals, we have the equivalent of minus 26. Let us use this legislation to make it harder for Governments of all stripes to duck difficult decisions as they wait for slow-burn problems to become national crises.

Thirdly, levelling up will of course take time to be felt, but there are direct levers the Government could use right now, and the Bill could help. They could, for example, legislate to distribute current public funding more fairly across the country. Some local government and policing allocations have not been updated for at least a decade, which the IFS says means that

"the amounts allocated to different places are essentially arbitrary".

Why wait to do something about that until after the next election?

These are just three ways in which the Bill could potentially be strengthened. Last year's White Paper in my judgment rightly argued for "root and branch reform". Unfortunately, the Bill currently leaves the roots and branches of our difficulties largely untouched. In my judgment, it is more like a gentle rustling of the leaves.

6.45 pm

Lord Heseltine (Non-Afl): My Lords, I hope I may be forgiven a certain sense of nostalgia: I was elected to another place in 1966 and, two years later, the Redcliffe-Maud report analysed the changed circumstances that the country faced. It recommended that 1,300 local authorities should be replaced by 60 unitary and metro authorities. I was a junior Minister in the Government who followed, and we reduced the 1,300 authorities to 300. I think I may claim to be the only person who has fudged and compromised for the last 40 or 50 years in the evolution of an devolution agenda.

The truth of the matter is that turkeys do not vote for Christmas: "What I have, I hold". It is the oldest human nature of them all. Let us be frank: all of us are guilty, in one way or another. Ministers, you climbed the greasy pole, you have been elevated to positions of power and influence; do you want to give away part of your empire? Your civil servants, are they enthusiasts to create rival bodies over which you have no control? Members of Parliament—do they want to see more powerful local mayors, better paid, with more responsibility and greater prestige than them? Councillors? It is their jobs at stake. Compromise has been the nature of the progress.

I had a similar experience in the creation of urban development corporations. There was not anything very clever about that idea; it was merely taking the new town corporations and bringing them back into the dereliction that had been left by the exodus of young people and investment. Of course, everybody was against it and it ended up in a meeting in Downing Street in which Geoffrey Howe argued for enterprise zones—very much the same sort of limited initiative that today we have in freeports or investment areas, a patchwork quilt. Keith Joseph was apoplectic: "This is intervention, Margaret, on a massive scale", and to her great credit Mrs Thatcher supported my view that we should have development corporations, because I saw the dereliction in east London. The civil servants had a final trick: "That will need hybrid legislation, Secretary of State, but we all know, of course, you will never get it through." I asked: where is the second worst place? "Liverpool." I said, "We will have a development corporation in Liverpool." It was walking the streets of Liverpool after the riots that I really understood the problems of why this country has a badly overcentralised process of government.

Many noble Lords have spoken of international comparisons. They are stark and everybody knows it, but we have lived with the compromises and the fudge that have led us to our present position. The essence of development corporations was very simple: we had to have somebody in charge; we had to have planning powers; we had to have land acquisition powers. The reason I am a sceptic of small initiatives like freeports is that if you are to be an investor—somebody putting real money on the ground—you want to know the surroundings in which your investment is to be built. You are not going to put your brand-new research laboratory or your head office into an area which could be developed by a lot of tin sheds with low-grade employment. You have to have someone with a strategy and the power to implement it. That is why the development corporations have been the success that they have: all over the country, without any doubt, they are now a leading example of how you make devolution work.

The big leap forward was the creation of a mayoralty in London, for which the Labour Government in the late 1990s must take credit. David Cameron's Government, with George Osborne and Greg Clark, developed a concept of devolution and, without the slightest doubt, we now have a situation where most of big urban England has development corporations. The framework is there; there are things that could be improved and powers that could be devolved, and doubtless the exploration of this legislation will show those opportunities.

But what about the rest of England? You cannot half-generate an economy. Sections of the economy are interdependent, so, if you really want to make a

success, you have to fire it up in all directions. Yet what have we got today in this legislation? We have four different processes of county government, much of it two-tier. We are told we are strapped for cash, and we are. So why do we need 300 local authorities when 60 would do? I hope the Minister could perhaps reflect later on why it is that you need four different systems. Why is it that, after I got rid of two tiers in Scotland and Wales, there is no desire at all to bring back two tiers? Why is it that in England, where we have gone to unitary authorities, there is no demand to bring back a two-tier system? So what is the compromise and fudge in this crisis we face today that says we should not actually do what Redcliffe-Maud said should happen, and what is actually now happening—slowly, by attrition and economic pressures—as you move to a process of unitary authorities?

No one underestimates the weight of the in-tray facing the Prime Minister. He has outlined five challenges. Nobody can seriously argue with that. But underlying all those challenges is the challenge to make the British economy work more effectively; and there are clear areas in which the local partnership can play a role in doing that. We have too many failed schools, many of them north of Birmingham. We have a shortage of skills because the skills process does not involve the employers in the areas where the skills are going to be needed to the extent that it should. By distributing capital money to local authorities, as George Osborne pioneered, with a single pot, you can ensure that local authorities add to the scarce public money they are spending. It is called gearing. The more you look at what is happening when you invite local communities to design their strategies, the more you see that, for limited public expenditure, massive expenditure can follow from the third sector—from overseas investors and from and the private sector. There were opportunities built into the processes of competition between local authorities for scarce resources.

My final point, having listened to this fascinating debate today, including significant maiden speeches, is that this is a debate about devolution, but virtually all colleagues have talked about what they think we should do in local areas. This is the problem. We are telling them what our priorities are and, if you are seriously going to have devolution, you are going to have to listen to what they think their priorities are, and they may not be those of the national Government. That brings you to the central issue: what are we talking about? We are not talking about freedom for local communities. No Government are going to abandon their ability to set national standards. No Government are going to allow local, second-tier authorities to frustrate their manifesto commitments. We are talking about a genuine partnership in which locally elected people, with consultation on the constituent strengths of that area, come forward with their strategies and the Government are invited to back, criticise or add to those strategies. That is how you galvanise the enthusiasm, the support and the conviction that the nation is working together towards a common cause.

As one last aside, let me say this: I have worked with Labour authorities and Labour leaders as well as I have with Conservatives in that same position, and the jargon of party politics is irrelevant. There are problems to be solved and solutions to be found, and that can be done by dialogue and good will across the political spectrum. That is the opportunity that I believe the Prime Minister should now adopt—to throw himself behind the devolution agenda. To make it clear that Whitehall is going to reform itself—an important contribution—there needs to be a powerful committee of all the Ministers concerned. There needs to be a restructuring of local civil servants to address the nine phone call phenomenon where a local leader who has to try to find out if his strategy is acceptable nationally has to ring four, five or six government departments because there is no co-ordination of the central department at a local level. This is a subject I feel is long overdue to be addressed, constructively and fundamentally, to the benefit of the whole community.

6.56 pm

Lord Horam (Con): My Lords, I am delighted, as we all are, that my noble friend Lord Heseltine decided to speak in this debate; and he did not disappoint. I can tell him that in Liverpool he does not have quite the stature of Bill Shankly—who could?—but he is none the less warmly regarded in that great city for what he did for it, as well as many other places in our country.

I was a Member of Parliament for a northern constituency for 13 years and a Member of Parliament for a London constituency for 18 years. From both points of view, levelling up is absolutely necessary—in the north because there is too little activity and in London because there is in many ways too much overcrowding and too much centralised activity.

We need to back up this levelling up agenda, which I fully support in this Bill, with pounds, shillings and pence, to speak in old money. I, in many ways, envy Germany, which, after it was united, took in the eastern Länder, the six Länder of the former East Germany, which had gone through the German Democratic Republic after the Second World War, and imposed a solidarity tax, which raised £35 billion a year over 30 years. The tax has just finished, and the result is that you can go to Dresden, Leipzig, Weimar or any of those great towns in the north of Germany and see the incredible results of all that expenditure by those six Länder in a decentralised way. It is a triumph. I do not expect we will have either the money or the will to do that here. I know we are doing a great deal through the towns fund and so forth, but we need to back the plans in this Bill with proper expenditure. Plans without money really have no chance.

The other point I want to make in this brief debate is about housing, to follow up some of the points that the noble Lord, Lord Best, made in his characteristically eloquent speech. We need to be more radical about housing. The fact is that we are not building enough houses that ordinary people can afford to rent or to buy, and we are building too many houses that they simply cannot afford to rent or buy. That is very evident in London. The reason is the price of land. Land takes up approximately 50% of the cost of a new house. In London, it is 70% of the cost of a new house. So, you will not do anything to reduce the price of housing to an ordinary person until you do something about the price of land.

[Lord Horam]

This echoes the point made recently by Shelter, Policy Exchange, the Adam Smith Institute and the Countryside Charity—a positive galère of think tanks—that you will get nowhere with housing until you reduce the price of land. That means altering and adjusting the compulsory purchase powers in the Land Compensation Act 1961 to give local authorities or development councils the power to buy land at less than its market value.

I do not propose that we should give landowners less than a reasonable return on the land they sell, but it should be of the order of a reasonable return—30% or whatever—rather than the 3,000% they get at the moment. The money saved should go into lowering the price of housing or increasing the quality of design. That is a bold policy but not a new one. We did it with the creation of the garden cities between the wars and with the creation of Milton Keynes since the Second World War. Rishi Sunak, the Prime Minister, recently made five points regarding what the Government should do in the next 18 months or so, which were criticised as being rather unambitious. If I were him, I would advocate adding a bold policy on the price of land and housing to those five points—then he really would have a programme to go to the country with.

7.01 pm

Lord Whitty (Lab): My Lords, I am very pleased to follow the noble Lord, Lord Horam, with his strategic policy on land and housing, and the noble Lord, Lord Heseltine, with his history of largely ineffective aims, in the end, to rearrange devolution within England. My first ministerial job in this House was to defend the plans for regional government brought in by the Labour Government in 1997. I still think that English regions of roughly the size that we proposed would have been a good idea, but when we tried it out in the area that we thought would be most susceptible, the north-east, the people did not want it. They saw it as a vehicle for yet more politicians.

We must ensure that levelling up, which is a great concept, is delivered by a structure of governance in this country that actually works and which the people support. By and large, the devolution that has happened in recent years has been only partially supported by the population. It has brought some benefits in some cases, such as to areas with elected mayors—those that do not have them feel somewhat jealous—but, either way, the stranglehold of Whitehall has remained and the resources allocated to local government from the centre have been deeply constrained, such that even the most effective areas of local government have been unable to deliver for their people.

This levelling-up strategy must be seen in the context of both the financing of local government and other forms of finance. Housing, transport, education and health policy all contributed to the failure of previous levelling-up initiatives. Part of the levelling-up process was stimulated by the end of what was a sort of substitute levelling up: the allocation of resources through the regional fund and the Social Fund of the European Union. The shared prosperity fund which was supposed to replace them has not seriously contributed towards levelling up in its distribution of funds within England, and nor have the rest of our agendas.

I am anxious that levelling up have some cross-reference to our programme for decarbonisation and net zero. But I saw a graph this very morning showing that the vast majority of green jobs in England have been created in London and not in the parts of England that so lack employment in the more traditional industries of these days.

When this Bill was first proposed and the White Paper came out, I was reasonably confident that the Government had at least grasped the concept. The White Paper, which is quite thick, contains many interesting ideas and its technical annexe enclosed a number of metrics and targets. The contents of this Bill, which is equally massive, do not appear to be as ambitious as the White Paper. In some ways, it is contradictory to it. I think the Bill will require a lot of scrutiny from this House.

I was going to comment primarily on housing and the environment, but I need to reflect my disappointment at the nature of the Bill overall and to mention one other thing, which I am stimulated to do by the reference of the noble Lord, Lord Horam, to his representing both London and the north: levelling up needs to happen within areas as well as between them. We should not be defined by our postal codes, but some of the poorest and the poorest quality of life exist within some of our more affluent areas. There are significant numbers of poor and deprived families and communities in London and Bristol, as there are in the more affluent rural areas of our country. We must ensure that, whatever levelling-up policy we adopt, it levels things up for everybody rather than simply transferring a bit of the rates support grants or the proposed shared prosperity fund from one area of the country to another.

7.07 pm

Baroness Parminter (LD): My Lords, I add my voice to those of other noble Lords who have outlined their severe disappointment that the Bill shows a Government not willing the means to address the ecological and climate crises that we face. We may not yet have had the environmental principles policy statement, which would have put a duty on Ministers to ensure that Bills do just that, but we already have, as many noble Lords have mentioned, climate and new environmental targets, to which this Bill should have a fundamental link. We know that planning is a means to address both those crises.

I see that the noble Lord, Lord Deben, is in his place. As others have indicated, the Climate Change Committee has made clear the pivotal role of planning in helping us meet our climate targets. As someone who sat on a planning committee for eight years, I know that turtles, newts, birds and bees live, breed and travel somewhere. The planning process is a fundamental tool for us to meet the targets that we are rightly setting ourselves in this country to address the weaknesses of our biodiversity in the UK.

I will come on to the major missed opportunity in meeting some of those targets in future, but I first add my voice to those of my noble friend Lady Sheehan and the noble Baroness, Lady Young, who highlighted that we may be regressing on environmental standards. I am sure that the Minister signed off on the Bill that there should be no environmental regression in good

faith—she could do so because so much is being pushed down the line into secondary legislation, particularly the environmental outcomes reports, which could fatally undermine protections for our most precious habitats that we have protected through environmental impact assessments in the past. It is not just this House saying that; the Office for Environmental Protection, the new governmental watchdog, has outlined its concerns to the Government that the scope of these environmental outcomes reports is not clear.

I add my voice to others and add an extra point for the Minister, which I hope she will address in summing up. It is very hard for this House to move forward with taking a position on the environmental outcomes report if, by the time we come to Committee, we have not had the scope of that report set out. Of course you can do the detail in secondary legislation but we need the scope by Committee so that, if there are reassurances the Government can give us, those can be addressed. Additionally, we need to see the links to the environmental and climate targets, and equally the links to other important pieces of planning legislation such as the local nature recovery strategies, which is what I want to come on to.

There is a big opportunity here of which I am sure that not all noble Lords will be aware; again, this was addressed by the noble Baroness, Lady Willis of Summertown. The Government, in a very welcome step, created in the Environment Act new local nature recovery strategies; the aim is to have about 50 around England, linking up all the local priorities in biodiversity —a statement of local priorities accompanied by a map. It would help the noble Lord, Lord Randall, who early in the debate talked about the Colne Valley park, which covers more than one constituency. These local nature recovery strategies are clearly anticipated by the Government to be at the county level; they are about bringing together local priorities so that we can build up those fonts of nature, and join them to create a national network of nature recovery, as well as reflect local priorities.

I will go on to the point made by the noble Lord, Lord Heseltine, about devolution. As they stand at the moment, these local nature recovery strategies have absolutely no weight in the planning process. Local people will put in their plans and invest all their time, and their views will then be ignored, because there is no grip on the planning process. I will argue that Clause 85 should be amended so that local nature recovery strategies are part of the local development plan, to protect our environment and to give local people a say over the environment they want protected in their areas, and which we will not meet our targets for unless we use the Bill to deliver.

7.11 pm

Lord Crisp (CB): My Lords, I want to raise three particular issues. First, how will the Bill enable levelling up? The second makes the links between health, climate change, and planning which are largely absent in the Bill, as other noble Lords have said. The third is to comment on the quality of housing, not just the type and quantity.

On the first one, it was very helpful to have a chance to meet the Minister and discuss some of these issues earlier, and for her to explain that the missions are not in the Bill but the Bill is about enabling the missions within it. I suspect that the noble Lord, Lord Heseltine, has told us what we need to do to enable levelling up, and within that there is a bit which is the responsibility of national government. One of the things within national government that the Bill does not do, although it may have various things about the missions, is anything about joining up the missions between each other, and how important that is. If we do not do that, we will have disjointed and sometimes conflicting approaches and plans.

The objective of levelling up as set out in the White Paper is a fundamentally important idea which requires a range of linked and funded actions across environmental, social and economic realms; the Bill does not do anything for that at the national level. If I take the very specific issue of the crisis in the NHS at the moment, it is very clear that reform of the NHS—whatever that means to different people—will not be effective without related changes in housing, education, employment, and much more, as the right reverend Prelate the Bishop of Carlisle talked about in his very moving contribution about the social determinants of health. These things are all fundamentally linked.

The second point is about what is happening at a local level. Here I take my cue from my noble friend Lord Mawson, who is unable to speak in this debate, not being able to be here for the entire time. I know that he would ask: where is the innovation in this Bill? Where are the vehicles for innovation where business, community and others are able to come together with local authorities to drive new ideas and change in a way that really works across the entire community? I suspect that to a large degree the noble Lord, Lord Heseltine, may have answered these questions.

I will move on to the second area. The White Paper itself clearly identified health, well-being, and human thriving as issues which require special attention. The White Paper noted both the importance of tackling health inequality and that levelling up was as much a moral as an economic imperative. As a result, it is remarkable that the Bill itself contains not a single practical measure which would support communities either in the short-term battle with the cost of living crisis, or to secure their long-term health and well-being.

Just one example of this is the lack of any provisions which might strengthen public health considerations in the planning process. I know that this is despite strong attempts to insert such measures in the other place, and there is a great parallel here with other noble Lords' arguments about the importance of having climate change fundamentally as part of the planning process. I argue that health and well-being need to be central to this legislation, and that the legislation itself needs to contain practical and deliverable measures that will have an immediate impact on the welfare of our communities.

I turn to the third idea, which is about health and housing. Again, a number of noble Lords have talked about the important links between health and housing, and it has been very evident over centuries that housing is of fundamental importance to health, not least in the negative impacts—we know about the impact of damp and mould growing in homes, we know about accidents in homes, we know about air pollution and

[Lord Crisp]

problems of all sorts within homes which damage people's health. But we also know that homes are a foundation of people's lives, places which allow people to have a stable environment from which they can build success in the rest of their lives. The quality of homes is vital, and the Bill does not contain the necessary standards to ensure that new homes and communities adequately support people's health and well-being.

As the Minister knows, and as my noble friend Lady Prashar has already mentioned, I have introduced a Healthy Homes Bill which is awaiting its Third Reading in your Lordships' House. This requires all new homes to promote health, safety, and well-being, and sets out 11 areas of healthy homes principles. I am delighted to say that there was widespread support at Second Reading from all parts of the House for that Bill, and I plan to put forward related amendments to it in Committee.

In summary, this is a missed opportunity, as others have said, in pursuit of the worthwhile aim of this piece of legislation. But it is also clear from the debate so far that noble Lords have many excellent proposals for improving the Bill, and I look forward, if that is the right word, to the many debates.

7.17 pm

Baroness Lister of Burtersett (Lab): My Lords, I will focus on levelling up, even though it forms but a fraction of this leviathan of a Bill. If the Bill and the wider levelling-up agenda are to meet their objectives of

"giving everyone the opportunity to flourish … living longer and more fulfilling lives … benefitting from sustained rises in living standards and well-being … and … realising the potential of … every person across the UK",

to quote the White Paper, they have to be about people as well as places, as my noble friend Lady Anderson said in her inspiring maiden speech. The White Paper acknowledges the point made by my noble friend Lord Whitty that

"disparities are often larger within towns, counties or regions than between them",

and the former Lords Minister stated:

"It is very clear that the levelling-up mission involves levelling up both within and between communities".—[*Official Report,* 19/5/22; col. 558.]

However, they—I do not count my noble friend here—failed to draw the obvious conclusion that a geographical lens is not in itself sufficient. Then when a Conservative Back-Bencher in the Commons argued that

"levelling up applies to need not geography",

the Secretary of State did respond, "Yes, absolutely", and that:

"It is critically important that we … address poverty wherever we find it".—[*Official Report,* Commons, 2/2/22; col. 339.]

The fact is that many people in poverty are not to be found in the poorest areas.

Despite Mr Gove's admission, nowhere does the levelling-up agenda directly address poverty. Last year, the then Prime Minister, who championed levelling up, was asked in the Liaison Committee on 30 March:

"Do you believe it is possible to level up the country without reducing the number of children living in poverty?"

"No," he replied. He was then asked how many times child poverty was mentioned in the levelling up White Paper. When he was told it was "none", he responded that it is a "purely formal accident".

If it was an accident, how come that accident is now being repeated? Specifically, could the Minister please explain why a mission to reduce the level of child poverty has not been added to the list of missions in the White Paper? A Written Answer to a Question from the right reverend Prelate the Bishop of Durham on whether a reduction in child poverty in every local authority across the UK is

"an intended outcome of the levelling up agenda"

stated that reducing child poverty

"is a central part of this vision"

and referred to the White Paper's missions. But if it is a central part of the vision, why is it not explicit in the missions?

I hope to argue in Committee that there should be such a mission with regard not just to the number and proportion of children in poverty but to the depth of that poverty, because more and more children are being pushed further and further below the poverty line, in part because of the Government's own social security policies. Action for Children has argued that tackling child poverty is key to levelling up and that this calls for a new child poverty strategy and review of how the social security system could be best used to lift children out of poverty and give them the opportunity to thrive.

Action for Children also makes the more general point that levelling up can only succeed if this includes levelling up for children. Only one of the missions relates specifically to children, and it does so in a way that frames children purely as future "becomings" through their educational outcomes, while ignoring them as beings whose childhood in the here and now matters—a bias criticised by the British Academy programme on reframing childhood that I chaired. Even from the narrow and, I accept, important perspective of educational results, there is no recognition of how those results can be affected by child poverty and hunger, and of the role that expanding free school lunches and breakfasts could play in supporting this mission.

In arguing for levelling up to focus on people as well as places, I am not suggesting that place does not matter. Indeed, it probably matters most to those who are least mobile geographically and has a significant impact on their well-being. I thus welcomed the Government's eventual agreement to include community wealth funds in the recent consultation on the use of dormant assets, not least because proposals for such funds place great emphasis on the participation of local communities, including the most marginalised, in deciding their use. Is the Minister in a position to update us on the outcome of that consultation?

In conclusion, in the Commons Second Reading debate, the then Minister for Housing heralded the Bill as

"a major milestone in our journey towards building a stronger, fairer and more united country."—[*Official Report*, Commons, 8/6/22, col. 914.]

But it cannot represent such a milestone without explicitly committing the Government to pursuing a child poverty strategy.

7.22 pm

Baroness Scott of Needham Market (LD): My Lords, I wish to focus my remarks on what I regard as the crucial role played by parish and town councils throughout England—one which, I suggest, is essential if the aspirations of the White Paper and this Bill are to be met. I declare my interest as president of the National Association of Local Councils, which supports England's 10,000 local councils, covering everything from my own tiny parish and its precept of a few thousand pounds to some of our largest towns with budgets of many millions.

Local councils represent an existing, sustainable and accountable model of community leadership and service delivery. Crucially, they help to create that spirit of place which is so essential in building well-being and a strong civic society. They provide parks and open spaces, facilitate street markets, support high streets and organise community events. Part of their strength is that they are close to the people, but they are also part of the important fabric of the local area, alongside community groups, faith groups and voluntary organisations. Working alongside those partners, they are increasingly innovating in areas such as local climate change action, tackling loneliness and dealing with the cost-of-living crisis.

It is in the area of housing—neighbourhood plans led by local councils, with the full involvement of residents—that local councils have proved themselves more than capable of adding to the stock, rather than diminishing it. I pay tribute to my noble friend Lord Stunell for introducing this. There were people who said, "Well, they'll all just say no to everything", but they do not. When local people have buy-in, we end up with more housing rather than less. In the last decade, 3,000 neighbourhood plans have been made; 1,300 referenda came about as part of that, and 88% of people voted yes. However, neighbourhood plans are not available in unparished areas, and it is fair to say that the attitude of the principal authorities is not always supportive. This Bill could contain measures to help deal with some of that, but it also contains some measures—we will return to this in Committee—which could adversely impact on the way neighbourhood plans are currently running.

True devolution is not just about passing a bit of power down one level. The framework set out in the Bill says nothing about onward devolution; therefore, there is very little in it about devolution to local and community councils. The White Paper contained a commitment to carry out a review of neighbourhood governance. It is a shame that we have not yet had that, because the measures needed could have been part of this Bill. Can the Minister say when this review might take place? I ask her, please, not to say, "in due course", because I have been told that about four times in Written Questions. The UK Social Fabric Index shows that areas with full coverage of local councils score higher in measures of community strength than those without.

There are significant and sometimes ridiculous limitations on the financial powers of local councils, which are excluded from a whole raft of government funding streams. The result is either that a local area does not bid at all, or that it has to set up a whole new organisation and paraphernalia in order to bid and then run it. Reform is needed on this and in other areas, including extending the power of general competence, rights over community assets, clarity on funding for church halls, and parity with the rest of local government in order to be able to pay a carer's allowance.

The sector made good use of remote meetings, which were forced on all of us during the pandemic. There is lots of evidence to show how engagement—both people joining the council and people joining in with council meetings—increased during that time, so we would like to see that brought back.

The Bill provides a really good opportunity for local councils to build on what is already an impressive record and to play their part in rebuilding and regenerating the social, as well as the economic, fabric of their areas. They do so with very little support and training. They do the best they can with what they have, but it would be good to see local councils have parity with principal councils when it comes to government funding. I know that the Minister has a good track record of working with the town and parish council sector, so I hope she will use the passage of the Bill to make some improvements and enable it to motor.

7.27 pm

Baroness Watkins of Tavistock (CB): My Lords, I, too, welcome the two noble Lords who made their maiden speeches today, and I draw attention to the issue of intergenerational fairness and housing that the latter speech covered. I declare my interests as outlined in the register. I broadly welcome the mission of the Bill, but like other noble Lords, I believe that constructive amendments are needed to improve the likelihood of it achieving its expected outcomes. In particular, the Bill could be strengthened through simplifying the devolution of power, including finance, to the local place-based organisations outlined.

I live in Devon, and in the 10 miles due south from my village, there is a reduction in life expectancy of one year for every mile—that is, 10 years. This disparity indicates that levelling up is not about the north of England and the south, but between neighbourhoods in cities and rural areas, where villages' housing stock has become so expensive that local people cannot afford to remain. In turn, this puts huge demands on providing domiciliary support and care for the increasingly older populations of those expensive villages, but it also means that people are living there part-time, because the houses are used as holiday homes. Shelter has provided an excellent briefing on the Bill and highlights the need to strengthen it so that social rented housing plays a far more prominent role in the planning system.

Other noble Lords have argued many of the points I had intended to raise. At this time in the evening I will not repeat them, but I will say that I fully support the issues raised by the noble Baroness, Lady Warwick of Undercliffe, and the noble Lord, Lord Best.

Communities need not only healthy, safe, affordable social housing but schools, preschool nurseries, safe public transport—that comes more than twice a day,

[Baroness Watkins of Tavistock]
as in my village—health centres, step-down hospital facilities, hospital beds, effective domiciliary services and intergenerational hubs. All these things need to be considered to avoid loneliness and enable communities to work together, so that there is good infrastructure to develop the future for young people. Careful consideration needs to be given not only to access to nature—which where I live you can access in 20 seconds—but access to a shop, coffee shop or library, where you may be able to speak to somebody else during the day.

The centre needs to think about declaring a proportion of social housing that should be agreed across the whole country. I believe it should be a minimum of a third of all new housing.

I have read the Bill, though not every page. Absent from the majority of it is the importance of universities in the intangible development of patents, innovation and local jobs. We need to think carefully about how we get this right, as they tend not to serve wide areas.

Can the Minister comment on the evidence the Government have that investment in high-quality, affordable homes would reduce costs to the NHS, as outlined earlier by two previous leaders, and improve the educational prospects for children currently living in temporary accommodation and often moving from school to school? What will the Government's responsibility be re housing? Will they simply devolve it, leaving local communities to get on with it and then blaming them, or will they set standards? For example, the current standard of renting a room enables you to get just over £7,000 a year, I believe, but some areas should be able to charge more. That could be really positive for housing, particularly for young people. I agree with what other noble Lords have said: the postcodes of our birth should not affect our life expectancy and chances, however we know that they do.

Finally, we seem to have removed the placeholder clause on vagrancy and begging. Could the Minister comment on whether this will be dealt with elsewhere, as it is an important issue?

7.33 pm

Baroness Bennett of Manor Castle (GP): My Lords, I declare my position as a vice-president of the LGA and the NALC. My noble friend Lady Jones of Moulsecoomb focused on housing and planning-related issues in the Bill. I will look at its overall purpose.

We have had pretty well universal agreement around your Lordships' House that we want levelling up. There are of course many things where we desperately need to see improvements in areas of the country generally regarded as left behind. Levels of public health is perhaps the most notable area. As the Explanatory Notes report, people living in the most deprived communities in England live up to 18 years less of their life in good general health than those in the least deprived. But the fact is that the level of public health is terrible everywhere in the country, reflecting our obesogenic food system, our long working hours, our commuting times and terrible public transport, our poor quality of housing, and our levels of stress and insecurity. There is no model community that we can aim up towards. We have to change it all.

We are talking about improvements and what would be better. I am sure no one would argue with more education or more educational opportunities, but the notes include discussion of ensuring that 90% of primary school pupils achieve the expected levels of reading, writing and maths. That means more teaching to the test—drilling and drilling and drilling to pass tests. That is not education.

Will we hear about a restoration of adult education—opportunities for people to get a second chance if the system failed them the first time, or just because they want to learn something new? That might be the chance to learn a language or make a pot, which might lead to a new career or small business, or just to a richer life. What about an explosion of forest schools for the youngest pupils, so they can benefit from the physical and mental gains to be had from time in nature?

There is a profound irony attached to the term levelling up. Levelling up is generally assumed to mean "becoming like London". That is pretty strange when all the talk is of local place-making, local control, local culture and local environments, yet it appears that the basic aim is to be like London. This is not a good aim.

I will cite one piece of evidence, leaning on the work of Andrew Oswald, professor of economics and behavioural science at the University of Warwick. He points to Office for National Statistics figures on the level of reported happiness, recorded on a zero to 10 scale. In Hackney, the figure is 7.21; in Kensington, it is 7.17; and yet in the north-east as a whole, it is 7.37. In the city of Newcastle, it is 7.4; in the north-west, it is 7.43. Equivalent patterns are found for life satisfaction and cited worthwhileness of life across that regional divide. The difference between Newcastle and Kensington—the extent to which Newcastle is better—is 0.3 points. To put that in context, the average loss when people lose a job is 0.4 points. As the professor says, this is a challenge to conventional views of the levelling-up agenda. The goal as set out in the Bill is for the cities in the north and the Midlands to be as productive as London and the south-east, and we are told that UK GDP could be boosted by around £180 billion, but how much more miserable might those places be if they follow in the direction of Kensington and Chelsea?

It is traditional at Second Reading to refer to planned amendments, so I will now switch to gallop speed and cover some of those points. First, on the right to nature, I associate myself with the remarks from the noble Baroness, Lady Parminter, and the noble Lord, Lord Randall of Uxbridge. My honourable friend Caroline Lucas is championing—as I did during the passage of the Environment Bill—a right to roam in England such as that enjoyed in Scotland. What a potential boost it could be to so many communities to have access to green space.

Secondly, there is the quality of the nature around us, in cities and rural areas. That is good in its own right but it is also crucial for human health. You can walk along the Sheffield and Tinsley Canal and then Regent's Canal in London and compare the difference.

Thirdly, there is the issue of land contamination and Zane's law. I have raised previously the issue of contamination from historic landfill sites. The Local

Government Association Coastal Special Interest Group has just produced a report stressing how much of a problem this is.

Finally, I mention small business space. I spoke last week to Sue Langley, founder of the pioneering Blue Patch sustainable business directory, about the sheer waste of endless empty shops. Absentee landlords—which is where this Bill crosses with the Financial Services and Markets Bill—mean that empty shops sit there. They need to be opened up to small local businesses, co-operatives and local communities so that they can use that space—their space—to recover our town centres.

7.38 pm

Lord Lucas (Con): My Lords, to my mind, the missions are one of the crucial parts of the Bill and I want them to be effective. They are supposed to be targeted and measurable and have a clear direction, but not to be prescriptive. That is a recipe for something that is quite hard to get your hands on. It needs a dedicated set of eyes, informed as to what is going on, and a really good system of communication, so that the likes of us can know when we ought to intervene.

The missions as designed are not department by department but cross-government. There are missions for living standards and pride in place. In my home town of Eastbourne, one crucial thing we want to do is get a sixth form—we do not have a sixth form in a town of 120,000 people—but that comes under the Department for Education, which will not be looking at living standards or pride in place. The people running that need to be able to cross to a different department to get things to happen. Similarly, there is a mission for digital connectivity, but one of the real obstacles to that sits in Defra. In other countries, the water supply system has been used to run optical fibre, but Defra will not allow that. How will the people running that mission swing Defra round to their way of thinking?

In Committee, I want to explore how we make these missions effective and how we in Parliament can play our role in ensuring that the Government are keeping up with them. At one stage, the Government had a structure of levelling-up directors in mind. They do not seem to have appeared. Although apparently six months ago they were interviewed for, so far as I know, none has been appointed. Parliament does not have the capacity to handle something this complex that is continuing. I therefore propose that the Government appoint an outside agency, such as something like the Institute for Government, to assemble a team to do the work, to keep us in Parliament up to speed with what is going on with the missions, and to enable us to perform our critical role properly.

The other thing I suspect others may be involved in—I will certainly support it or propose it if not—is strengthening the Section 62 duty regarding the purposes of national parks. In our bit of the South Downs, we have a big SSSI running up from the town along the coast. It is supposed to be for chalk grassland. It is actually 150 hectares of knee-high brambles, because Natural England has not taken any real interest in the fact that it is in a national park. Therefore, it is important that this fulfil the role of the national park in protecting, creating and celebrating chalk downland. Similarly, the Environment Agency takes no special care of the national park's rivers. For the Forestry Commission, "If three or four hectares of ancient woodland gets cut down, what does it matter?" No, it matters. Those government agencies ought to be paying attention to what is going on in national parks and giving weight to the purposes of having national parks, so I shall certainly be pursuing that.

Many noble Lords have raised lots of different things. I know I will enjoy the conversations on the environment and on building communities. I am very much with my noble friend Lord Horam that landowners should receive much less of the value that we give them by granting them planning permission. It is we who grant planning permission; the value should remain largely with us. I am with the noble Earl, Lord Lytton, and other noble Lords, on wanting to support parishes. I am also with my noble friend Lord Moylan on wanting things to be effective for the people. If I decided to get half a dozen people together to go up on to the downs to do something about a patch of brambles, golly, the permissions that I would have to get—layer upon layer. I hope we see some of the amendments hinted at from my noble friend Lord Heseltine and see something coming out of the Bill to allow partnership and local initiative to flourish.

7.44 pm

Baroness Mallalieu (Lab): My Lords, I remind the House of my interests as set out in the register.

I have just one ask of the Minister when she comes to reply. Can she give an assurance that this legislation will apply equally to urban areas of deprivation and to what is arguably the area where levelling up is most needed and has historically been neglected: England's deprived rural communities?

The noble Lord, Lord Foster of Bath, has said some of it; I will add a little. Average earnings from rural jobs are 7% lower than those in urban areas, excluding London. Rural residents pay on average nearly a fifth more in council tax than urban residents. Urban areas receive over 60% more per head in settlement funding assessment grants. Those in rural areas pay more, receive fewer services and on average earn less. Rural poverty, as many of us know, is easily overlooked because the village looks idyllic, but rural homelessness, which is less visible, means a rusty caravan hidden behind the farm buildings while the second homes and holiday lets stand empty. There are fewer services, limited jobs that are often seasonal, limited transport and training opportunities and limited social and affordable housing to rent or buy, if there is any at all, and there are food banks, just as in urban areas. Because of this, it is not just those who live in rural areas who currently miss out. We all do, because rural areas are 18% less productive than the national average. However, if that gap was closed by levelling up and regeneration, £43 billion would be added to England's earnings alone and we would all benefit.

The overwhelming case for rural regeneration has so far been missed, historically and politically. I suspect that the party opposite has often taken rural votes for granted, while on our side of the House we have focused on our urban heartlands. However, in the past, when money has been given to a region, too often it has been sucked into the urban part of it and

[Baroness Mallalieu]
away from the rural, which is my fear for the Bill. Yet much of what needs to be done does not require huge tranches of government money. It requires the will to encourage innovation and enterprise, and to encourage more private money to go into such developments.

The Government have been given a whole range of templates about how to do this. The Rural Economy Select Committee, which the noble Lord, Lord Foster of Bath, chaired although he modestly did not mention that, the report published last year from the all-party group chaired by the noble Lord, Lord Cameron of Dillington, and Mr Julian Sturdy, *Levelling Up the Rural Economy*, and the work of the Rural Coalition, headed by the right reverend Prelate the Bishop of St Albans, also last year, all did the preparation and the research and gave the blueprint for what needs doing.

Ironically, the timing is right because the opportunity for people to live good and productive lives in the countryside is possible and could be made a reality because of the digital revolution. Again, I say that it needs innovation and enterprise to be encouraged and for rural areas not to be allowed to fall behind. That means that 5G, when it comes, must go into the rural areas and not be left behind. If it is, businesses will decide to go elsewhere because they will not be adequately connected. It needs changes to the planning rules to increase homes both to rent and to buy. It needs workplaces close to where people live, and above all it needs a Government to focus on the needs of those left-behind areas. The danger in the Bill as currently drafted is that these areas are very likely to be yet again overlooked. I ask for an assurance from the Minister that this will not happen if she can help it.

7.48 pm

Baroness Fox of Buckley (Non-Afl): My Lords, rhetorically there is a lot to commend in this whopping piece of levelling-up legislation, but I stress rhetorically. For example, the Bill claims that it will increase living standards and pay in every area of the UK. Well hurrah to that, but a better guarantor of that outcome might be to join a trade union or to get involved in grassroots struggles, as alluded to by the noble Baroness, Lady Anderson of Stoke-on-Trent, in her punchily excellent maiden speech. Certainly, that would be a more than likely bet to improve standards of living than relying on 12 missions, the details and targets of which are left to Ministers to make up or tear up at whim.

A case in point is that, even before we got the Bill to scrutinise, the national housing targets were shredded. So it was apt when the shadow Secretary of State, Lisa Nandy, concluded the following at Third Reading in the other place:

"We started by saying that this was a levelling-up Bill with no levelling up in it—it was just a housing Bill. Then the Government stripped out the housing, and now we are left with just a Bill."—[*Official Report*, Commons, 13/12/22; col. 1082.]

But if only it were just a housing Bill. We have a severe crisis of housing supply and affordability, as others have explained. People cannot afford to buy or to pay extortionate rents, so tackling housing shortages should be at the heart of levelling up. Yet that housebuilding heart has been ripped out of the legislation.

Of course, quantity is not the only metric. The Bill's point that development should be accompanied by infrastructure is important, and Michael Gove's enthusiasm for quality and beauty is admirable—although I am less keen on the ugly title, "office for place", for the body in charge of architectural aesthetics. But in the end, it was spineless of the Government to allow the Bill to be weakened by Back-Bench Tory nimbys. Disingenuously, this has been wrapped up in the faux-democratic language of empowering residents in planning decisions with street votes, et cetera. I fear that this is the Government washing their hands of responsibility for fewer houses being built, and then pointing the finger and blaming the locals. This abdication of responsibility is one reason why I have qualms about one of the key missions: rolling out the devolution process to all areas of England.

Other noble Lords have mentioned problems of overcentralisation. Conversely, when Westminster seems to give power away, we should also worry. This appears to be based on a superficial, even a damage-limitation attempt to satisfy the democratic slogan from 2016, "take back control". It has been mirrored in Keir Starmer's recent promise to disperse power away from Whitehall through his proposed "take back control" Bill. Historically, I have been a fan of power to the people. But does delegating powers to super-devolved regional bodies, localist quangos and more mayors, with their attendant layers of publicly funded bureaucracy —all this devolution paraphernalia—really give more power to northern voters?

One concern is that outsourcing decisions away from parliamentary accountability can fragment the sovereign nation state. The dangers of parallel governance are well illustrated by the present constitutional challenge thrown up by the Scottish Government's gender self-ID Bill, impacting on UK-wide equality laws. As an aside, well done to the Government on that one for responding with courage in invoking Section 35. The key point to note is that locating political power geographically closer to voters does not guarantee a better deal for local citizens.

Take the issue of transport. Michael Gove wants to enhance mayors' powers to increase transport connectivity. Yet, here in London, the mayor is making connectivity harder and more expensive by expanding the ultra-low emission zone, despite 60% of Londoners opposing him. According to TfL's own figures, the majority of non-compliant car owners are from lower socioeconomic groups. How does a ULEZ stealth tax on van drivers, care workers and NHS staff from outer London, who need their cars for work, equate to levelling up?

Meanwhile, low-traffic neighbourhood schemes are local but top-down policies to force residents to walk and cycle more and use their cars less, against their wishes, with local opposition ignored. Then there is Oxford's Labour, Lib Dem and Green council leading the pack with its fashionable anti-driving initiative of dividing cities into local zones and restricting car journeys via permits, penalties and surveillance. This 15-minute city idea emanates from a network of 100 international mayors collaborating on ruses to deliver their climate and environmental pledges—no mind if those hinder economic growth, industrialisation or local mums driving their kids to school.

So, a devolved regional form of what is actually global governance that bypasses local representation is not the solution. Whatever this Bill offers, the promise of regeneration and levelling up via devolution is rather dodgy and invasive. It lets down, even betrays, red wall hopes for more control.

7.54 pm

Lord Teverson (LD): My Lords, I have to admit that I was quite favourable to the White Paper that came out about a year ago. I thought it was absolutely honest: when you read it through, you looked at all the objectives, missions and everything else, and thought, "Yeah, absolutely—these are the sorts of things that need to be done and, frankly, it will take at least two decades to get back to where we needed to be." The 2030 date suggested by that White Paper was maybe rather optimistic.

However, there was an area I was particularly disappointed by, and on which the White Paper was quite up-front. It rightly went through the different types of capital this nation has, and which needs to be spread evenly and developed across the country: physical, intangible, financial, institutional, social and human. But the one it left out, as many Members will have noticed, was natural capital. The irony of this Bill is that that is still effectively forgotten in the practical application. It is even more ironic because the Prime Minister, Mr Sunak, was Chancellor of the Exchequer when the Treasury published the Dasgupta review. That review was one of the most fantastic in describing the importance of natural capital, particularly for this nation, which, as we have already heard, is more nature-depleted than almost any other in the developed world. I want to concentrate on that issue.

Outside this House, one of my roles is chair of the Cornwall & Isles of Scilly Local Nature Partnership. I am very proud to do this as part of the regional nature recovery process, and we were very pleased to be chosen by Defra as one of five pilot studies for local nature recovery strategies. When we went through the Environment Bill at some length in this House, real congratulations were due to the Government for including local nature recovery strategies in that legislation. We put down an amendment saying that, for this to really work, it has to tie up with a planning system; otherwise, it will be meaningless.

I say to the Minister—I know she is not a Defra Minister—that, when putting that plan together for the Cornwall pilot, there was a strong response from the community. In fact, Defra congratulated us on our community engagement. As my noble friend Lady Parminter said, the local nature partnership and Cornwall Council put the map together, and we felt we had a document that was really important for the future of biodiversity and nature recovery.

The pilot was completed almost a year ago now, yet Defra has not put out the guidelines so that the rest of England's communities can roll out their own strategies. It is really important to make those strategies meaningful to those communities, so that they know that something will follow from them. The way to do that, exactly as my noble friend Lady Parminter said, is to make it a statutory document that has to be taken into consideration in planning decisions and local plans. That is my one big ask of the Minister: take advantage of something that has been a government success, and that can really make a big difference, and tie the two together. If we can do that, perhaps the Dasgupta review—which the then Chancellor, now the Prime Minister, has perhaps conveniently forgotten—can deliver and be a success for all our regions in England.

7.59pm

Lord Haselhurst (Con): My Lords, levelling up has become a much-used expression these days. It has somehow morphed into a feeling on people's part that it refers exclusively to up north. There has been sufficient recognition in this debate that that is not so: the case is accepted for there being levelling up in various parts of our country.

In my time in the east of England I have seen things that have not been acceptable in terms of when something might be done to level up in those places. When I was the Member for Saffron Walden in the other place, I had people who lived along a very busy road, then called the A604, between Colchester and Cambridge. When I tried to respond on behalf of constituents in villages along that road who found it very dangerous and wanted a bypass, I was taken aside and told "No, no. What's going to happen is that the A120 will be dualled between Colchester and Stansted, and that is the solution." That was 50 years ago, and it still has not happened. Then, of course, the other great gift for my constituency from government was the decision to use Stansted Airport as London's third airport. It is a pity that 50% of the track on the railway line that ran between London and Cambridge had been taken up on the recommendations of Dr Beeching. So far, it has not been replaced.

Therefore there is indeed strong feeling in many places where we do not feel that we are getting sufficient attention. Geography should not be the sole test of where investment should go. It should go where investment in new industry is needed, where new housing is necessary and where there are improved transport links, not to mention other facilities that need to be guaranteed, such as schools and medical centres. How can that best be achieved? I remember reading the Redcliffe-Maud report to which my noble friend Lord Heseltine referred. I came in as a new Member of Parliament in 1970, and the Government who I supported in general decided against the Redcliffe-Maud recommendations and maintained a two-tier system.

I am afraid that the experience that I have had since representing constituents is that two-tier local government has not proved to be the best approach to overcoming the problems. However, there are signs that the combined authorities that exist in one or two places seem to be doing rather better in satisfying the needs of their population. I support the Government's proposal in that respect and the fact that they are prepared to look at other models which reduce the number of accountable elected bodies—more space, more place, and more probability that a good transport system can be established. I urge the Government that if a transport system that is internal to a city region is needed, they should keep a very close eye on the very light rail project being developed in Coventry with the co-operation of the University of Warwick.

[Lord Haselhurst]

Given the powers that the Government are proposing, there is also a chance of a bipartisan approach within the new bodies created. I hope so. Every effort should made to ensure that. It is also important that there be a marriage between the overall planning body and the various neighbourhood plans which people have worked on over the years. One wants to have a coming together on those matters. I believe that this legislation has to be given a chance with a force of good will behind it and lessons learned from the past. It can then help to convert the mood of resistance to change which has been shown by so many people to one of hope.

8.04 pm

Lord Berkeley (Lab): My Lords, it is interesting to follow the noble Lord, Lord Haselhurst, and his comments on levelling up. I have some doubts about what we mean by levelling up. You can look at it from a geographical point of view, as my noble friend Lady Lister said, but the Built Environment Select Committee, on which I sit on with the noble Lord, Lord Haselhurst, has been trying to get from Ministers a definition of what government investment goes into different regions of the country, and it does not seem to exist. Therefore it is very difficult to come up with what we should do and where if we do not know what the data is to start with.

I suppose my definition of levelling up is basically that we have somehow to deliver the basic needs of jobs, housing, local facilities and the quality of life. The noble Baroness, Lady Watkins, and the noble Lord, Lord Teverson, talked about the south-west, which is where I too live. We have serious problems getting workers, housing them and providing the right education, as the noble Baroness, said, for the high-tech jobs which are currently on offer, as well as for more mundane but equally important things, such as welding and things like that. I was struck by the lack of affordable housing found by the University of the West of England. It says that each year the greater south-west needs 17,000 new affordable housing units and only 4,159 were completed last year. Homes for the South West of England has concerns about the absence of affordable housing. We discussed this in the committee. Where do lower-paid people work? Are they supposed to sleep on a park bench so that more people can have Airbnb? I do not know what the answer is, but it needs sorting out.

Another issue on quality of life is quite important for people who are working hard and have problems with whistleblowers. Can the Minister say whether the Government will support the Private Member's Bill of the noble Baroness, Lady Kramer, on the protection of whistleblowers—I am a member of the all-party group on that—because it covers environmental issues, immigration, food processing and shipping as well as transport and health. It would make people much happier if there were an office of whistleblowers as the Bill suggests.

There is a lot about planning in the Bill. The Walking and Cycling Alliance, of which I am a member, has proposed in the Commons that there needs to be

"a planning system fit for people, nature and the climate"

so these need to be built into planning policies and decision-making to embed walking and cycling and the rights of way networks in local planning authorities' development plans. It appears that the Government do not think this is necessary because it is all going to be in the National Planning Policy Framework, except that it is not. I shall probably propose an amendment in Committee to consider how this could be inserted, because it is vital to quality of life, net-zero transport and everything else that comes with it.

My final comment is that I think the biggest failure of the levelling-up agenda is HS2, which noble Lords have heard me speak about before. It is going to attract more people and the economy to the south-east at a cost of £161 billion. That is a lot of money, and that excludes a new station on the great western line for £7 billion, although I suppose that is a detail, and a three-year delay at Euston. Why is the funding not going to infrastructure in the north to help improve the railways and other infrastructure there and in the Midlands? Very few people used the railways in those areas even before the strikes. If the Government want to splash £161 billion on this white elephant, it is time they explained to those using food banks and in queues for hospital treatment where the money could be better spent, because in a levelling-up agenda it could be very much better spent in the regions, and that would be much easier again if the regions were given autonomy to receive money and funding and to spend it as they saw fit.

8.09 pm

Lord Thomas of Cwmgiedd (CB): My Lords, it is a pleasure to follow the noble Lord, Lord Berkeley, particularly as he has drawn attention to the problems around the definition of levelling up. I regard this Bill as a great opportunity, and that therefore we should make the most of it. I want to deal with three points: first, the point raised by the noble Lord, Lord Ravensdale, of putting in the Bill the metrics and mission statements; secondly, dealing with the problem that I will now have to refer to as national devolution, as opposed to local devolution—I will explain that in a moment—and, thirdly, to say a word about police governance.

I turn to the first of those points: should we put the metrics and the mission statements, or their equivalent, in the Bill? My view is that we should. We are dealing with something long term, and it is very important that it should not be subject to being tweaked for political expediency. We need to be firm in the definitions. Interestingly, if you look at the list conveniently published in the Library's briefing of what the Government set out as the mission statements in February 2022, and then at the shorter version in the Explanatory Notes, you will see that they are not quite the same. This can be seen most clearly in the one that relates to digital connectivity. Maybe it is because one contains a comma and the other does not—I will always remember that a Permanent Secretary chided me for not appreciating the importance of commas—but, in my mind, it goes to underline the importance of there being clear statements that are objective and deal with the long term. The same must be true of metrics—it is exactly the same point.

We ought to look at this. The objection might be that Parliament does not have time, but we have time each year to pass an Army Act—I can assure noble Lords that that concentrates the mind. On something so vital to our future, we should find the time. As has been suggested, we must not leave out such things as child poverty. Why is that not in there? Parliament should debate and agree what these things are, and hold government to it by definable measures.

Secondly, there is the problem of what I will call devolution to Scotland, Northern Ireland and Wales. There is a distinct difference in respect of Scotland, Northern Ireland and Wales, because large areas of what we might call "home policy" covered by this Bill have been devolved. It is very important to appreciate that, in the case of education, health and housing, to take but three examples, the policy is a matter for the devolved Governments and not for the UK Government. How do we reconcile that problem in setting the mission statement? For two reasons, I think this a problem that we should not ignore. First, if the UK Government are entitled to set priorities and objectives, does that not undermine the power and position of the devolved Governments? Secondly, does it not then allow the devolved Governments to turn the argument back on the UK Government, to the disadvantage of us all? On something as important as this, we cannot be unclear on the constitutional responsibilities. It seems to me important to have discussion as to a proper way forward. Another illustration is that Wales has its own well-being Act. Are the objectives of that to be overwritten in this mission statement?

It seems quite clear that the provisions of the Bill will need legislative consent Motions. This often comes up late. I ask the Minister, either tonight or when replying, to say what the Government will do to try to resolve these problems in relation to devolution. They are there, and there is no use pretending they are not. They are there in the starkest form in these areas but arise also in other parts of the Bill.

I think there is a prospect here. I understand that the Welsh Government are keen to engage and I hope we can find a mechanism, which we have failed to find in earlier legislation of this kind, to get these issues resolved. It is no good, and it builds up ill will, if we do not do that. I hope the Minister will be encouraged to go forward with this. I am sure that the Welsh Government would engage as well.

Finally, I want to spend one second on the police. Police governance is of vital importance—that could not be clearer today. The Bill enables mayors to be given authority over the police. I do not question that, but I do question how it is to work in relation to large police force areas, which may contain several authorities. We have to think this through. There is nothing at all in the Bill about it. I very much hope that the Minister will be able to clarify this. I ask anyone who does not understand the problems of devolution of police control to boroughs to please look at what happened to the police reforms of 1960.

8.15 pm

Lord Inglewood (Non-Afl): My Lords, I come from Cumbria, where I chair the local enterprise partnership. It has been described in general terms as a county where there are both pockets of prosperity and various very real pockets of serious deprivation. Taken in the round, it is a place that, on most national metrics, is probably nearer the bottom of the class than the top. It is very difficult for places such as Cumbria to compete, because much of its economic and social infrastructure is weak—for example, road and rail connections, and connectivity, which has just been mentioned—and its training, skills and education are not as good as they should be. This means that, in the context of decisions taken commercially in relation to such things as inward investment, this part of England, and others like it, have a ball and chain around their leg.

That is why I support the concept of levelling up, which the Bill is intended to promote, although, as has been said, its exact definition is perhaps a bit opaque. It is, however, extraordinary that the Government appear to make little or no effort—as touched on by the noble Lord, Lord Teverson—to see what is being done in places such as mine, where we work for free in respect of things such as natural capital and ecosystem services, from which everyone else seems to benefit. We do not get the market value of the work carried out there.

Given the nature of the world we live in, local government clearly has a big part to play and, to do this effectively, scale is required to help to pay for the capacity to do it properly. Capacity is important when we are thinking about the kind of things we are discussing this evening. Equally, local government needs more profile. Local authority leaders are far less well known than, for example, leading players in local football clubs. It is only with profile that they can become the focus of the public debate and scrutiny which are necessary around the important matters we are talking about. Hence I am a supporter of the idea of mayors. Given that the country divides naturally into discrete areas, it must be right that these units should be the basis of the way we go forward. That is why I support the idea of the variable geometry in the Bill. After all, what is right for Manchester is not necessarily right for Cornwall or Cumbria.

However, I am concerned, as a number of other noble Lords have said, that devolved activities do not simply develop into devolved delivery mechanisms. The local administration should have real discretion in financial and policy matters, even at least if to some extent they end up cutting across central government policy. If voters and political leaders are allowed to make their own bed, they should have to lie on it.

Equally, it is important that elected mayors are not captured by national politics and political parties. I remember when I was selected as the Conservative candidate to fight the European election in Cumbria, Willie Whitelaw, the then Deputy Prime Minister, confided to me, "Richard, you must always remember that the way to be a successful Conservative politician in Cumbria is to be discreetly disloyal to the Government". I am glad that the present evidence suggests that, right across the political spectrum, this capture has not yet happened. That is encouraging.

As far as the general condition of the country is concerned, it seems unarguable that we are not in a good place and we have to do better. A combination of bad luck, bad judgment and poor decisions means that we are not as a country where we would like to be.

[Lord Inglewood]
To improve matters, we have to keep them simple, focused on what counts and creates value and not vanity projects and meretricious populism.

Physical infrastructure obviously operates within the planning system. We have to have a planning system because, if it is not based on sound intellectual principles, land use in this country will simply become anarchic. The danger will be that our laudable efforts at simplifying things and improving the way in which matters are administered will lead to the whole system imploding, which will be hugely damaging.

Clearly, housing is at the heart of the debate around this topic, but we must not forget the fact that housing is a wasting asset which always requires more money, which has to be found and then paid for. It is common to all types of tenure across all kinds of ownership. This is at least as important to the well-being of the housing stock as to any other consideration and should be treated as a discrete aspect. Furthermore, the legislative tools within our system of planning controls and housing oversight are by themselves incapable of solving the problems we undoubtedly face.

None of this can be achieved without leadership combined with focus and realism. I look forward to seeing in Committee and at Report how the details emerge. Levelling up must not be allowed to become a cover for bureaucratic inertia and inadequate political posturing, and a smokescreen which disguises administrative shortcomings from the public gaze at national or local level.

8.21 pm

Lord Naseby (Con): My Lords, the Bill is highly aspirational, but I am pleased that I have on the Front Bench someone who has worked in local government and been a representative and therefore knows a fair amount of the subject matter we have before us and the depth of what is in the Bill.

I want to concentrate on housing, not least because I was once a junior housing spokesman. I sat for a new town, Northampton, and was chairman of the housing committee and leader of the London Borough of Islington. Inevitably, I want to start with the macro. I am not quite sure what we call the target for the moment—it is not a target, it is an aspirational figure. As I understand it, it is 300,000, and in the last year we completed 175,000 nationally, according to the figures from the Library.

If we look at affordable housing, which is the crunch area at the moment, in my judgment, the National Housing Federation is looking for 145,000 homes to be built. In the last year, the figure is 31,200 and 1,590 built by the local authorities on top of that. The important part is that 50% of those were financed by the Section 106 agreement, which is going to be replaced by some new form. The noble Lord, Lord Berkeley, who is not in his place at the moment, mentioned the West Country situation. As I holiday regularly in the West Country, I took the trouble to find out that it needed 17,000 and last year built 4,159.

I looked up the figures for London, and even there Mayor Khan was given £4.8 billion in 2016 to start 116,000 houses by March 2023. At the moment, according to my calculation, he is jolly nearly 20,000 short, with about two months to go. So I ask the question: what happens to the money that is not yet spent? Surely, if money is short, that should come back into the main pot and be sent to those who are producing homes.

I wonder slightly about the County Councils Network, but others have mentioned their concerns in that area. I do not think anybody has raised the issue of the construction industry yet. It is very important that the major developers continue. There is a big row going on about Grenfell and who should pay for what. I say to my noble friend on the Front Bench that there must be some banging of heads and a decision made. We as a country need the major developers, and it is no good somebody sticking their head in the sand and saying that they should pay even more; after all, that cladding was approved by a government authority.

Small builders have not yet been mentioned, either. They are disappearing. Back in the period around 1980, they did 40% of construction. Today it is 10%. Yet they are the people who understand the local community. They understand the sensitivities; they probably live there. So we should have a closer look at that, and I hope my noble friend will talk to the Federation of Small Businesses.

I have already mentioned new towns. I believe we need a little bit of creative thinking there. I wonder whether we should not look for a current equivalent of the original work that was done on Welwyn Garden City. For want of a better term, I call them "new garden towns", rising alongside our small towns that need to expand. There may well be bigger options like Milton Keynes or Northampton, or indeed Stevenage.

Wherever they are developed, one thing is certain: we still need policies to encourage owner occupation. That market is a private enterprise market. It is vital because every young couple in this country want their own home. We therefore need continual creative thinking about incentives. For those of you who read the *Metro* today, it may have been interesting to see the insert about a new solution from Fairview. I do not know Fairview, but it has a scheme for buyers to save for a deposit while actually living in their new home. That is good thinking. Shared ownership was a success, with just a 5% deposit. Deposit Unlock was another good scheme, while the Government's First Homes scheme seems to have gone well too. There is a continual need, and we have a role and a responsibility to ensure that young couples, wherever they are in the UK, can own their own home and have the life that they wish to live.

8.26 pm

Baroness Harris of Richmond (LD) [V]: My Lords, perhaps the Minister would have wished that this was my valedictory speech. I thank her in advance for her kind words about me.

I want to speak about rural mayors and specifically about my large rural area of North Yorkshire, the largest single county area in England, with a combined population, including the City of York Council, of around 838,000 people.

When single-authority status was agreed in 2021-22, combined capital plans were around £220 million. We were told that the region would gain £540 million over

30 years—that is, about £18 million per year—35% of which would be spent on capital plans and 65% on revenue. If this is equated to the population of York and North Yorkshire, it comes out at roughly £21.50 per person. I wonder whether this small amount of extra funding for local government is really going to be worth all the hassle.

I have looked carefully at the Bill but cannot find the split of responsibilities between the proposed mayor and our two councils. It is simply not defined. Perhaps the Minister can enlighten me.

I certainly applaud devolution, but this is not devolution as I would characterise it, because the Secretary of State has almost infinite powers to meddle in its construct. From making provisions to making regulations, there is precious little that anyone entwined in this legislation can do off their own bat. That does not sound like a good deal to me.

I am concerned about the split of responsibilities between the mayor and the chief constable—or the deputy or, indeed, anyone else the mayor deems capable of doing the job. It appears, from the Bill, that chief constables could have responsibility for the fire and rescue service. Does the Minister not think that they have enough to do? Admittedly, in my county area, the police and crime commissioner has taken over that responsibility—but will every combined county authority wish to do that?

I will also ask about the functions that the CCA has, and, especially, how they relate to the present status in my area, which has two leaders and two authorities. How will that work with the mayor being in charge? Does the mayor single-handedly run the combined authorities? How will the money from central government be apportioned, and to whom?

I would also like to know the extent of the mayoral reach. For instance, how will she or he work with the proposed four local councillors, two each from North Yorkshire Council and the City of York Council? It will be called a mayoral combined authority, but does this differ from a county combined authority? As I understand it, an MCA will be chaired by the mayor, with the local enterprise partnership having a business voice but no vote—but where does the voice of the community come in all this? There is so little detail in the Bill and I hope that the Minister will help me understand how all this will work for the people of North Yorkshire and the City of York, because I was struck, while reading the debate introducing the Bill in the other place, by just how many Conservative Members —let alone those from the Opposition—were concerned about local communities being given the opportunity to decide what is right for their area. Where will mayors place local communities in their decision-making? Who, ultimately, will make these local decisions? Confusion will reign about who is responsible for what, just as it does now.

Mayors may have their place in large cities and urban areas, but I am far from being persuaded that they are right for huge rural areas. We are not going to be better off than we are now, and we will be adding an unnecessary extra level of local government on top of what we already have. I am not at all sure how the North Yorkshire and City of York communities will take to that.

8.31 pm

Lord Walney (CB): I know that your Lordships will be uplifted to know that that was not in fact the valedictory contribution from the noble Baroness, Lady Harris—as was so cruelly suggested by the Minister at the outset.

I declare my registered interest as the chair of the Purpose Business Coalition, which has developed 14 levelling-up goals which bear a striking—some might say suspicious—resemblance to the 12 missions referenced in the Bill. As noble Lords would expect, I really welcome the fact that they are included in this legislation, but, unlike some of the contributors, my instinct is to think that the balance between accountability, scrutiny and levels of flexibility is probably about right.

Let us look at some of the missions. They are not arbitrary; some are very specific. For example, the skills mission seeks to enable 200,000 more people by 2030 successfully to complete

"skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas."

That is the kind of level of detail that an incoming future Government—and even the Minister today—might want the flexibility to reassess after a year or so, so I hope that noble Lords, particularly those on the Opposition Front Bench, will carefully reflect on the amendments they want to bring in this area.

Of course, the wider and more important point is that no legal commitment will deliver the outcomes in the missions, in and of themselves, no matter how tightly the legislation is drafted. The commitment to eradicate child poverty, put into law by the Child Poverty Act 2010, was insufficient to deliver that goal; and making net zero legally binding will prove insufficient unless the Government of the day make a conscious, concerted and sustained commitment to underpin the legal requirements with a sustained programme of action. As legislators, we naturally tend to believe that passing legislation, in and of itself, will drive change. It may be helpful, and it is often necessary, but it is often insufficient to do that.

What my noble friend Lord Stevens and others said about the levelling up White Paper was absolutely right: it is an excellent analysis of the framework of geographical inequality and, broadly, the levers to fix it. When it was published in February last year, it was obvious that the levers required to deliver the missions of change were not yet there, but it felt like a commitment to focus the wider lever of machinery of government on those commitments could be real and genuine. Nearly 12 months on, I do not think that even the Government's most ardent advocates would candidly say that they are sufficiently focused to corral the different levers at their disposal to reverse the decades-long increase in inequality between regions—not just levelling up between north and south, important though that is, but, as several noble Lords have mentioned today, inequality within regions. An example is the difference between the productivity levels in Manchester, which has done an extraordinary job in bringing its productivity level up to the national average—the only area outside London and the south-east to do so—and the productivity levels in the areas of Cumbria that the noble Lord,

[Lord Walney]

Lord Inglewood, talked about and that I and the noble Baroness, Lady Hayman, had the privilege of representing in the other place. It is a really stark difference.

Increasing empowerment and spreading the powers of devolution more widely outside the city regions are welcome measures, but they will be insufficient in and of themselves unless there is a much greater government focus on understanding that the issue is not just the powers but the lack of capacity that has developed over decades. That will not be reversed simply by handing over powers and letting government get on with it and compete with the big cities. We saw that level of commitment in the White Paper, but it does not seem to be there at present, and I hope that the Government will reflect on that.

8.37 pm

Baroness Wheatcroft (CB): My Lords, this evening, the noble Lord, Lord Heseltine, spoke persuasively of the need for more devolution, but in the Bill, as in so many others, the Government seem intent on grabbing more power for the centre. As I ploughed through it, one character came to mind: the version of Humpty Dumpty created by Lewis Carroll. In "Through the Looking-Glass", Humpty Dumpty observes:

"When I use a word … it means just what I choose it to mean—neither more nor less."

In the Bill, the Government reserve the right to determine what their words mean long after our scrutiny has been completed. In her eloquent introduction to this debate, the Minister was gracious enough to acknowledge the widespread concern in the House about the extensive reliance, again, on delegated legislation. She was optimistic that she would be able to justify each of these delegations —I wish her luck with that.

It being late, we have heard many excellent speeches, and I will limit my observations on this dismissal of Parliament to two examples. First, I echo the sentiments of the noble and learned Lord, Lord Thomas: there should be more in the Bill. I take issue with the noble Lord, Lord Walney, on this: there is perhaps a need for flexibility, but one can give a Government too much flexibility. There is reference in the Bill to the 12 levelling-up missions unveiled in February, a list that few could take issue with. As with "motherhood and apple pie", warm words do not produce results. This is all about delivery.

The Bill makes provision for the Government to report on their achievements in attaining these missions. Clause 2(4) tells us that, should the Government decide that a particular mission is no longer appropriate, that is all their report is required to say. Clause 4 gives Ministers the right to change the metrics and timescale by which progress on any mission is measured. Humpty Dumpty could hardly have done better. Can the Minister give us any assurance that, several years down the line, some missions might not simply be abandoned and others have their targets watered down beyond comprehension?

The Humpty Dumpty approach also runs through the planning legislation which is at the core of the Bill. Let me take the issue of housing, which many noble Lords have cited as crucial to improving the lives and life chances of so many millions in this country. The new infrastructure levy could go towards funding some of the social housing we desperately need. With 1.2 million households on council waiting lists, according to Shelter, this would only make a small dent; more government commitment is required. The proposed infrastructure levy is a potential benefit, yet the Bill says that it could be directed towards "affordable housing". This is social housing within the meaning of the Housing and Regeneration Act 2008, or—wait for it—

"any other description of housing that CIL regulations may specify."

Affordable housing is a dubious term at the best of times. Homes that are sold as "affordable" when interest rates are at historic lows become absolutely unaffordable when they rise. I shall be supporting amendments aimed at restricting the definition of affordable housing to what we need it to mean—social rented housing.

Finally, there is a positive; I like to be positive. I am delighted that the Bill acknowledges the importance of heritage in this country. I declare my interest as chairman of the Association of Leading Visitor Attractions. The heritage sector has had a very difficult time. It took a huge hit because of Covid and now, energy prices are having a disproportionate effect on buildings that cannot put in double glazing or solar panels. Will the Minister consider special help, perhaps restoring the cut in VAT? The attractions that are so important in luring tourists and their money to this country would really benefit from this, as would their localities.

8.43 pm

Baroness McIntosh of Pickering (Con): My Lords, there is much to welcome in the Bill before us; however, I shall be seeking to scrutinise it from various angles. When it comes to levelling up, the divide is not so much north-south as urban-rural. No Government have yet been able completely to grasp how to deliver public services in rural areas. I fear that, as the noble Baroness, Lady Harris of Richmond, stated, a metro mayor is a complete anomaly for the largest, most rural and sparsest populated county of North Yorkshire. I understand that there are simply no extra resources coming our way for infrastructure, including roads, broadband connectivity and transport. Whereas health used to be funded according to the low density of population, this is no longer the case. We were told that we would combine and merge districts with the county, but we now learn that this is just a staging post towards a metro mayor. North Yorkshire is not the place for this to happen. If it is disingenuous to suggest that there will be extra resources when there are none, then we should not be saying so. I believe that the case for combined authorities across the country has yet to be made.

On the missions, and looking at the part of the Bill on the structure of government, there is nothing in it to empower town and parish councils, which go to the heart of rural government; nor indeed is there any provision to allow councils at all levels to hold online and hybrid council meetings. When will we learn the results of the consultation that closed in June 2021?

The paucity of resources available to local authority councils is creating real challenges. Take the example of food safety. As food is no longer being checked

post-Brexit at our borders at the point of entry into the UK, more pressure is on local authorities to ensure that all our food is safe to eat in all outlets, retail and hospitality. Equally, food must be tested to ensure that there is no fraud, such as a repeat of the horsemeat fraud of 2012. However, the level of checks is very patchy, and not every local authority is carrying this out at an adequate level. It is only a matter of time before a potential food scare or scandal erupts. Where will this vital policy feature within the provisions of the Bill, and will adequate resources be made available to local authorities?

As for building planning and flood prevention—something that I am passionate about—building 300,000 new houses a year is putting an enormous strain on the countryside, including building in inappropriate places that are prone to flooding or in protected green-belt areas. The impact on our waste pipes and sewers, which simply often cannot take the extra volume from these new developments, needs to be reflected in bigger investment and an end to the automatic right to connect. I was very excited last week when we heard that the Government were going to implement Schedule 3 of the Flood and Water Management Act 2010. But it is just like the maiden who said, "Lord make me chaste, but not yet!" I understand that, although primary legislation is urgently needed, it is not going to be in place before 2024. We could achieve much of what is needed through building regulations to make homes, and all buildings, more flood and energy resilient. Homes built in rural areas should include a high proportion of one and two-bedroom homes—there should not just be a constant obsession with homes with three, four or five bedrooms.

I turn briefly to the Licensing Act 2003. The Select Committee called for a merger of planning and licensing functions within local authorities when we reported in 2016. We also called for the "agent of change" principle to be adopted in Section 182 guidance, and in our recent follow-up report said further that the Government should review the principle better to protect licensed premises and local residents in our changing high streets. This Bill presents the opportunity to do so and to update the principle and incorporate it into planning law. Therefore, I am concerned that the proposed infrastructure levy, effectively a local tax, could potentially undermine the "agent of change" principle with a presumption of development over residents' interests.

Finally, on the environment, this is an opportunity for the Government to make a real change to the way in which we protect our rivers, through nature-based solutions, through keeping surface water out of sewers, and by reducing water demand by introducing measures to make new and existing homes more water efficient, leaving more water for nature. I hope that that is the Government's intention.

8.48 pm

Baroness Jones of Whitchurch (Lab): My Lords, I begin by declaring an interest as a member of the South Downs National Park Authority, as listed in the register.

A number of references have been made to the size and complexity of the Bill, and a number of us have had recent experience of dealing with a similarly sized Bill—the Environment Bill—which we had, perhaps naively, assumed would be followed through into this Bill. I share the concerns on the environmental omissions that have been raised by many noble Lords already in this debate. For example, in the Environment Act we have an agreed target of halting and beginning to reverse biodiversity loss by 2030. Where are the measures to ensure that planning policy and development contribute to our 2030 nature commitments? The Environment Act also created the concept of local nature recovery strategies, which would require a statement of biodiversity priorities for a local area. Those strategies are meaningless unless local authorities are required to take close account of them when making planning decisions. Why is there no requirement in the Bill for local development plans to take account of local nature recovery strategies, as we might have expected?

The Bill also fails to address the contribution that national parks and areas of outstanding natural beauty can play in restoring nature and delivering our net-zero targets. At the moment, they are underpinned by an outdated legislative framework. These issues were addressed in a package of recommendations in the Glover review of protected landscapes, which had broad cross-party support. At COP 15, in December, the Government agreed to the global biodiversity framework commitment to protect 30% of land and sea for nature by 2030. Currently, we estimate that less than 4% of land is properly protected for nature. This is a fundamental issue about land use and planning, and reform of the protected landscapes, the national parks and AONBs is a critical part of reaching that goal. We need to update their purposes, powers and duties so that they can make a substantial contribution to the 30x30 government target. We were expecting the Glover recommendations to be included in this Bill, so I hope the Minister can give some reassurance that this is still being actively considered.

On the subject of omissions, why do the 12 missions set out in the White Paper, to which the Bill refers, have no mention of climate change, or indeed any environmental improvements? This is classic silo thinking, where one arm of the Government does not relate to policy priorities elsewhere.

I turn to what is in the Bill. We are concerned that the environmental outcomes reports proposed in Part 6 could weaken, rather than strengthen, the planning assessment of impacts on nature and climate. The current rules are geared to direct development away from environmentally important sites and to build in mitigation and compensation measures. However, there is considerable concern from a number of committees, including the Office for Environmental Protection, that far too much of the new regime is left to secondary legislation—effectively giving a blank cheque to Ministers. Can the Minister assure the House that the drafting will be reviewed to provide more detail and assurance? Can she confirm that, at a minimum, further information on the scope of environmental outcomes reports will be provided, as requested by the OEP? Does she accept that, given the lack of information in the Bill, regulations made under Part 6 should be subject to the super-affirmative procedure? This would give an additional 60-day period for parliamentarians to work with Ministers on the content of the new system of environmental assessment.

[Baroness Jones of Whitchurch]

Finally, on the subject of the nutrient pollution standards in Part 7, we welcome the Government's recognition that action needs to be taken, but the proposals as they stand are insufficiently robust. They address only pollution from water treatment works, rather than agricultural runoff which is leaking nitrates and phosphorous into our rivers and seas. They fail to require water companies to use area catchment-based approaches and nature-based solutions, which we know are far more effective and offer greater benefits for biodiversity, and they do not include a clear obligation on water companies to set out and agree with Ofwat their compliance and investment plans to address these issues.

I give notice to the Minister that we will be addressing these issues in more detail in Committee, and I look forward to what she has to say this evening.

8.53 pm

Lord Bach (Lab): My Lords, I remind the House that I am a former police and crime commissioner for Leicester, Leicestershire and Rutland. I am going to talk about something a bit different.

By any standards, this is a major Bill dealing with big issues for the future of our country. It will need substantial scrutiny. However, it is not an infrequent experience that, hidden away among the many clauses and schedules of such a Bill, there are occasional proposals that are, in reality, nothing much more than crude and petty political point-scoring. These are not easy to spot because they are all written up in the same parliamentary language. Alas, this Bill is no exception. I do not think I have seen a more egregious example of this than Clause 59. My short speech will be limited to explaining why I make this claim and why I hope that this clause will, in due course, be dealt with in the usual effective manner when the House comes across an unprincipled piece of what I say is parliamentary opportunism.

When combined authorities were set up, legislation was carefully drafted to see that valid and sensitive democratic interests were protected at the same time as mayors came into their own. If a mayor of a combined authority wished to take over the functions of the police and crime commissioner, they could do that by getting the consent of the combined authority itself and of the constituent councils too. This protected the rights of properly elected councillors. That support, based on consent, was attained in Manchester and West Yorkshire, where the system is working well. So why do we need Clause 59, which totally removes the right of combined authorities and constituent councils even to be consulted, and gives a mayor the sole, unfettered powers to take over that role?

I am afraid the answer is simple and depressing, and I hate to have to say it, but it is obvious. The Conservative Government want the mayor in the West Midlands to become the police and crime commissioner. Unfortunately for them, as recently as 20 months ago, the electorate voted for a Labour police and crime commissioner for the fourth election in a row. Equally unfortunately, a majority of members of the combined authority do not want this to happen. How do the Government get around this problem? Do they do it by seeking to change the law and, at the same time, quietly but efficiently and effectively take power away from the electorate? It is only in the West Midlands that this is a problem, but somehow it is worth a clause. This is not a course of action worthy of any Government. The clause should be removed from the Bill during the course of these proceedings.

8.57 pm

Baroness Grey-Thompson (CB): My Lords, I draw the House's attention to my registered interests. Most notably, I am president of the Local Government Association and a board member of the National Academy for Social Prescribing, and I live in the north-east of England. I have other, wider interests which are noted in the register.

I am going to focus my contribution on health inequalities. There are many unfair barriers that prevent some people having good health or good access to healthcare. This could be due to their income, where they live, their ethnicity, disability or many other factors. Where I live, men's life expectancy is 12 and a half years lower, and women's 13 years lower, in the most deprived areas than in the least deprived areas.

Many noble Lords have talked this evening about vehicles for change. Social prescribing is one of those vehicles that helps to tackle health inequalities by addressing the specific issues that people face. Social prescribing link workers have time to get to know people, understand their unique situation and what matters to them, and can connect them to relevant activities and support. The National Academy for Social Prescribing's recent thriving communities fund provided a blueprint for how social prescribing can tackle health inequalities, having reached more than 10,000 people. It hugely improved the connections between the health system and local charities, ensuring that people had many different routes to support. Social prescribing also means that partners from across the arts, heritage, physical activity and natural environment sectors work together, sometimes for the first time.

We should be really proud that NHS England became the first healthcare system in the world to include link workers as part of its workforce, but we need to do far more to make meaningful dents in inequalities. The current state of the United Kingdom's health and well-being should be of grave concern. It is a real barrier to levelling up. We have to be far more creative than we have ever been. That includes being smarter in how we promote and support physical activity in its widest context as part of the solution.

There is no doubt that the energy crisis is putting significant pressure on the physical activity sector; research highlighted by ukactive from Deloitte and IHRSA, the Global Health & Fitness Association, shows that by supporting the workforce to be active we can generate up to £17 billion a year for the economy. More than 20 million people in the UK have a problem relating to musculoskeletal conditions, such as arthritis, chronic pain or knee replacements, keeping many out of work and on waiting lists. This is just not good enough.

There is one advantage to coming 60th on the speakers' list: most of what I would have said has been said already. It might be useful if I just give the Minister

notice of the areas in which I will support amendments. They will be particularly around residents being able to access key facilities such as schools, healthcare and public transport within a short walk of their homes; and cycling and walking networks, which need to take into account the needs of disabled people to ensure good accessibility. I am tired of seeing bike paths being built with gates that stop wheelchair users, hand bikes or trikes from having access. You need only look at the social media feed of Paralympian Hannah Dines to see some of the issues. These are very easy things to fix with just a little consideration.

I am sorry that the noble Lord, Lord Berkeley, is not in his place. I have a slightly different view on HS2 from him. I think it has a lot of value, but it would be incredible if the Government could think about level boarding for it as a way to level up transport for disabled people in this country.

The noble Lord, Lord Holmes, covered pavements and licensing fees. A-boards are the scourge of many disabled people and I understand that some councils have concerns about the logistical challenges associated with the current enforcement provisions in the Bill. Again, this could make a massive difference for disabled people.

Finally, if we are really serious about regenerating the high street, we must look at planning laws. It is currently easier to open a chicken shop on the high street than a yoga studio, which is not good enough. While councils are broadly supportive of the guiding principles, more detail is needed to ensure that they can be applied in practice. I very much look forward to the next stages of the Bill.

9.02 pm

Lord Lansley (Con): My Lords, it is a great pleasure to follow the noble Baroness. It was also a pleasure to listen to two excellent maiden speeches, not least that of my noble friend Lord Jackson of Peterborough; we were together for a decade in the other place as Members of Parliament for South Cambridgeshire and for Peterborough. I particularly enjoyed his one-nation sentiments. I draw attention to my registered interest as chair of the Cambridgeshire Development Forum. I have four quick points.

First, I do not think there are enough missions about wealth creation. I do not see how we will reduce economic disparities without additional wealth creation in the less advantaged regions. One of the salient differences in London and the east and south-east of England is that they have greater than their relative proportion of people working in the private sector, and a greater proportion of the stock of businesses. One of the missions should be for enhanced new business formation in the less advantaged regions, increasing the level of business and economic activity.

Secondly, on digitisation, I like what is in Chapter 1 of Part 3, but it should also enable us to be more ambitious, with local authorities reducing planning delays and getting on with putting local plans in place—most of them do not have them. However, as was mentioned earlier, they need more resources. They should not just get more money; we should have planning performance agreements between major developers and local authorities which tie additional resources directly to the performance of those tasks by those local authorities.

Thirdly, on the infrastructure levy, I do not understand how you can have one levy that tries to address probably three distinct things: first, the obligations associated directly with a development, which is where Section 106 reform should come in; secondly, the provision of social housing and additional tenures of housing; thirdly, infrastructure delivery, which may be completely unrelated to the development in question and somewhere else entirely. Those seem to be different things to me. I do not yet see how one levy could do that, and we may have to revisit it very carefully.

Finally, the Government are not going to mandate housing targets, I accept that, and there were sometimes anomalies in the way the standard method worked. But local authorities must have an up-to-date local plan, and it must be sound. A sound local plan is one that makes sufficient provision for anticipated housing need, and through which planning authorities work together within a given "travel to work area", which may extend some distance. They should work together and co-operate to ensure that they provide for the anticipated additional housing requirements resulting from additional economic activity and employment in their respective areas. If they do not, the plan is not sound, and if they do not have a sound plan in place, they should not be able to refuse development. They should be required to put a sound plan in place, and they should accept the development necessary for the housing need relevant to their area.

I look forward to elaborating on these and other issues during our debates.

9.06 pm

Lord Russell of Liverpool (CB): My Lords, I welcome the Bill's laudable intentions, but great expectations, in my experience, are rarely fully met. The Minister has heard a wish list and a half this afternoon—and it ain't finished yet.

My wish list is small and very focused; in fact "small" is probably the operative word, because the part of the population I am talking about will, by now, I hope, be in bed. I would like to focus on how we can use this Bill to deliver more and better early-years provision. Indeed, earlier this afternoon—for those of your Lordships who can remember that far back—the Oral Question asked by the noble Baroness, Lady Sherlock, on early-years provision, was not dealt with hugely convincingly by the Minister, the noble Baroness, Lady Barran, but I shall read carefully the excuses she made in *Hansard* tomorrow.

I declare my interest as a governor of Coram, the children's charity. When we used to have our board meetings as trustees, underneath the boardroom was a nursery. So, while we were deliberating on the various ways in which we could try to help children in various states of difficulty, it did exercise the mind slightly to hear a great deal of children in various degrees of difficulty or anger making a noise just underneath.

In the House of Commons at Report Stage, the Member for Walthamstow, Stella Creasy, put forward an amendment that in the end was not moved, but which

[Lord Russell of Liverpool]
is quite specific. It aims, quite explicitly, to add childcare facilities to the list of infrastructure in Schedule 11 to the Bill:

"facilities which must be funded, improved, replaced or maintained by the charging authority, as well as allowing local authorities to use levy funds to provide subsidised or free childcare schemes in their area."

This amendment was supported by 31 Members of Parliament, of whom eight were members of the Minister's party. Although the Minister in the other place tried to make a good fist of saying that this is included because it is under "education", my contention and that of the 31 MPs supporting this amendment is that it is not specific enough.

Freedom of information requests are being made to try to understand exactly what is or is not going on at the moment. Those FOIs indicate that fewer than 10% of local authorities are spending either Section 106 money or community infrastructure levy money on early-years in any form.

We need to be explicit, not implicit. I did some homework for the Minister and tried to find a word in the Wiltshire dialect which would bring home what it is I am talking about. I do not wish there to be any "jiffling", which, as the noble Baroness will know, means "confusion". I look forward to trying to reduce any "jiffling" on the part of the Front Bench in Committee.

9.09 pm

Baroness Henig (Lab): My Lords, first, I add my congratulations to our two excellent maiden speakers in this debate. I look forward to hearing more from them in the future. Coming so late to this wide-ranging debate, is there anything new left to say? "No", I hear your Lordships say. That is probably the answer; however, I thought I would therefore take this opportunity to reiterate some of the broad themes that have run consistently throughout this long and extremely interesting debate, which has covered such a number of topics.

The first issue, which has been raised by a number of noble Lords, is whether the levelling-up measures in the Bill amount to more than an appealing soundbite or a political slogan, but its contents would appear to suggest not. There are five pages of aspiration on what levelling up might look like across 12 policy areas, and then a further 387 pages focusing mainly—as many speakers have pointed out—on planning, local government and housing development. So, the consensus in the debate thus far has been that reality does not match the Government's rhetoric and, furthermore, that serious problems in both rural and urban areas are not being addressed. There is the additional matter that the levelling-up missions will be created and assessed exclusively by the Government, with no independent scrutiny or audit, and, as we have already heard, no joining up of individual missions.

A second theme is why the Government have been willing to preside over widening disparities since 2010, before their conversion to the importance of levelling up in the last two or three years. Why was levelling up not important before that? Many speakers have pointed out that economic, social and environmental disparities have widened alarmingly since 2010—probably not surprisingly, since spending on public services was sharply reduced after that. We have also seen local government funding slashed, forcing councils to close a wide range of cherished local amenities, sports centres, other recreational facilities and libraries. For example, Sure Start centres, which did such valuable work and were central, one would have thought, to any levelling-up mission, have all been closed down. Such pots of regeneration money as have been made available by the Government, to be bid for by local authorities, appear to have been allocated on extremely flexible criteria, as the Prime Minister inadvertently revealed in the summer, and serious depravation does not appear to feature highly. We have also heard about European regional development funding not being fully replaced despite government promises.

Another theme running through the debate is transport inadequacies, particularly in the north and the Midlands. They were well documented by the right reverend Prelate the Bishop of Leeds, and indeed by my noble friend Lord Hunt of Kings Heath, whose sad tale of poor services between Birmingham and Leicester resonated strongly with this Leicester girl. How can we take seriously a levelling-up Bill that has no strategy to improve connectivity between major cities and less urban areas, and between the north-east and north-west of the country?

Noble Lords have reminded us of a great many other serious omissions. Of course we should welcome the fact that, rather late in the day, the Government now want to take action to address the widening disparities of recent years, but what form is this action going to take? There is a good deal of lofty rhetoric, but again, as speakers have pointed out, no additional resources to be allocated by the Government to strengthen overstretched planning services, for example, or to help local government carry out its new responsibilities effectively.

One of the main themes throughout this debate has been the extent to which the Bill can be amended. Can it be amended to achieve more positive and ambitious outcomes? I welcome the fact that colleagues across the House have already made many constructive and wide-ranging suggestions to improve this legislation in respect of environmental issues, devolution measures, more social housing and so forth. In Committee, I will be looking to incorporate the agent of change principle in some of the planning provisions, as the noble Baroness, Lady McIntosh, has already suggested. I very much hope that other Members of the House will join us in that.

Having said all that, and whatever the changes that we may be able to put through, there will still be a great gulf between what the Government are proclaiming and what the Bill will actually deliver. That is why we need to make it clear to the electorate, among whom there is already much and increasing disillusionment, that as it stands, the Bill will bring about little actual levelling up, except of course in one familiar area. That is to say that the Bill will result in yet more powers moving up from local level to the Executive—what a surprise. I am sure we will hear much more about this and the other themes as this Bill progresses through its stages.

9.15 pm

Lord Londesborough (CB): My Lords, your Lordships will be relieved to hear that, as speaker 65, I will sidestep the big issues of housing, planning and devolution —essentially what the Bill is about—and focus instead on the economics and funding of levelling up, on which the Bill has curiously little to say.

While most of us here support the concepts of levelling up and regeneration, the scope and ambition of the 12 missions requires massive long-term funding at a time when our public finances are severely squeezed. A word of warning: the world is littered with half-baked attempts to level up. In many countries these were politically inspired ambitions, announced around election time, which often led to underfunded, poorly executed programmes that were quietly abandoned, with billions of dollars wasted. That said, there are important examples where levelling up has delivered. Three are prominent: Leipzig in Germany, Cleveland in the United States and Nantes in France. Noble Lords will notice that I am citing cities rather than whole regions or countries.

As my noble and right reverend friend Lord Chartres and others have said, Germany is something of a poster country for levelling up, but let us remember its unique trigger—the reunification of east and west—and that it required more than €2 trillion in funding over 30 years. By contrast, the UK levelling-up fund is currently £4.8 billion over four years, together with the £2.6 billion shared prosperity fund, formerly the European Social Fund, and other schemes. Arguably, the total amounts to just about £2 billion per annum. That is barely 5% of the German run rate.

My first point is therefore: let us be realistic. Our levelling-up budget simply will not be able to fund an all-regions regeneration programme. It is 12 volts rather than 240 volts, as my noble friend Lord Stevens pointed out. We will have to adopt a selective clustering approach, and there will be winners and losers.

That brings me to my second point. Levelling up is critically dependent on the private sector. Indeed, the second mission statement says that additional government R&D funding will

"leverage … twice as much private sector investment over the long term".

Could the Minister elaborate on that key assumption? I remind your Lordships that the private sector employs 82% of the UK workforce. Therefore, while you can relocate Civil Service jobs to the regions—and arguably should—sustainable economic regeneration depends on private investment, from SMEs as well as multinational corporations, across the service sectors, tech, food, engineering and manufacturing. In my experience as both entrepreneur and investor, the key question for most businesses is to do with the local workforce and the challenge of recruitment, training and retention of staff—quality and quantity, skilled and unskilled labour—especially in the tight employment market we see now.

Levelling up should focus on the relevant three Ps: people, productivity, and the private sector. That involves education, health, training and skills and, dare I say it, less emphasis on the other three Ps: places, property, and the public sector. Raising productivity in our poorer regions is crucial and a worthy objective. Wales, the East Midlands, Yorkshire, Humberside and the north-east all lag behind London and the south-east in productivity by a disturbing 30% to 40%. It is no coincidence that R&D spend in all those areas runs at less than 50% of London's. PwC estimates that there is a £72 billion upside in bringing low productivity areas up to the national average, but that will not happen on a £2 billion annual budget.

Let us be realistic. Given financial constraints, levelling up will not deliver for

"all people in all parts of Britain".

We will have to be selective in targeting regions and cities that have the potential to close the gap in the eyes of both the public and private sectors.

9.21 pm

Lord Young of Cookham (Con): My Lords, some five hours ago the first Government Back-Bench speaker was my noble friend Lord Bourne, which begins with "B". I am the last Government Back-Bench speaker, and my name begins with "Y". Can I make a plea for some alphabetical levelling up next time?

In the time available I will make two points, one specific and one general. The specific one, which I raised yesterday, relates to the Government's proposal to make local housing targets discretionary and not mandatory. For nine years on and off I had ministerial responsibility for housing and planning, most of them under the benign but watchful eye of my noble friend Lord Heseltine, whose contribution was the outstanding feature of today's high-quality debate. Based on that experience, you will never get the homes the country needs if you rely on the good will of local government. It was not local government that made the commitment to 300,000 houses; it was us—the Government. Local government, with its local electorate, will never deliver that target. Look at all the foot-dragging with local plans. It will opt out of the tough decisions unless there is a target.

However, now the Government are proposing to abandon the one lever that they have to deliver that commitment. Assuring people that new homes will be well designed will not take the trick. The objections will come when land is zoned for development, long before any designs are in the public domain. Therefore, I hope that noble Lords will change the Bill back to what the Government originally proposed before they backed down in the other place. If not, they run real risks at the next election, not just for not hitting the 300,000 target—we understand about Covid—but for not taking seriously an issue rising steadily up the political agenda, not least the need for more affordable housing, as mentioned by so many noble Lords in this debate.

On a happier note, my general point is that I welcome the motivation behind the Bill. A country with stark inequalities between communities will be an unstable one, and there are strong political, economic and social arguments for levelling up and giving equal opportunities to everyone regardless of where they live.

The first sentence of last year's White Paper stated that:

"From day one, the defining mission of this government has been to level up this country".

[Lord Young of Cookham]
However, turning that mission into tangible policies is difficult. I and the noble Lord, Lord Hunt of Kings Heath, discovered this on your Lordships' committee when we heard that levelling up meant different things to different people, if indeed it meant anything at all. I have knocked on more doors than anyone else in this Chamber.

Noble Lords: Oh!

Lord Young of Cookham (Con): All right—I have knocked on nearly as many doors as all the noble Lords in this Chamber. I have never met anyone who said, "George, what I really want is to be levelled up." They want better schools, shorter waiting lists, crucially with priorities differing from place to place. My noble friend Lord Lucas wants a sixth-form college in Eastbourne, while the noble Lord, Lord Hunt, wants better rail services in the West Midlands. I believe the Government can achieve their objective through a different route: by giving local authorities much more autonomy to reflect those varying priorities than what is proposed, and by making this a much more decentralised country.

This Bill was never meant to be called the levelling up Bill. At the beginning of this Parliament we were promised a White Paper on devolution. That commitment was abandoned in May 2021, when we were told that a new levelling up White Paper would be published later, which would supersede it. The White Paper said:

"We'll usher in a revolution in local democracy."

It later made the point that local leaders in other countries have

"much greater revenue-raising powers."

But there is absolutely nothing about that in the Bill. Devolving greater ability to spend central government money with strings attached is not a revolution in local democracy; it is a step change in local administration.

Let me make a radical suggestion to decentralise and to turbocharge levelling up by empowering local democracy. Over the next 10 years, revenue from fuel duty, some £25 billion, will disappear as we buy electric vehicles. The revenue foregone will be met by road pricing, now made possible by in-car technology—a transition that the Government will no longer be able to duck. However, that revenue should not go to central government but should complement the existing revenue from parking and congestion charges and go to the larger units of local government encouraged by the Bill. This would give local government greater autonomy and a sounder basis of local taxation than the increasingly discredited and out of date council tax, which raises the same amount from a mansion in Belgrave Square as a terraced house in Oakham, in Leicestershire. I would expect this proposal to be welcomed by my noble friend the Minister, as I came across a statement released by the County Councils Network calling for

"Full fiscal devolution to counties to create an extra £26bn in GVA",

signed by the leader of Wiltshire Council, my noble friend Lady Scott.

In conclusion, rather than rigidly following the targets in 12 centrally derived missions, I honestly believe that more people will believe that they have been levelled up if we go down this route of local democratic empowerment.

9.27 pm

Baroness Pinnock (LD): Follow that.

My Lords, this has been an excellent debate on levelling up. What is good for the Minister is that everyone agrees that we need to be levelled up. Not such good news for her is that we are not all really sure which bits we will level up. We all agree on transport; on housing, definitely; on health, which is absolutely critical; on skills, yes; and on devolution, definitely. There is a huge range of issues that Members of this House feel very passionately about, and they are all under the umbrella of levelling up. I wish the Minister good luck.

Since one book was already shown this afternoon, I will show another: the White Paper, *Levelling Up the United Kingdom*. There is loads in there that a lot of us will agree with. One of the things it says is that levelling up is

"a mission to challenge, and change … unfairness",

and that there is a need to

"end the geographical inequality which is such a striking feature of the UK."

It has loads of measurements and metrics in it, including that, if the north of England were able to produce at the same level as the south-east, the country would be better off by £180 billion. So what are we waiting for?

We on these Benches were anticipating a levelling up Bill that attempted to fulfil some of the fine words in the White Paper. Unfortunately, none of the words, especially those on the mission, is in the Bill—we just get mention of "the mission", whatever that will be. There is a growing sense of disappointment and of an opportunity lost, which I have heard shared to a greater or lesser degree across the House during this debate.

I ought at this point to say that I have registered interests as a vice-president of the Local Government Association and as a councillor in Kirklees, in West Yorkshire.

About four hours ago, my noble friend Lord Stunell described the Bill as an "empty box of dreams" Bill, because the White Paper was very ambitious but the Bill does not live up to that ambition. Over the course of this debate four big themes have come out: social housing for rent, which has been mentioned many times across this House; the environment; remembering rural areas; and genuine devolution, as described so ably by the noble Lord, Lord Young of Cookham. What we are left with is a Bill basically about planning and local government devolution to the counties, which is a long cry from the expectation that a Government were finally going to erase years of inequality and paucity of opportunity.

Part 1 claims to set out the levelling-up missions, but it is a series of clauses entirely devoid of content, as the noble Baroness, Lady Wheatcroft, pointed out. It would be good to hear from the Minister about the content of the levelling-up missions and what metrics are going to be used for their measurement. I have to say that the civil servants are to be congratulated on being able to produce six pages of legislation which are wholly dependent on the whim of the Government as to what is published. Clause 2(4) is a masterpiece of

a get-out-of-jail clause. It states that if the Government consider that one of the levelling-up missions they agreed is no longer achievable, the report

"may state that His Majesty's Government no longer intends to pursue that mission".

We need a commitment from the Government to fulfil what was said in the White Paper.

Part 2 focuses on local democracy and devolution and, as my noble friends Lord Shipley, Lord Stunell and Lady Thornhill have set out, the headline of this part feels distinctly Orwellian. There is little about local democracy, and devolution is, as they and many other noble Lords have described, the delegation of powers and not genuine devolution. If county councils wish to combine to create new authorities, then all well and good, but the issue for us on these Benches and for many other noble Lords is the leaching away of local democratic accountability in these provisions. I will give just one example: combined county authorities can appoint associate members who are individuals, not representative of any institution or local organisation. It seems to me that being able to appoint associate members is a recipe for challenge around lack of transparency and lack of accountability—or worse.

I agree with many noble Lords, including my noble friend Lady Scott of Needham Market, that parish and town councils are vital elements in providing local involvement and making decisions about improving their areas. So I turn to Part 3, about changes to the planning system, which has inevitably attracted a huge amount of comment and criticism. The best planning system creates a proper balance between developers and existing communities. Fairness and consistency in planning outcomes are important for its credibility.

Unfortunately, the Bill fails to adhere to these principles in some of the changes proposed. For example, Clause 87, which contains the proposal about the national development management policy, gives unspecified and draconian powers to the Secretary of State. Currently, local plans have to

"have regard to the National Planning Policy Framework",

which is currently being rewritten. Can the Minister in her response set out reasons for significantly changing this approach? What is the purpose of the national development management policy?

Developers loudly condemn the existing planning regime for failing to enable house building, but I remind the Minister that over 1 million homes waiting to be built have planning permission. "Social housing" was the cry from nearly every Member of this House. I could mention many noble Lords. The noble Lord, Lord Bourne, spoke of its importance initially, as did the noble Baroness, Lady Warwick, the noble Lord, Lord Birt, and my noble friend Lord Shipley. I hope the Government are listening.

Somebody had a good idea, which I wrote down, about redefining "affordable". I hate that word. Affordable housing, as defined by the Government, costs 80% of average rents. That is not affordable to the vast majority of people. Redefining it as social housing could be a way forward; let us think about that.

There are six pages on street votes to enable planning in the streets; all I say on this is that it will be a postcode lottery.

Part 4 is about the infrastructure levy. I totally agree with the noble Lord, Lord Lansley, on that. How can it fulfil the three different functions that he laid out? I am very concerned that, when a big development of 500 or more homes is built, a lot of facilities and amenities are needed as well as infrastructure. Perhaps the Minister will be able to spell this out rather more clearly than we can see in the Bill.

My noble friends Lady Parminter, Lord Teverson and Lady Sheehan, as well as the noble Baroness, Lady Henig, and others, have spoken eloquently about the need for environmental improvements in the Bill. The environmental outcome reports and other green issues will need to be dealt with in Committee; a levelling up Bill with no reference to climate change seems totally lacking in using that opportunity.

I end on town centres, noting the vague references that have been made to improving their vitality and viability without mention that one of the reasons for the decline of our town centres is online retail. Retail warehouses have a very large tax advantage, especially in business rates. Reform of the business rates could have played a real part in the Bill, making online retailers pay their fair share as compared with town-centre retailers, to redress that imbalance. I hope the Government will look at that; it is certainly one of the things that we will raise in Committee.

To conclude, the levelling up White Paper is sadly to be consigned to the archives. Ambitious levelling up is no more. Those—I am one of them—who live in areas of geographic inequality understand how desperately change is needed. Sadly, the Bill in its current form will not achieve that change but we on these Benches will do our very best to put that right during its passage.

9.40 pm

Baroness Hayman of Ullock (Lab): My Lords, this has been an excellent debate. I congratulate my noble friend Lady Anderson of Stoke-on-Trent and the noble Lord, Lord Jackson of Peterborough, on their excellent maiden speeches. We very much look forward to their future contributions.

At the beginning of the debate, the Minister admitted that the measures in the Bill could seem rather eclectic. I think that our debate has demonstrated that to be the case, but I was pleased that she promised to listen carefully to noble Lords' contributions and concerns. Having worked with her on a number of Bills, I am certain that this will be the case, and I look forward to working with her and other noble Lords to improve the Bill as we go through a rather extensive Committee in the near future.

Listening to the debate, I think there is a general feeling that the Bill is not ambitious enough; that it is a missed opportunity. There is also the general concern that the missions, by not being on the face of the Bill, will not necessarily be properly considered as we go through it step by step, let alone be implemented when it finally becomes law. For example, the noble Lord, Lord Crisp, talked about the importance of having to join all this up. Without joining it up, what does it actually mean and what does it achieve?

[Baroness Hayman of Ullock]

Noble Lords have also raised concerns about investment. Where is the investment to back this up? Where is fiscal devolution being discussed? How can we ensure that any of these missions will actually be delivered? I do not think there is sufficient confidence in this House around any of those areas. I am sure that they will be debated at length in Committee.

In many ways, the noble Lord, Lord Stevens of Birmingham, hit the nail on the head when he said that this is a misnamed Bill. Ultimately, it seems to be a local government and planning Bill, with a bit of levelling up tacked on to the front.

I will explore some of the themes that have come forward from the debate. First, devolution is clearly a very important part of the Bill. We have heard comparisons with Germany and the importance of having not just sufficient finance but sufficient time and commitment if we are genuinely to deliver what is required.

We have heard that the Bill proposals could be described as delegations where devolution is concerned, rather than actual devolution. This is something that we will have to look at, because that section of the Bill is very complicated. If it is to achieve what the Government want, we need to consider how it can be amended to improve it significantly. My noble friend Lord Hunt of Kings Heath mentioned the fact that some of measures in this section are also conditional. We have heard concerns raised about proposals around PCCs and mayors, which I am sure we will explore in further detail.

The noble Baroness, Lady McIntosh of Pickering, also mentioned the fact that town and parish councils are missing in action in the Bill. I should declare an interest, as my husband is chair of our local parish council and I am sure I will be having my ear bent around that. On this issue, we really benefited from the long experience of the noble Lord, Lord Heseltine. I hope that he will continue to take part as we get to Committee, because his knowledge and passion around genuine partnerships if we are to deliver will be a very important contribution.

Housing has been mentioned a lot, especially the importance of tackling the housing crisis and the missed opportunity to do so in the Bill. The need for more social housing has come up time and again, mentioned by, for example, my noble friend Lady Warwick and the noble Lord, Lord Young of Cookham—our last but certainly not least Back-Bench speaker—who talked about the importance of keeping the housing commitments. I hope the Government have listened to him.

The noble Lord, Lord Best, talked about the importance of the decent homes programme, because improving our existing housing stock is just as important as building new decent, high-standard homes. He also talked about the need to address fuel poverty. While we are on poverty, I congratulate my noble friend Lady Lister on asking why child poverty is not included in the missions.

There has been some discussion around transport, the loss of services and particular issues around rural areas and the lack of investment in the north compared to London. As someone who lives in the north in a rural area, I have had a bit of a double whammy. Transport can be incredibly challenging in those areas.

Education and skills have been talked about. Have the Government analysed the skills that we need? There is a huge skills deficit in some parts of the country. How are we going to deliver these ambitions if we do not have people with the skills to do the work that needs to be done? At the other end of the spectrum, my noble friend Lady Henig and the noble Lord, Lord Russell of Liverpool, talked about the importance of early years provision. Right across the board we need to consider how we support families, young people and people who need to retrain.

Health was brought up over and again—the increase in health inequalities that the right reverend Prelate the Bishop of Carlisle, who I call my noble friend, talked about and, as he said, the deep fractures that Covid exposed in our health inequalities. My noble friend Lord Hain talked about the impact of huge cuts on our public services. So it is not just about health; it is right across the board.

I was interested in what the noble Baroness, Lady Grey-Thompson, said about social prescribing in order to tackle health inequalities. We need to pick that up further.

Town centres were mentioned, along with the fact that we need incentives in areas with local shops to encourage people to go back to those areas. There are clearly issues when it is easier to open a chicken shop than a yoga studio. There will need to be changes of use, so how are we going to tackle that? The noble Earl, Lord Lytton, talked about that issue, and I look forward to working with him on it. The noble Lord, Lord Holmes, talked about accessible streets, which was referenced by the noble Baroness, Lady Grey-Thompson.

The noble Lord, Lord Inglewood, gave some good examples regarding the fact that rural communities have issues. We are both Cumbrian, we live in Cumbria, and a county like that has specific needs that should be addressed.

The last issue that I will touch on is the environment. There has been an awful lot of discussion around the environment. It is missing from the Bill so we need to do a lot of work on that. It was particularly interesting when the noble Lord, Lord Ravensdale, talked about embodied carbon in buildings. That is a really important issue that we just do not talk about enough but which can make a huge difference.

My noble friend Lady Jones of Whitchurch and the noble Lord, Lord Randall, talked about national parks and the Glover review. My noble friend Lady Young of Old Scone talked about the fact that disadvantaged people are further disadvantaged when they are in a poor environment. She talked about the importance of the green belt, which also needs addressing.

My noble friend Lord Whitty mentioned that the majority of green jobs have been created in London. That cannot be right if we are genuinely going to level up. The noble Baroness, Lady Parminter, talked about the need for the Bill to help in meeting our environmental targets. That should be fundamental and central to what we are trying to achieve here.

I shall end with a few thoughts. As my noble friend Lady Anderson of Stoke-on-Trent said in her brilliant maiden speech, levelling up should be about people. If we are to achieve it with any degree of success, as noble Lords have said, we must have the long-term funding and the resources to be able to do it. The noble Lord, Lord Walney, talked about a sustained programme of action.

The right reverend Prelate the Bishop of Bristol said that she wants us to live in a country where the warm spaces that are having to be provided and the food banks are no longer needed. Surely that is the ambition of the Bill, and the Government need to listen to our concerns so that we can achieve it.

9.49 pm

Baroness Scott of Bybrook (Con): First of all, I give my sincere apologises to the noble Baroness, Lady Harris of Richmond. I am so pleased that she is not retiring, and I look forward to her further contributions well into the future. I hope that she can hear me.

I am grateful to all noble Lords who have spoken today and am encouraged by the level of interest prompted by the Bill. As we have heard from noble Lords across the House, the Bill offers a genuine opportunity to empower local leadership to tackle issues on which they are the experts. Local power, exercised accountably, is the only way we will extend opportunity throughout our country. Too often, Governments have erroneously thought that centralising power will make them more effective. The lessons of the past 70 years are clear: that approach does not work. We must trust local areas and provide them with the tools to build their own futures.

This has been a substantial and valuable debate with significant contributions from across the House. I will respond to as many points as I can within the time I have, but, with over 65 speakers listed, it will be challenging, to say the least. I hope noble Lords will excuse me if I do not list a number of Peers; I appreciate everything they have said and ask for their forgiveness if I do not mention everyone by name. I also hope that they will forgive me if I do not address every point raised. Where I do not address a point, I will follow up with an extensive letter which I will copy to all Members who have spoken; I will also put a copy in the Library. I also repeat my offer to all noble Lords across the House to meet to discuss any of these matters in greater detail. I will put together briefings on some of the themes that have come out of the debate. I implore noble Lords to get in touch with my private office, and I assure them that I have written every question in my little book and will ensure that we get them answered.

Before I start discussing the Bill, I congratulate my noble friend Lord Jackson of Peterborough and the noble Baroness, Lady Anderson of Stoke-on-Trent, on their maiden speeches today. They both made excellent contributions to our debate, and I look forward to working with them both in future, not only on this Bill but on other Bills in the years ahead—if I am still standing here at the Dispatch Box.

I turn now to the matters raised in the debate. First, we will work with the Delegated Powers and Regulatory Reform Committee and consider any recommendations on narrowing the powers in the Bill, where appropriate. I know that that issue is of keen interest to this House, as we have heard in many contributions, and I am committed to working through any issues raised by the Select Committee.

I turn now to the levelling-up missions. This Government's defining mission is to level up our country to close the gap in productivity, health, incomes and opportunities between much of the south-east and the rest of the country. That is made all the more urgent given the current economic context, with places across the country affected in different ways by these headwinds.

As the levelling up White Paper sets out:

"Levelling up is a moral, social and economic programme for the whole of government"

to spread opportunity and prosperity more equally across the country. The Bill sets out the framework for delivering on that levelling-up mission and places a statutory duty on the Government to publish an annual report on our progress on those missions. The Bill is an enabling Bill; it creates the foundations for action to be taken to address entrenched geographical disparities and to level up the country.

The Government recognise that scrutiny and seeking expert advice will be important to ensuring that we deliver on our missions and level up the country. That is why we have established the levelling-up advisory council, chaired by Andy Haldane, who will provide the Government with expert advice to inform the design and delivery of all these missions.

The levelling-up missions are intended to anchor government policy and decision-making necessary to level up the UK. However, these missions should not be set in stone: as the economy adapts, so too might the missions, to reflect the changing environment and lessons learned from past interventions. As we become more ambitious, or as better metrics become available, we should be able to update missions to reflect that. Importantly, the Bill sets out that any changes to missions should be fully and transparently explained and justified through a Statement to Parliament when they occur.

Our approach to the missions is the same as the approach taken with fiscal rules: they are subject to debate in Parliament but are not in law. His Majesty's Treasury publishes its fiscal rules in a non-legislative policy document, but that is laid in Parliament. This does not prevent the Government from being held to account for keeping to their fiscal targets. The missions will be published in a policy document laid before, and debated in, Parliament. The first example of this document will be based on the levelling up White Paper, and future iterations will include the headline and supporting metrics used to define the missions and measure progress towards them.

The 12 levelling-up missions are a tool to break down silos and encourage co-operation across the public, private and voluntary sectors. To ensure that missions deliver these benefits, we are improving the way in which departments work together across central government, with clear accountability through named individuals taking responsibility for progress on each mission and with structures to enable joint working on each mission. To facilitate the cross-departmental co-ordination of

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levelling up at the ministerial level, a dedicated inter-ministerial group on levelling up has been established, chaired by the DLUHC Secretary of State.

I turn to devolution. The Bill sets out the procedure for the Secretary of State to devolve local authority and public authority functions to a combined county authority. This is similar to the procedure conferring these functions on a combined authority and individual local authorities in the 2009 and 2016 Acts. In each case, this might follow the agreement of a devolution deal.

The Bill will also align the processes for establishing and amending mayoral combined authorities to the proposed combined county authority processes, which will simplify devolution for areas, enabling more rapid expansion. By amending the current statutory consent requirements around the expansion of combined authorities and the conferral of powers, the Bill will enable more local authority areas to join combined authorities, expanding devolution, and to gain greater powers, deepening devolution, while ensuring that combined authorities are able to remunerate constituent authority councillors for their role on overview and scrutiny committees, ensuring stronger accountability.

In line with our focus on supporting local leaders to drive better outcomes and levelling up, the Secretary of State may make such regulations only if they consider that doing so would be

"likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the area".

The Secretary of State must have such discretion to implement deals that they have agreed with areas based on a robust assessment of whether all parts of this statutory test have been met. It is essential that a statutory test is considered and met in all cases: there may be instances where the area concerned has demonstrated that conferral of functions would meet one criterion of the test but not another. As we say in the levelling up White Paper, devolution must reflect local areas' differences; there cannot be a one-size-fits-all approach. Devolution is informed by the devolution framework, but this is not a standard offer of powers, and there is scope to agree further powers on a case-by-case basis.

There have been calls for greater fiscal devolution, down to parish and town council level. This Government trust local government and its strong and accountable local leaders. We are exploring further fiscal devolution, initially through the trailblazer devolution deals. We will consider putting power back in the hands of local people through greater fiscal freedoms. I thank the noble Baroness, Lady Scott of Needham Market, for her contribution; I know she works very closely with town and parish councils. We want to make sure that parish and town councils can protect the assets and amenities which matter to them locally. The Government have enabled this to happen through their £150 million community ownership fund, which was launched last year to support communities to save assets at risk. I know of a number of pubs and local shops for which investment has been used for this purpose. As part of the levelling up White Paper, we also look at the existing community asset frameworks and how they might be strengthened.

On national planning policy, this Bill reforms decision-making to strengthen the role of the development plan in practice. Decisions will be able to depart from the development plan and any national development planning policies only where

"material considerations strongly indicate otherwise."

It will no longer be enough for those other considerations to merely "indicate otherwise".

Giving national development management policies statutory weight will give greater clarity to the role of national planning policies in planning decisions. This is crucial to reducing the number of planning appeals local authorities currently face, therefore reducing the number of unanticipated developments communities face on their doorstep as a result. I think I can safely say this is an outcome that we all want to deliver.

National development management policies are intended to cover general planning considerations that apply regularly in decision-making, of the sort already found in the national planning policy. Giving these statutory recognition will promote greater consistency and certainty across the planning system and allow local plans to be shorter and more locally focused.

National development management policies will provide greater assurance that important safeguards such as protections for areas at risk of flooding, policy on climate change and policies to protect the green belt will continue to enjoy the strongest levels of protection, underpinning key national policy protections with statutory weight when the local plan policies go out of date. They will not impinge on local policies for shaping development, nor direct what land should be allocated for particular uses during the plan-making process. These will remain matters for locally produced plans.

Some local plans are woefully out of date. For example, some date from the 1990s. It would be wrong to say that these must supersede national policy in the event of conflict between a national development management policy and the development plan, when a planning decision must be made in accordance with both. This point is particularly crucial, because we wish to use national policy to drive higher standards, especially on good design, the environment and tackling climate change. It is important that these can take precedence in the event of conflict with out-of-date policies in certain plans. Nevertheless, I would expect such conflicts to be limited in future, both because we are making it easier to produce plans and keep them up to date, and because the Bill makes sure that new plans will be drawn up consistent with national policies, including the national development management policies.

The need to level up urban and rural areas has rightly received substantial attention in this debate, and we have considered the impact on rural areas. The Bill will benefit rural areas by giving communities more of a say on local plans by way of a new infrastructure levy that can deliver as much, if not more, affordable housing than at present, and a new requirement for infrastructure providers and other bodies to provide assistance to local authorities in drafting their local plans.

Through a discretionary council tax premium for second homes and the infrastructure levy, LPAs will be empowered with more money to address issues that matter to the people living in rural areas, such as infrastructure,

housing supply and affordability and the sustainability of local communities. Our second rural-proofing report, *Delivering for Rural England*, published last September, showed what levelling up might look like in a rural area and set out what the Government were doing. The independent Levelling Up Advisory Council is also exploring how it can offer specific insights into the design and delivery of levelling up in rural areas.

On rural funding, we launched the £110 million rural England prosperity fund on 3 September 2022 to enable local authorities to provide small capital grants to support rural businesses and community infrastructure. This is replacing funding previously provided by the EU through the LEADER and growth elements of the rural development programme for England and is a rural top-up to the UK's shared prosperity fund.

On housing, I have a list here of many, if not the majority, of noble Lords who spoke today on this issue, but I will not read it out. Noble Lords will be aware of our consultation, launched last December, which sets out in more detail our proposed approach to planning for housing in Chapter 4. We are retaining a method for calculating local housing need figures, but these will be an advisory starting point; it will be up to local authorities, working with their communities, to determine how many houses can actually be built, taking into account the needs and nature of their local area, such as green belt, the existence of a national park or a coast, and recognising that building should not wholly change the character of an area. We propose to make changes to the rolling five-year land supply, ending this obligation where planned strategic housing policies are up to date. Communities will have a powerful incentive to get involved in their local plan.

The new infrastructure levy has received a considerable amount of debate this evening. The levy, set and raised by local authorities, will seek to deliver at least as much affordable housing. The Bill ensures that local authorities take the desirability of delivering at least as much affordable housing into account when they set their rates; this will be achieved in part through the right to require, which will enable local authorities to require developers to build on-site affordable housing. We will shortly consult on the levy on how the right to require will operate.

The noble Lord, Lord Best, as well as speaking knowledgably on affordable housing, referenced the Letwin review. While that review found no evidence of systematic land banking, it found substantial scope to accelerate build-out rates, particularly through diversification. The Government are clear that new homes should be built out as soon as possible when build-out is delayed. It is for councils and developers to work closely together to overcome any barriers. Our robust package of build-out measures seeks to encourage this.

It was questioned whether the infrastructure levy would be able to mitigate the impact of specific development. The levy is proposed largely to replace the complex and discretionary Section 106 regime. Under the infrastructure levy, we intend that in all cases local planning authorities will be able to require developers on all sites to provide infrastructure integral to that site. That includes infrastructure crucial to that site to function, such as access roads or connections to drainage networks. These items of infrastructure will continue to be delivered by developers.

This Government's commitment to building 300,000 homes a year has been a significant topic of discussion. Our planning reforms will help to deliver enough of the right homes in the right places, and we will do that by promoting development that is beautiful, that comes with the right infrastructure, that is done democratically with local communities rather than done to them, that protects and improves our environment, and that leaves us with better neighbourhoods than we had before. The Government remain committed to continuing to work towards our ambition of delivering 300,000 homes a year in England, as set out in the 2019 Conservative manifesto. We are making strong progress in this area. Since 2010, over 2.2 million additional homes have been delivered in England, including more than 632,600 affordable homes.

Finally, I come to the environment. The Government recognise the challenge of climate change. It is critical that the planning system must address this effectively. Through the Climate Change Act 2008 the Government have committed to reduce emissions by at least 100% of 1990 levels by 2050 and to produce national adaptation programmes every five years that respond to economy-wide climate change risk assessments. The Bill sets out that local plans

"must be designed to secure that the development and use of land in"—

the local planning authority area—

"contribute to the mitigation of, and adaptation to, climate change."

Our new outcomes-based approach to environmental assessment will ensure that the ambitions of the Environment Act and the 25-year environment plan are reflected in the planning process, placing the Government's environmental commitments at the centre of decision-making.

The National Planning Policy Framework is already clear that plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures, in line with the objectives and provisions of the Climate Change Act 2008. The National Planning Policy Framework must be taken into account in preparing the development plan and is a material consideration in planning decisions. This includes the framework's current policies related to climate change mitigation and adaptation. Furthermore, as committed to in the net-zero strategy, we will carry out a full review of the National Planning Policy Framework to ensure it contributes to climate change mitigation and adaptation as fully as possible. This will be consulted on as part of wider changes to the National Planning Policy Framework to support the ambitions in the Levelling-up and Regeneration Bill.

I thank noble Lords for their continued assistance with and support of the Bill and I look forward to progressing our discussions in Committee. I single out the noble Lord, Lord Heseltine, for his contribution this evening, for the foundations he laid through his

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trail-blazing work on devolution, and for the wealth of knowledge he brings to this debate. I hope he will continue to take part as the Bill moves through this House.

I have not been able to respond to each point raised, and I apologise, but I think I am already over time. Given the hour at which we are wrapping up this Second Reading, I hope that noble Lords understand the approach I have taken. I reiterate my commitment to meeting any Member of this House who wishes to discuss the Bill further. I have noted the missions, housing numbers, environment issues and devolution as issues on which I shall try to put together some meetings very quickly—certainly before we get to Committee. I have noted each request for a meeting that has been made this evening and I will instruct my private office to reach out to noble Lords to get these meetings set up. I hope that is acceptable to the House. I commend the Bill to the House.

Bill read a second time.

Order of Consideration Motion

Moved by ***Baroness Scott of Bybrook***

That the Bill be committed to a Committee of the Whole House, and that it be an instruction to the Committee that they consider the Bill in the following order:

Clauses 1 to 13, Schedule 1, Clauses 14 to 25, Schedule 2, Clauses 26 to 31, Schedule 3, Clauses 32 to 54, Schedule 4, Clauses 55 to 77, Schedule 5, Clauses 78 to 86, Schedule 6, Clauses 87 to 90, Schedule 7, Clauses 91 to 94, Schedule 8, Clauses 95 to 101, Schedule 9, Clauses 102 to 104, Schedule 10, Clauses 105 to 124, Schedule 11, Clauses 125 to 154, Schedule 12, Clauses 155 to 158, Schedule 13, Clauses 159 to 162, Schedule 14, Clauses 163 to 169, Schedule 15, Clauses 170 to 186, Schedule 16, Clauses 187 to 191, Schedule 17, Clauses 192 to 211, Schedule 18, Clauses 212 to 223, Title.

Motion agreed.

House adjourned at 10.14 pm.

Grand Committee

Tuesday 17 January 2023

Bereavement Benefits (Remedial) Order 2022

Considered in Grand Committee

3.45 pm

Moved by ***Viscount Younger of Leckie***

That the Grand Committee do consider the Bereavement Benefits (Remedial) Order 2022.

The Parliamentary Under-Secretary of State, Department for Work and Pensions (Viscount Younger of Leckie) (Con): My Lords, I am pleased to introduce this remedial order, which was laid before the House on 13 October. It will extend the higher rate of bereavement support payment and its predecessor, widowed parent's allowance, to bereaved cohabitees with dependent children. These benefits can currently be paid only to survivors who were in a legal union—that is, married or in a civil partnership—with the deceased on the day they died.

In the McLaughlin judgment in the Supreme Court, handed down on 30 August 2018, and the Jackson case in the High Court, handed down on 7 February 2020, the legislation on WPA and the higher rate of BSP respectively was declared incompatible with Article 14 of the European Convention on Human Rights. This article requires all rights and freedoms set out in the Act to be protected and applied without discrimination. In both cases, the courts found that, by restricting eligibility to those in a legal union, current legislation discriminates between children on the grounds of the legal status of their parents' relationship.

This order provides a remedy for both Great Britain and Northern Ireland. It does so by amending the Social Security Contributions and Benefits Act 1992, the Social Security Contributions and Benefits (Northern Ireland) Act 1992, and the Pensions Act 2014. I am satisfied that the provisions of the order are compatible with the European Convention on Human Rights. The Joint Committee on Human Rights has reported on this draft order and recommended its approval.

I will put this draft remedial order into some context. It was in 1925 that financial assistance following a bereavement, in the form of national insurance pensions for widows, was first introduced. This was open to all widows whose husbands fulfilled the contribution conditions, paid at a flat rate with additional allowances for children. This reflected the widely held expectation at that time that a woman would not return to work after marriage.

Further reforms culminated in the introduction of three new bereavement benefits: widowed parent's allowance, bereavement allowance and the bereavement payment, all in 2001. WPA replaced widowed mother's allowance, and extended support to both widows and widowers with dependent children. Like its predecessor, it was intended to provide ongoing financial support following the death of a spouse or, from 2005, a civil partner.

The bereavement payment was a one-off payment for surviving spouses, both with and without dependent children. Bereavement allowance was a short-term payment for widows and widowers aged 45 or over with no dependent children. It was not possible to get both widowed parent's allowance and bereavement allowance.

It became evident that this system of bereavement benefits, based on outdated assumptions, was complex to understand and administer, and could be unfair to claimants. With universal credit's introduction—a benefit designed to help with ongoing living costs—there was a need to look again at the whole package of bereavement benefits, but especially widowed parent's allowance, which could be paid for the same purpose. So we modernised bereavement support by introducing a new benefit, the bereavement support payment, from 6 April 2017, to help with the more immediate costs of bereavement and to allow for a period of adjustment.

Although we do not specify what these costs are, it is our intention that they should be those associated with the bereavement. Each family will have different priorities. For some, it could be funeral costs or dealing with debts left by the deceased. For others, it may include budgeting adjustments following a loss of income or additional travel simply to meet family members.

BSP consists of an initial lump sum followed by 18 monthly instalments, and a higher rate is paid for those with dependent children to recognise that families with children may need extra help. Unlike its predecessors, it is tax-free and disregarded for the purpose of income-related benefits, thereby helping those on the lowest incomes most.

Bereavement benefits have only ever been payable to those who were in a legal union with their deceased partner. They are contributory benefits, with eligibility linked to the national insurance contributions of the deceased partner. Such inheritable benefits, derived from another person's national insurance contributions, have historically been based on the concept of a legal union.

I will now move forward and outline what this draft order covers. Eligibility for WPA and the higher rate of BSP will be extended to surviving partners with dependent children who were living with their deceased partner as if they were married or in a civil partnership on the date of death. This includes partners who are or were pregnant on the date of their partner's death, and there will be no qualifying period of cohabitation. This change will benefit thousands of families with dependent children.

This draft order applies to those who would have been entitled to either of these benefits on, or from, 30 August 2018. This was the date on which the Supreme Court, in the McLaughlin case, ruled existing WPA legislation incompatible with the European Convention on Human Rights and, effectively, the date on which the incompatibility was accepted as final. The Committee will know that it is exceptional to make social security change retrospectively; we consider this a logical and fair start date.

For BSP, where the death occurred before this order becomes law and the claim is received within 12 months of that date, claimants will get the full amount due to them. If the claim is received later, the claimant will

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get up to three backdated monthly payments, plus any remaining monthly payments due. The claim must be made within 21 months of the order coming into force for any BSP to be payable.

Where a claimant's partner died before 30 August 2018, we will make a part payment and no initial lump sum will be payable. Where the death occurred after this order comes into force, BSP will be paid subject to the usual claim time limits: 12 months for the initial lump sum and three months for each instalment.

Claimants will be eligible for WPA where their partner died before 6 April 2017 and they continued to meet the entitlement conditions on 30 August 2018. They too must claim within 12 months of the date the order comes into force. They may also be entitled to ongoing payments if they continue to meet the WPA eligibility criteria at the point of claim.

Extending these benefits to cohabiting partners means that there may be cases where more than one person claims for the same death. This could apply in cases of polyamory or people dividing their time between two households, or where there is a separated spouse who no longer lived with the deceased. As noble Lords can appreciate, this is a complex area and my officials have been working hard to develop an approach that balances protecting taxpayers' money and the contributory principle, while ensuring that any approach reflects people's real-life circumstances.

In these cases, this order proposes that we pay just once per death, prioritising who was living with the claimant on the date of death. Where there are claims from different addresses, entitlement would be established as part of the normal decision-making and appeals processes.

In very rare cases, more than one potential claimant may have been living with the deceased on the date of death. Here, entitlement will be decided according to a hierarchy, intended to reflect the most established relationship as this person would usually bear the majority of the bereavement costs. Should this leave more than one potential claimant and become more complex, the Secretary of State would determine who is entitled.

Transitional protection will ensure that those already in receipt of WPA or BSP before the date this order comes into force do not lose their entitlement for the duration of their award. WPA is treated as income for the purpose of income-related benefits, such as universal credit, and is assessed at the point of award.

This order provides for all retrospective WPA payments up to the date of claim to be treated as capital and disregarded for 12 months, or 52 weeks for the purposes of income-related benefits. This ensures that claimants will not lose any existing entitlement to income-related or passported benefits, such as free school meals, as a result of receiving a retrospective award. This order also ensures there is a disregard for the same period for retrospective BSP awards. The usual rules will apply to future BSP and WPA entitlements.

We do not propose any changes for the treatment of income tax; BSP is already tax-free and WPA will be taxed according to the period of entitlement, as per the existing rules. We will communicate to make WPA claimants aware that any payment under this order may incur an income tax liability. The payment of BSP does not affect a person's tax credit entitlement. WPA will be treated as income for tax credit purposes, as is common practice for social security benefits. It will be assessed in the year of payment rather than entitlement, so no adjustments to past years will be needed.

In accordance with paragraph 3(1) of Schedule 2 to the Human Rights Act 1998, a proposed draft of this order was laid for a 60 sitting-day period on 15 July 2021 to allow for Members of both Houses and other stakeholders, including the JCHR, to make representations. I fully considered all the representations made on the draft proposed order before preparing this draft for affirmative resolution. In doing so, I agreed with the recommendation of the JCHR to amend the order to ensure that pregnant WPA claimants were covered in the same way as those in a legal union. I also agreed with its recommendation to ensure that the implications of the retrospective effect of the order on entitlement to income-related benefits be taken into account. I have also included a number of technical amendments in response to comments made by the JCHR.

Finally, I emphasise how straightforward it will be, as we see it, for people to claim. We already know from our evaluation that claimants have a very positive experience of claiming bereavement support payment, with 97% reporting satisfaction with the process. We have also provided a paper claim form especially for cohabitees, accessible online at GOV.UK or by calling DWP's bereavement service. For BSP, there will also be the option to claim online.

With that detail behind me, I have pleasure in commending this order to the Committee. I beg to move.

Baroness Hayman (CB): My Lords, I am grateful for the opportunity to speak today and to the noble Viscount for the clarity with which he introduced this order. As he made clear, there are many complexities around the subject but the reason that I am here today is very simple.

In October 2020, I received an email and I shall read some of it: "Dear Madam, I am writing to you to raise an issue with the Department of Work and Pensions. On 12 September 2020, my partner of 12 years sadly passed away after losing his five-year battle with kidney cancer. He leaves behind me and our six year-old son. When going to apply for a bereavement support payment, I learned I was not entitled to claim this support as my partner and I were not married or in a civil partnership. I am writing to you because I feel this is a very unfair law and needs to be reviewed straight away, especially when we are going through a national pandemic and I find that I am not the partner of a very strong and resilient man any more, and I have been left these difficulties and increased anxiety as I face bringing up a child alone. I am by no means begging but I do think that this is discrimination to couples who love each other and live with each other as man and common-law wife with children, because they haven't got a piece of paper to say they are together. I hope you can raise this issue."

4 pm

It is not quite three years—perhaps two and a half or so—since I received that and contacted the Minister's predecessor, the noble Baroness, Lady Stedman-Scott.

For the following two years, she was, as she was on all issues, impeccably concerned and committed to doing the right thing. She almost lost her patience with me; whenever she saw me coming down a corridor, she would say, "I'm working on it", because she knew exactly what I was going to raise with her. However, it has taken an extraordinary amount of time to get to where we are. The noble Baroness replied to my first letter about the issue in December 2020, saying that the Government intended to lay the order before the House in due course. "Due course" has been a long and winding road for many reasons—as I understand it, partly because of the process of a remedial order and partly because of the difficulties of Covid and pressures on the department—but it has taken a very long time and a lot of people have had great difficulties.

I kept in touch with that lady during that time; the difficulties that she has had in providing for her son have been huge. However, I know how deeply grateful she will be that sometimes, even after a long period, the system actually produces results. The combination of the judiciary and the Government deciding to take action, with some judicial lobbying, has had an effect. I welcome this order enormously. As I say, I want to put on the record my gratitude to the noble Baroness, Lady Stedman-Scott, who was steadfast in pursuing this matter and mortified every time she had to tell me that there had been another delay.

I have only one question for the Minister, about something I raised with his predecessor and her officials when she had a meeting on this subject. How will potential beneficiaries get to know that they are entitled to this benefit? The lady who got in touch with me decided to take a parliamentary route so has obviously seen every twist and turn and will know to apply, but there must be many people who simply accepted that they were not eligible and had no idea that this whole debate was going on, change would come and they were potentially entitled to a substantial lump-sum payment. I would be grateful for any further information that the Minister can give me on how this will be publicised, including what the interaction with citizens advice bureaux and MPs will be, to ensure that everyone who has not been able to claim this benefit from 2018 will now be able to do so.

Baroness Altmann (Con): My Lords, I too very much welcome this order. I am most grateful to my noble friend the Minister for his excellent introduction and explanation.

Enabling co-habiting bereaved partners to be treated the same way as those who are legally married in claiming the widowed parent's allowance or bereavement support payments is something for which I think there is unanimous support. Indeed, I have found it extraordinarily difficult to justify denying these payments to cohabiting couples in the past when, in other tax and benefit calculations, there is no differentiation in this way; often, that can be to their financial detriment. This order is most welcome.

Echoing the words of the noble Baroness, Lady Hayman, I pay tribute to my noble friend Lady Stedman-Scott and welcome my noble friend Lord Younger to his position. I am most grateful to the Low Incomes Tax Reform Group for its briefing and the work it has been doing on this change and want to raise a few issues relating to the potential tax and benefit consequences of surviving partners receiving backdated lump-sum payments pursuant to this order. If the Minister does not have the answers today, I am happy for him to write to me.

The first issue relates specifically to the widowed parent's allowance, as this benefit is taxable, unlike bereavement support payments. Lump-sum back payments could well give rise to tax demands for the recipients, when they are applied to past tax years for which they were due. In many cases, recipients are unlikely to have a tax adviser to help them look back over past years. They may have spent the money and, as a consequence of this order, face sudden tax demands and penalties for which they are unprepared. The documents accompanying this order state that the DWP will flag cases to HMRC, but how will this work in practice? Could it give rise to a potential problem for the claimants which, after all the years they have been waiting for this money, seems to be something to be avoided—if we can?

Paying the lump sums gross runs the risk of the money being spent. What measures can the Government implement in practice to protect claimants? Could my noble friend tell us, for example, how the DWP might work with the Treasury to jointly identify those who may be affected, perhaps by using national insurance numbers to link up records, and help people to understand how much tax they need to pay? The JCHR recommends that recipients should be clearly reminded, but might my noble friend consider going further and, perhaps, more proactively involving MoneyHelper or some other direct communication that clearly warns that tax may be due on this money, so that it does not come as a surprise?

The second issue relates to recipients of back payments who are on means-tested benefits. I welcome my noble friend's confirmation that the lump sums resulting from this order will indeed be disregarded, but I hope he can also reassure us on a point that has been raised—it may already have been catered for—about whether, as I hope, there is a sensitive interpretation of the deliberate deprivation of capital rules. People who suddenly have a change in lifestyle because they have received a lump sum that they should have had over a period should not then be considered as deliberately depriving themselves of capital or should not lose out in some other way.

How will backdated lump-sum awards be treated for tax credits? I thought I heard my noble friend say that these are disregarded for universal credit and means-tested benefits, but is that the same for tax credits? I suspect it is not, from listening to my noble friend. It seems wholly unfair for the DWP to treat the payments as capital and disregard the income, other than that relating to the current year, when HMRC treats them as income in that year for the purpose of tax credits.

I know that tax credit legislation is complicated, and it refers to the amount of widowed parent's allowance being payable. That may be what is driving some of this, but as this relates to past years, it was actually payable previously rather than being—one could argue—payable today. It seems like a grey area. I wonder if the

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Government might consider building a specific income disregard into regulations if the current position cannot be remedied.

Finally, I echo the comments of the noble Baroness, Lady Hayman, on the importance of reaching out to potential claimants, particularly as there is a time limit, to ensure that people know that they can claim and come forward with their claims. This could be through some national advertising campaign, or maybe the Government already have a database with some indication of cohabiting couples or past claimants who were turned down who can be contacted. Overall, I very much welcome this order and thank my noble friend for his introduction.

Lord Davies of Brixton (Lab): My Lords, I thank the noble Viscount for his useful introduction and give a more general welcome; I suspect that we will be endlessly discussing a series of regulations over the coming months. I thank the noble Baroness, Lady Hayman, for reminding us that there are people involved here. It is easy when you just have a printed set of regulations to think it is just shuffling paper, but there are real people out there who will benefit from these changes. Clearly, we have to welcome that.

Part of the problem is—I take the points raised by the noble Baroness—the mechanics of how this is operated: not what is set out in the regulations but how it will be applied in practice by the officials involved. It should be done as sensitively and practically as possible. I am particularly interested in taxation and how tax is applied to these payments. This is a particular problem which is going to get bigger, and we will be discussing it again. It is a result of the fact that, for all intents and purposes, state benefits are outside the PAYE system.

The problem is that we know the personal allowance will be frozen for a number of years, at a time when inflation is at high levels. With benefits tied to inflation and a frozen personal allowance, more and more pensioners are going to be dragged into the PAYE system on relatively limited amounts of non-state pension income, which will have to be used to pay the tax, potentially, on their state pension. Many people have state pensions in excess of the personal allowance given their credits under SERPS. I think this is going to be a growing problem. It is one I hope the DWP will be able to discuss with HMRC.

My personal situation is that I suffer from this. I have a pretty good state pension and I have to pay tax on quite a large slice of that income out of other income. I manage it because I have the resources to do so, but people on the margin are going to find it increasingly difficult. The example mentioned is one where the closest co-operation between DWP and HMRC is crucial. Politically, it would be advantageous to get the situation sorted, because it will lead to a lot of concern and debate.

My final point relates to the evidence requirements for cohabitation. Most rules applied in the social security sphere about cohabitation tend to be there to take away benefits rather than grant them. Will the department apply the same rules that it applies when it comes to means-tested benefits about cohabitation, or will there be a separate set of rules? If there is a separate set of rules, is there a possibility that it will work against the individual at both ends? To just put in the Explanatory Memorandum that the evidence requirements will be produced "in due course" rather misses the sharp end of this legislation. How it works in practice will depend on the evidence requirements, and it would be useful if we could be told a bit more about where the evidence requirements will fit as compared with other examples where cohabitation affects benefits of different sorts.

4.15 pm

Lord Jones (Lab): My Lords, I thank the Minister for the context in which he placed the order, which was so persuasively itemised, and the department for the detail given in the Explanatory Memorandum. It is a warm-hearted and welcome measure, and it is good to see the Committee populated by caring colleagues.

In relation to paragraph 7.10 of the Explanatory Memorandum, is it possible to give an estimate of the number of retrospective payments now available to our fellow citizens through the measure? Has work been done on such figures? Is there a global figure? Is there any information on the likely typical average amount of retrospective money that might be paid out? Does the department know that sort of figure for that sort of person? Indeed, are there any statistics that might be given to make this welcome measure easier to assess by number and amount?

Baroness Brinton (LD): My Lords, I too start by thanking the Minister for his helpful explanation. I apologise for not being able to attend the briefing, but Monday mornings are a problem.

On balance, we on these Benches are as pleased as other speakers that this has now come to fruition. We are grateful for the work that the previous Minister, the noble Baroness, Lady Stedman-Scott, did on this. The example given by the noble Baroness, Lady Hayman, was extremely helpful, and the points raised by the noble Baroness, Lady Altmann, and the noble Lords, Lord Jones and Lord Davies, on some of the other implications, such as tax, are very interesting.

I am sorry that I will now get into some really difficult areas; I hope the Minister will bear with me. I appreciate that I am creating a scenario to which there may not be a speedy response, and I am more than happy to have a written reply. I am particularly interested in paragraphs 7.23 to 7.25 of the Explanatory Memorandum, which set out the determining hierarchy should there appear to be more than one claimant. It is very helpful.

In his introduction, the Minister talked about polyamory, but there are other circumstances as well, such as where people with caring responsibilities live under the same roof, which might include familial members who are not actually spouses but, in the event of the death of the parent—for this purpose I am assuming it is a sole parent who is dying—there are others who will take over responsibility for the children. I know that there has been some concern over multiple claims, and paragraphs 7.23 to 7.25 helpfully set out the priority order.

For me, the issue is much more about the JCHR's proposal that this benefit should be identified as belonging to children. I am not sure it said it should be paid directly to the children, but because much of it is determined on the age of the children it is clearly designed to support extra costs for somebody with children who has lost a partner. For me, that is important, because I want to raise the issue of kinship carers.

I make a full declaration: I think that my husband and I counted as kinship carers 20 years ago when we became foster parents and then guardians, approved by the family courts, for our best friend. When she died, her children joined us. We had to navigate all the systems in place at that time, which included going to the family court and getting the residency order. That enabled us to claim child benefit for the children. I know that is now means tested, but I am talking about eligibility for child benefit.

The organisation Kinship consistently reports that family members who take on responsibility for children after a partner either has been unable to look after them or has died, as in this circumstance, have ended up having to leave their jobs, not being entitled to benefits and finding every barrier put in their way because they are not typical family carers. Even though they may have had to go through the fostering approval process, as we did, because the courts need to be satisfied that they are capable of looking after and taking responsibility for the children, they are not entitled to foster payments because they are regarded as kinship carers.

The "Emmerdale" actor Jay Kontzle, who was raised by his grandparents after his mother died when he was four, recently said he saw at first hand the way it affected their lives. His grandmother had to stop work and they both had to take on the very difficult task of looking after their orphaned grandchild. It is helpful that he has done that. Kinship surveys have shown that 45% of carers give up jobs and have found repeatedly that they were not eligible for support.

I am remembering my schoolgirl Latin. There is a word, "num", which notoriously requires a negative answer. I think I expect a negative answer, but there is a real injustice here for this group of kinship carers, whose identification is confirmed by the courts and other benefits but who would not be eligible under these arrangements unless they were living in the same house. How long do they need to live in the house? I wonder whether the Minister can look at this. It may be that this is one of those special cases where there is nobody else who would obviously qualify but where it is needed, for the children and the life changes they will face, for the kinship carers to be considered eligible.

Baroness Sherlock (Lab): My Lords, I thank the Minister for his introduction to this remedial order and all noble Lords who have spoken. I always think that any debate that starts, "Let me give some context from 1925" is never going to be speedy, but let us work through what we have heard today.

Before I start, I congratulate the noble Baroness, Lady Hayman. It is always lovely to find that somebody who writes to a Member of the House of Lords is listened to, the issue is taken up and something happens. I congratulate her on her perseverance, as well as the former Minister, the noble Baroness, Lady Stedman-Scott, on her willingness to listen.

I would be very interested to hear answers to a number of the questions that have come up. Obviously, I am glad the Government are stepping forward to take the appropriate response to fulfil their legal obligations. We would not want in any way to stand in the way of this, but there are some important questions still to be asked about how it will work in practice, as my noble friend Lord Davies said.

First there is the question of how DWP will make decisions on whether someone was cohabiting with a partner who has died and therefore is eligible for support. As we have heard, DWP has established practices to decide whether someone is cohabiting. Many years ago, I ran a charity working with single parents, and the rumour mill was alive that the "two toothbrushes test" was the one deployed. Whether or not this was ever the case, the assumption is that in plenty of cases there was no formal evidence, such as a shared rent book or shared bills, yet people were held to be cohabiting when in fact they were being given benefits as a single parent.

There is no question that the DWP has ways of determining this. The noble Baroness, Lady Altmann, pointed out that it has always been able to do so. Indeed, ironically, widowed parent's allowance was not given to someone who was cohabiting, but you lost it if you started cohabiting after you were bereaved. There obviously must have been some means for making this assessment.

My noble friend Lord Davies asked a really good question: will the criteria be the same for this as for other tests that are applied? If the Government could explain that, it would be really helpful. I would be very interested in the answer to the question raised by the noble Baroness, Lady Brinton, about the hierarchy and the breadth to which that is accepted.

The next thing I found myself wrestling with is the fact that WPA is an "overlapping benefit", in the jargon, so presumably there will be some people who claimed another contributory benefit because, at the time, they were deemed not to be eligible for widowed parent's allowance, yet they should have been and had they been entitled to WPA they might have been better off. Can the Minister tell us whether the previous benefit payment is off-set against the backdated WPA where this happens? If so, over what period are the payments?

As we have heard, the order has retrospective effect to the date of the McLaughlin judgment in 2018. My noble friend Lord Jones asked some very good questions about how many people will be affected and the global sum involved. To take that on a stage, can the Minister tell us the most that any one person could be due in backdated benefits? I want to know because of the point raised by the noble Baroness, Lady Altmann: if the sum is large enough for someone on modest means, they might want to husband it quite carefully, but if that is the case, they might have some left over when they go into the next financial year because it has been disregarded for only 12 months. If so, they could find themselves penalised and given less in means-tested

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benefits in the following year because they had this capital sum available. Will they be told that? How will they be warned that this could happen? The other side of the coin—the point made by the noble Baroness, Lady Altmann—is: if they decide to spend it all in the first 12 months, is there any danger that it then gets treated as notional capital because the rules on deprivation of capital hove into view? If the Minister could reassure us, that would be helpful.

The next question is on tax credits. I confess that I am quite confused on this. I was trying to listen to what the Minister said, but I did not quite catch it. Tax credits do not treat capital in the way universal credit does, so I am still not clear as to how any backdated lump-sum payment for WPA will be treated for those on tax credits. I think I heard the Minister say that a backdated payment will be assessed in the year of payment, not the year of entitlement. Can he confirm that? Could he possibly confirm to me now, before I carry on asking questions, whether that lump sum is treated as capital or as income for tax credit purposes? Maybe he could nod if it is capital or if it is income—I am trying to avoid having to intervene to ask the question again when he responds. If it is treated as capital and it is all treated in the year of payment, then it is disregarded and we do not have a problem; if it is treated as income, we do. In which case, can he explain what happens? What is it set against? Is it just the tax credit entitlement in year? Is there any effect from previous years? If this is the case, I assume there is no question of going back and reopening finalised previous tax credit awards. Is there any implication for previous years' tax credit awards that are not yet "finalised", in the jargon? Could that happen in any way?

Finally on this point, there is the question of the benefit cap. WPA and BSP both count towards the benefit cap, so it is obviously possible to imagine that a lump sum might take somebody over the benefit cap threshold when an annual entitlement would not have. Will this be affected by the benefit cap, or will the cap be applied retrospectively to previous years by attributing the relevant WPA to each year? What will happen there?

On the money front, there is the question of taxation. As we have heard, BSP is not taxable but WPA is, and in the year of entitlement rather than the year of payment. Therefore, if a lump sum is paid for backdated entitlement, tax is likely to be due on that. Like others, I read the very interesting briefing from the Low Incomes Tax Reform Group. It pointed out that the plan seems to be to pay lump sums gross rather than net of tax, so the obligation then rests on the claimant to pay the backdated tax. I think I heard the Minister say that the Government will flag these cases up to HMRC so that it knows to make an assessment for tax, and I think he said they will flag it up to the claimant so that they know the tax will be payable. Could he clarify that last point in particular? Will they be told what is payable and which tax year it applies to? Many of those people will not have an accountant or any way of understanding this, but they need to know how much of this lump sum to keep to give to the taxman down the line, rather than spending it and then finding themselves even worse off.

4.30 pm

The LITRG also suggested that payments could have been made either net of tax or with an amount reserved back for the tax. Did the Government consider that? Did they consider the suggestion from the same organisation that DWP could have shared at least some data with HMRC to help the process be automated in some way? Even using national insurance numbers is a way of linking up the records, as the noble Baroness, Lady Altmann suggested. Was that looked at?

I want to ask two final questions. One is about communications. We are told that DWP will put information on GOV.UK and use existing DWP channels but, if someone was widowed four years ago, there is no reason for them now to look at government information on bereavement benefits. How will they know that they were entitled to this support and are now entitled to make a claim retrospectively? Can the Minister tell the Committee what proactive communications work is planned to alert people, given that there is a time limit for claiming? How will the Government make sure that people know that they can make a claim?

My final question is about the claiming process. If I have read the information that we were given correctly, people must do the following for WPA: request or download a paper form, fill it in with a pen and post it back to the Government. For BSP, they can do that, but they could also choose to claim online or by telephone. I have two questions. First, if somebody sends off a paper form and it goes missing, meaning that they miss the deadline, what happens? Would the form be acknowledged? Would they know that the form had gone? We have had some issues with our postal service. How would they know whether the form had arrived and whether they needed to resend it? Secondly, there may be a good reason for this but, if you can apply for BSP online or by telephone, why can you not do the same for the widowed parent's allowance?

I look forward to the Minister's reply.

Viscount Younger of Leckie (Con): My Lords, I start by thanking the Committee for its overall support for and approval of this order. I wholly appreciate that I am very much the messenger here as I am new to the role. For once, having spent 12 years in the Lords, having dealt with some challenging legislation and issues and having said myself that something will be brought forward "in due course" or shortly, I am the messenger for the great work that my predecessor, my noble friend Lady Stedman-Scott, has done and brought to fruition. I am delighted that we have come to this point, with this order bringing cohabitees into this area; as I say, I pay tribute to my predecessor for that.

A vast number of questions were asked. Many of them were very technical so, again, I feel that I have been thrown in the deep end. All the questions were fair; I will do my best to answer them. I know that I will not be able to answer all of them; certainly, I can already feel quite a detailed letter coming the way of noble Lords to be sure that I answer all their questions. When bringing in a new order of this nature, such questions are obviously natural. I am particularly aware of the question asked by the noble Baroness,

Lady Brinton; I will come to it towards the end of my speech. I am not sure how much I can help her, but she referred to an interesting case.

Let me start with the noble Baroness, Lady Hayman. First, I thank her for her points. Secondly, I thank her for the letter she mentioned; as I moved into this role and took over from my predecessor, I picked up a letter, and there is a letter answering some of the noble Baroness's question on its way to her. Her first point was very fair. She asked why this order has taken so long. My answer is that remedial orders can take longer than many other orders because they involve extensive consultation and, of course, parliamentary scrutiny. Also, in the introduction of the pandemic, we needed to divert departmental resources.

That said, the main reason was the delay resulting from the McLaughlin judgment in 2018; it made sense to wait for the conclusion of the Jackson case in 2020 before deciding how to proceed. Let me be the first to say that I appreciate that there was a pretty long gap between laying periods, but it is by no means unusual. I would also say that it was too long; I know that from the different cases that have been raised.

Additionally, officials have had to work through a number of complex policy, drafting and implementation issues, including those raised by the Joint Committee on Human Rights, which have required careful consideration. It is also vital that we get this right—I would say that, wouldn't I, but I mean it. Throughout the process, the remedial order has remained a priority for this department and will continue to do so. Bearing in mind the number of questions that have been raised, I know there is quite a bit of work to do to see this through. I hope that provides some reassurance.

The question of raising awareness was raised by a number of noble Lords, starting notably with the noble Baroness, Lady Hayman, and continuing with the noble Baroness, Lady Sherlock. We are taking a range of steps to raise awareness of the remedial order, including updating GOV.UK and using existing DWP channels to communicate about this change. We are also working closely with external organisations to ensure that people have what they need to make an informed decision about making a claim.

To go a little further on this and answer a question raised by the noble Baronesses, Lady Hayman and Lady Sherlock, we want to ensure that people have what they need to make an informed decision about making a claim, but we will not be contacting previous claimants directly. We do not routinely keep details of people who had originally claimed and been refused benefit on the basis of being in a cohabiting relationship. However, my officials will develop an effective communication strategy that reaches out to as wide an audience as possible. That may not entirely satisfy the noble Baronesses who raised this question, but we were prepared for it and this is where we stand on that issue.

There is more, because how DWP staff reach out is also important. These changes will be delivered by the DWP's existing bereavement services team, and officials have already been developing guidance, training and other products to ensure operational readiness on the go-live date. I am sure that there is more that can be done, but I hope that helps to begin with.

My noble friend Lady Altmann and the noble Lord, Lord Davies of Brixton, asked how payments of WPA are usually treated for tax and benefit purposes. As I think I said in my opening remarks, but to clarify, WPA is taken into account as income when assessing entitlement to other means-tested benefits, so is also taxable. I can and will write, because there is further detail that I can give the noble Baronesses on the lump sums, which they raised specifically.

The question of tax credits and how they will be treated was raised, again, by my noble friend Lady Altmann and by the noble Baroness, Lady Sherlock. Payment of BSP does not affect a person's tax credit entitlement. To be clear, WPA will be treated as income for tax credit purposes, as is common practice for social security benefits. It will be assessed in the year of payment rather than in the year of entitlement, so no adjustments to past years will be needed.

However, I know that the noble Baroness, Lady Sherlock, raised a point about back payments. I do not have an answer to that, so I will write to her and copy in all Members of this Committee to answer that question.

My noble friend Lady Altmann asked about claimants' use of their retrospective payments and whether, as I mentioned in my opening speech, it is viewed as deprivation of capital. We have a duty to ensure that means-tested benefits are paid to those who most need them, while also ensuring fairness to the taxpayer. The deprivation of capital rules are intended to apply to those who act with the intention to access or get more benefit. Therefore, provided any capital is spent reasonably, and not with the purpose of accessing or getting more benefit, claimants should not be treated as having notional capital. To define that, notional capital is taken into account in the same way as normal capital, where claimants get a retrospective lump sum. That was a bit of a convoluted response, but I hope that the department's consideration of this was helpful.

A broader question from my noble friend Lady Altmann was on how payments of BSP are usually treated for tax and benefit purposes. She may know this, but the lump-sum element of BSP has a grace period, as it is intended to meet immediate needs—I think I alluded to this in my opening remarks—and is disregarded as capital for a full 12 months of universal credit. Additionally, the smaller monthly instalments of BSP are not taken into account as income for the full duration of the benefit award. This is more generous than the previous bereavement benefits, which were taken into account for income-related benefits. Unlike the previous benefits, BSP is not taxed.

The noble Lord, Lord Davies of Brixton, raised some further points about tax. Perhaps I might give an overarching response. BSP is tax free, as mentioned, while only WPA is taxed and is a legacy benefit; it can be paid only for deaths before April 2017. BSP and WPA are available only to working-age people, which I think the noble Lord will probably know.

Questions were raised about the ease of navigation. I hope that I can be helpful on that to the noble Baroness, Lady Sherlock, and the noble Lord, Lord Davies. This is an important point, as the operation of it is essential. I am happy to say that we already know

[Viscount Younger of Leckie]
that the process for claiming BSP is quick and clearly explained. I mentioned that the satisfaction level is very high at 97%. I am sure there is more that we can do but I am aware of some of the concerns raised about this. We are alive to this, as it is very important that people are not put off by not being able to operate the system properly.

My noble friend Lady Altmann and the noble Lord, Lord Davies, also asked about awareness of the changes. This perhaps goes a bit further than I went earlier. I already mentioned updating GOV.UK; I may also have mentioned that we are working closely with external organisations to ensure that people have what they need to make an informed decision about making a claim. I am pleased to say that for those previously refused entitlement, either by the Secretary of State or the tribunal, it will be open to them to make a new claim for benefit. The remedial order deliberately extends the time period for making such claims; this should ensure that all who qualify can access support, irrespective of whether they have claimed before. I think I pointed out, as far as I could, what we are doing to make people who had claimed unsuccessfully before aware that they could claim again.

The noble Lord, Lord Davies, and the noble Baroness, Lady Sherlock, raised a very important point on the evidence of cohabitation. They asked what evidence people will need to provide. The Committee will know that the onus will be on the claimant to prove cohabitation. We intend to use existing DWP IT systems to verify information provided by the claimant as part of their claim. If the information provided cannot be confirmed, the claimant will be required to provide two forms of documentary evidence. We will accept evidence in line with that currently accepted by DWP as proof of address. Where claimants are unable to provide documents, we will take a customer declaration over the phone. This approach follows the existing evidencing strategy for married couples and those in a civil partnership. We believe that this is a pragmatic and compassionate approach which minimises the impact on the claimant, is deliverable and protects against the risk of fraud. I would say also that, as this is new and coming in, we will obviously monitor it carefully, but that is where we stand at present.

The noble Lord, Lord Jones, asked an interesting question about the statistics on future retrospective payments and the average amounts. Unfortunately, as he might probably guess, I am unable to give the figures to him. They are not yet in the public domain but, of course, I am happy to write—but not quite sure when I can write—to him with the figures. It may be that somebody behind me can say it might be soon. The point is that his question is very much noted; I think it was echoed by the noble Baroness, Lady Sherlock.

4.45 pm

Nearly finally, I will say a few words about the passionate speech made by the noble Baroness, Lady Brinton. She raised a number of different scenarios, and she is quite right to raise the concept of cases that could possibly fall outside what we are trying to do. I noted her own personal case. Specifically, she raised the case of kinship carers. I will certainly have to write to her about that. I said in my opening remarks, which she will have logged, that ultimately in areas of extreme complexity, where it is not possible for the department to make a definitive decision, it will go up to the Secretary of State. I think I said at the outset that some of these relationships are very complex. Obviously, our aim is to ensure that we look after all those who apply in the best possible way, taking account of the different complexities. That is what the department is about—which I am learning quickly. It is very important that we make fair and reasonable decisions. However, I will clearly need to write on kinship carers. She raises a very important point because kinship carers have a very important role.

I suspect I have missed out on answering all the questions, but I will look at *Hansard*, as will my team, and will be sure to answer any questions I have not answered in letter form.

Baroness Sherlock (Lab): I am grateful to the Minister and thank him for the answers he has been able to give. He was unable to answer questions from my noble friend and me about the treatment of the lump sums, which are extremely important. They are at the heart of the way this order will be operationalised. Given that, according to the order, it takes affect the day after it is made, can the Minister undertake to write as quickly as possible?

Viscount Younger of Leckie (Con): The noble Baroness raises a very fair point. I will speak to the team and see what we can do to write a letter quickly covering all the points, not just that particular point.

Motion agreed.

Transport (Scotland) Act 2019 (Consequential Provisions and Modifications) Order 2023

Considered in Grand Committee

4.47 pm

Moved by ***Lord Offord of Garvel***

That the Grand Committee do consider the Transport (Scotland) Act 2019 (Consequential Provisions and Modifications) Order 2023.

The Parliamentary Under-Secretary of State, Scotland Office (Lord Offord of Garvel) (Con): I am grateful for the opportunity to debate this order, which was laid on 22 November 2022. It is a result of collaborative working between the two Governments in Scotland. It is made under Section 104 of the Scotland Act 1998, which allows for necessary legislative amendments in consequence of an Act of the Scottish Parliament. Scotland Act orders are a demonstration of devolution in action. I am pleased to say that, although this is my first order, the Scotland Office has taken through over 250 orders since devolution began 25 years ago.

In this case, the order contains amendments to Section 26(1) of the Transport Act 1985 as a consequence of the Transport (Scotland) Act 2019, which I shall refer to as the 2019 Act. This provides new powers to

the traffic commissioner to impose public service vehicle licence conditions on operators who fail to discharge obligations imposed on operators under the 2019 Act and the order. The 2019 Act is also a multitopic piece of legislation, designed to deliver a more responsive and sustainable transport system for everyone in Scotland. The 2019 Act makes provision in a range of areas, such as pavement parking, roadworks, workplace parking licensing, smart ticketing, low emission zones, and bus services—the latter three of which are the genesis of this order. It also empowers local authorities and establishes consistent standards in a range of areas to tackle current and future challenges regarding transport in Scotland.

I will now explain the effect the order will have and the provision it will make. It will permit the DVLA and the Joint Air Quality Unit to share vehicle information to relevant Scottish bodies to enable the operation and enforcement of the low emission zones.

The order will make provision updating the enforcement regime for the competition test under Section 37 of the Transport (Scotland) Act 2001, so that it applies to a Scottish local transport authority's functions relating to bus service improvement partnerships, which will replace the quality partnership model introduced in the 2001 Act. This amended enforcement regime will also apply to the making and varying of ticketing schemes made under the 2001 Act after the amended regime comes into force. The order will also make equivalent provision to that made under part 2 of Schedule 10 to the Transport Act 2000, to apply a bespoke set of rules to certain agreements, decisions and practices made pursuant to bus service improvement partnerships, in place of the Chapter I prohibition under the Competition Act 1998.

Further, the order will make provision to ensure that the rights and protections afforded by the Transfer of Undertakings (Protection of Employment) Regulations —TUPE—will apply to employees who are affected when local services franchising is introduced in an area of Scotland. This includes provision allowing local transport authorities to request certain employee information from bus operators. In connection with that, the order will ensure that pension protection will apply to circumstances that are to be treated as "relevant transfer" for the purposes of TUPE, when local services franchising is introduced in an area of Scotland.

Although certain transport matters are devolved to Scotland, I am pleased to support the important legislation through this Scotland Act order on behalf of the UK Government. I beg to move.

Lord Bruce of Bennachie (LD): My Lords, I am grateful to the Minister for that introduction. I have one or two questions. The order specifically focuses on low emission zones and integrated ticketing, including linking between railways and ferries, about which there is something of an issue in Scotland at the moment.

The reason why we require this is not entirely clear to me. What are the competition issues that require a UK agreement? I am not complaining about it; I want clarification. To put it the other way round: to what extent might there be a diversion within Scotland? Does that require UK Government consent or is it entirely a matter within the devolved responsibility?

To go to the specifics, low emission zones create some degree of controversy, not only in Scotland but elsewhere. I notice from looking at my local press that quite a few people are unhappy about them in Aberdeen and Glasgow. That is not a reason for not doing them; it is probably desirable to do so, but changes such as that mean that traffic going past certain businesses may change to their detriment. Do these issues have to be taken into account or are they just an unfortunate consequence?

On integrated ticketing, ScotRail and most of the ferries are wholly owned by the Scottish Government, although there are private operators, so what is the competition impact of that? Is it on other private operators —alternative forms of transport—which would seem valid to me? From looking at the various briefs, the established practice is clearly that each region and local authority in England has its own rules about this, and it seems that we are just applying the same rules in Scotland. Is that to have consistency across the piece so that, wherever they are in the UK, people can appreciate that the principles behind these will broadly be the same?

I concur with what the Minister said at the beginning. As a strong supporter of devolution—indeed, I would call myself a passionate home ruler—but not of separatism, it is good to see proper working between the two Governments; it is desirable. It would just be good if the Scottish Government could acknowledge that it happens a little more openly and be a bit more constructive about it, because to my mind that is how it should work.

Obviously, reassurance on TUPE—it is about workers' rights, I guess, and is absolutely a UK matter—is welcome. I happen to be a member of the Common Frameworks Scrutiny Committee. We have been going through all these issues; indeed, the noble Lord opposite has also gone through that process, which has been slow and cumbersome and is a long way short of being complete. We are finding that there should not be difference for difference's sake. It is good to have standard and agreed practices but divergence should also be allowed to apply. I want some assurance that, in passing this order, we are neither imposing conditions unnecessarily nor preventing diversion where it is necessary. On the basis that the Minister has said that it has been agreed between the two Governments, I assume that there are no outstanding issues of that sort.

Lord Jones (Lab): My Lords, I thank the Minister for his remarks, which were lucid and forthright. Is it the case that the DVLA referred to in paragraph 7.2 of the Explanatory Memorandum is the DVLA at Morriston in Swansea? That is a huge, valued employer in Wales with a marvellous workforce. One does not want a Scottish competitor, if I may say so. It must be securely located in the Principality. Similarly, where is the Joint Air Quality Unit located? Is it a UK unit? Lastly—I want to be brief in this cool Moses Room—there is a reference in paragraph 12.1 of the Explanatory Memorandum to a "Justice Impact Test". Can the Minister elaborate on what that process is?

Lord Tunnicliffe (Lab): My Lords, I thank the Minister for introducing this order; I think he said that it is the first order he has introduced so I welcome him to this

[Lord Tunnicliffe]
process. Having been involved in the process of statutory instruments for a decade, there are various responses to being here with this massive attendance, which is not untypical.

This is a devolution order. I have so far managed to avoid any such orders, so I will tread with care. It seems to me that the general philosophy, if the two sides have agreed this, is that the preponderant input is from the Scottish Government and that this order merely enables and completes it. It then seems that the order has three areas. One covers low-emission zones; here, it is clear that this is what Scotland wants to do in terms of such zones. There is also a section on bus services, ticketing and so on and a section on pay conditions and pension protection. My first question is this: why now? It seems that the essence of the order is to make the Transport (Scotland) Act 2019 work. That must have been sorted out three and a half years ago, so I am not clear on how it has worked in the meantime and why this was not done earlier.

The low-emission part is straightforward, as far as I can see, as is the employment part; they are perfectly sensible. The area where I had some trouble understanding was on the role of the CMA. The essence is in Article 21(1), on page 9 of the order, which says:

"A qualifying agreement to which this Chapter applies is exempt if— (a) it contributes to the attainment of one or more of the bus improvement objectives".

That seems to be not exactly in conflict with but tested against paragraphs (1)(b) and (1)(c), which state that such an agreement is exempt if

"it does not impose on the undertakings concerned restrictions which are not indispensable to the attainment of those objectives"—

I always love these double negatives—and

"it does not afford the undertakings concerned the possibility of eliminating competition in respect of a substantial part of the services in question."

5 pm

There is a balance to be achieved between sub-paragraph (a), which says it contributes—the order sets out in what areas it contributes—and the possible downsides. The only key question here is: who, in the final analysis, makes that judgment? If the CMA is making the judgment, that seems to a degree to be in conflict with the spirit of devolution. Can the Minister give us some reassurance as to who makes the judgment on that balance?

Is there an appeal provision? As far as I can see there is not, but there may be. Do we not have to be sensitive? I do not know how this is to be carried forward administratively but in coming to this balance we have to be sensitive, I hope, to the devolution implications and irritations if a UK-wide body ends up stopping what is seen locally as an important amendment to the bus services in an area.

Lord Offord of Garvel (Con): I thank noble Lords very much for those succinct questions. I turn first to the noble Lord, Lord Bruce, and the operation of the low-emission zones. These are appearing in all parts of the UK. They tend to be devolved to local authorities, which are in a position to make up their own minds how they operate. We have them going in London and Oxford; in Scotland, Glasgow is now in its pilot. They are very much a devolved matter to allow the local authority to decide how to operate them in its own area. In fact, this whole order simply implements the devolved settlement.

The noble Lord, Lord Tunnicliffe, asked why it has taken so long, with the 2019 Act now coming here in 2023. I guess it is not the first time that legislation in Scotland has taken a while to come through the system. There is nothing particularly controversial in this; I assume it is just how the wheels have turned. This is very much to allow the Scottish Government to proceed with their traffic Bill, and we are working in co-operation with the Scottish Government. Low-emission zones will therefore be run by the local authorities.

The specific question about the ferries is a good one. The briefing I have here is very much in relation to the buses, because there will be some changes to the bussing arrangements. It is a change from the established system of quality partnerships to a new partnership basis, where the local authority will have a different arrangement with franchise operators. The noble Lord, Lord Bruce, is absolutely right to say that there is very little competition on the ferries, with Western Ferries perhaps being one of the few cases where there is. If the noble Lord does not mind, I will follow up specifically on that because the buses point is well covered but the ferries point is not covered quite so well.

On the other questions that arose, the DVLA remains in Swansea and remains a UK institution. All this does is to allow the transfer of information effectively from the DVLA to the Scottish authorities, so that will remain in place. Similarly, the Joint Air Quality Unit shall remain. The whole point of devolution is to allow the UK institutions to remain in place and the Scottish Government to interact with them.

In terms of the justice impact, there is always an impact assessment done on legislation. That is done by the Scottish Government on their legislation; we do not do a further impact assessment. The Scottish Government have done their impact assessment on this Act and they consider it to be positive for the community and the people of Scotland.

There is a similar issue around the role of the CMA and the Competition Act. We are not changing anything to do with UK law around the Competition Act. It remains absolutely as it was before; all we are doing is making a provision for bespoke competition regimes to apply, and it is part of the devolution settlement that that is the case. This is very much Scotland being allowed to run its own transport system and to make its own decisions locally, but by referencing UK institutions when required.

Lord Tunnicliffe (Lab): Can I help the Minister by defining my question more precisely? In that paragraph there is a balance between two concepts: one is better buses and the other is preserving competition. Somebody has to decide which of those arguments works. I would have thought that could result in the CMA coming into conflict with the Scottish Government or the Scottish local authority that wants to introduce a much better bus service, or have I totally misread that?

Lord Offord of Garvel (Con): The local rules for competition will be set by the Scottish Government within the Scottish jurisdiction. The whole point of

this is to allow them to do that; they will set their own rules, hence the reason for changing the arrangements around buses. Under this order, the Scottish Government are able to implement the Act that allows them to change the competition rules for themselves, within their country. That is fully devolved to the Scottish Government.

Lord Tunnicliffe (Lab): Would the Minister be kind enough to review that answer and, if he is not entirely happy with it, write to me?

Lord Offord of Garvel (Con): I would be very happy to clarify that point. We have covered the matters raised, so I will finish by reflecting and agreeing with the noble Lord, Lord Bruce, on how the majority of business done between the two Governments is done by officials, behind the scenes, reasonably competently. We work very hard to do that through the interministerial groups that we now have with the Scottish Government. We have a very difficult situation in the other place today—the first time a Section 35 order has ever been implemented—but, on the whole, we work together closely. On that basis, I beg to move.

Motion agreed.

The Deputy Chairman of Committees (Lord McNicol of West Kilbride) (Lab): We do not have a Minister—the noble Baroness, Lady Goldie, is not here—so I propose to adjourn Grand Committee for 10 minutes. If the Minister is not here, the Whip or someone else from the Government will take the next instrument. Grand Committee is now adjourned until 5.18 pm, when it will recommence.

5.08 pm

Sitting suspended.

Pensions Appeal Tribunals (Late Appeal) (Amendment) Regulations 2022

Considered in Grand Committee

5.18 pm

Moved by ***Baroness Goldie***

That the Grand Committee do consider the Pensions Appeal Tribunals (Late Appeal) (Amendment) Regulations 2022.

The Minister of State, Ministry of Defence (Baroness Goldie) (Con): I proffer my apologies to the chairman and the Committee. I am terribly sorry that my late arrival meant the adjournment of the Committee. We thought the Transport (Scotland) Act order would be a much meatier affair than it apparently turned out to be.

My Lords, we enter the somewhat technical world of the MoD Armed Forces compensation schemes, but we do so for an important and necessary reason: because the statutory instrument before us will change the rules allowing late appeals against decisions under the various Armed Forces compensation schemes in Scotland and Northern Ireland. The purpose of these changes is to align the rules for Scotland and Northern Ireland with the current rules in England and Wales.

The schemes provide compensation to persons who have sustained illness, injury or death wholly or partly as a result of service in the regular or reserve Armed Forces. Claims made under the rules of the various schemes are decided by the Secretary of State for Defence, and claimants who do not agree with the decision have a right of appeal against most substantive decisions. Before 2008, all such appeals were made to the Pensions Appeal Tribunal, which operated across the whole United Kingdom under the provisions of the Pensions Appeal Tribunals Act 1943.

Following the 2008 courts and tribunal reforms in England and Wales, a War Pensions and Armed Forces Compensation Chamber of the First-tier Tribunal was created in England and Wales with its own rules, made under an Act that extended to England and Wales only. The Pensions Appeal Tribunals in Scotland and Northern Ireland continued to exist under the provisions of the original 1943 Act.

As I have said, claimants who disagree with certain decisions by the Secretary of State may appeal those decisions; they have 12 months in which to make that appeal. There is also provision for what is known as a "late appeal". This is an appeal that is made more than 12 months after the original decision but within 24 months, because no appeal is ever possible after two years. As a result of the 2008 reforms in England and Wales, a late appeal is accepted by the First-tier Tribunal unless the Secretary of State objects. If the Secretary of State does object, the tribunal has the power to consider the matter and admit the appeal if it is fair and just to do so. However, the provisions of the 1943 Act still apply to those tribunals in Scotland and Northern Ireland. Until recently, these provisions did not allow tribunals in those jurisdictions to treat late appeals with such flexibility, as they could do so only in specific circumstances set out in regulations.

The Lord Chancellor established a War Pensions and Armed Forces Compensation Advisory Steering Group to pursue consistency in the procedure for appeals across the United Kingdom. It concluded that existing late appeal processes may possibly disadvantage appellants in Scotland and Northern Ireland. The request to make these amendments came from the presidents of tribunals in Scotland and Northern Ireland. The devolved Administrations have been consulted on, and have approved, the draft regulations.

In 2021, amendments to the 1943 Act were made. They allow us to align the rules under which late appeals are accepted in Scotland and Northern Ireland with the current rules in England and Wales. These draft regulations seek to amend the 2001 regulations to remove this anomaly and align the rules on late appeals across the whole of the United Kingdom. I beg to move.

Lord Jones (Lab): My Lords, I thank the Minister for her incisive and always-informed remarks.

At paragraph 7.3 of the Explanatory Memorandum, the word "consistent" is used. A consistent approach is to be welcomed. However, can the Minister tell us

[Lord Jones]
about the ASG—that is, the advisory steering group? Who heads it? It looks very formal. It is advisory but shall its members be paid? Do we know what amount the group's members receive? Are there any names of which the Committee might be informed? We need information regarding the names concerning the representative ex-service and service communities. One does not want the high and mighty of law and government ministries leaning heavily on the humbler members of the ASG. If the MoD is involved, rank will be a consideration. The judiciary also carries weight. On membership, does everyone have an equal voice?

At paragraph 7.2, we learn of appeals. Might the Minister flesh this point out by instancing an appeal case? What might it entail?

On paragraph 7.4, how many appeals were heard in 2021 and, if it is possible for the Minister to say, 2022? Again, I thank the Minister for her remarks.

Baroness Smith of Newnham (LD): My Lords, often in your Lordships' House—and I mean your Lordships' House, not Grand Committee, as I have not forgotten where I am—we spend a lot of time looking at primary legislation and saying that we need better scrutiny, that we should not have Henry VIII clauses, that we do not want framework legislation and that we need to be able to scrutinise statutory instruments very closely. The assumption is that the Government, on occasion, are perhaps trying to pull the wool over our eyes.

We do not get framework legislation with lots of Henry VIII clauses from the MoD, but we do from other ministries, so we will perhaps exonerate the MoD from this. Here we have a statutory instrument that looks so straightforward that one almost wonders why it needs to be here, other than that we had agreed in the Armed Forces Act 2021 that we should scrutinise such a statutory instrument. In asking whether this should be considered debated and approved, it is a straightforward statutory instrument, as it is only right that service personnel and veterans who are seeking to appeal, whether they are from Scotland, Wales or Northern Ireland, are treated in the same way. The basic principle seems straightforward: everyone in the four nations of the United Kingdom should be treated the same.

I have a similar question to one from the noble Lord, Lord Jones, about the number of appeals we are thinking about—not necessarily in 2021 or 2022. Are we talking about very large numbers or is this seem primarily as a tidying-up exercise? It would be useful to know that and have a sense, looking back 15 years from 2008 to 2023, of whether many people have been done a disservice because they were in Scotland and Northern Ireland and were not able to appeal between months 13 and 24, whereas they would have been able to in England or Wales.

I like the idea of the Lord Chancellor's steering group but agree that it would be interesting to know more about its basis and whether it is intended as a long-term body.

I have a final question. We have occasionally had other tidying-up amendments. Is the Minister sanguine about the fact that other tidying-up legislation might need to be brought forward if there are other disparities that could be doing a disservice to service personnel or veterans from one part of the United Kingdom compared to those from other parts?

Lord Tunnicliffe (Lab): My Lords, I thank the Minister for introducing this instrument. It seems simply to bring appeals in Scotland and Northern Ireland into line with those in the rest of the United Kingdom, which is a good thing. I am curious, because this anomaly presumably sprang up in 2008, which was 15 years ago, about why it has taken so long to alight upon it and address it. That is the first of my two questions.

Secondly, the hierarchy for whether an appeal is allowed involves a step at which the Secretary of State may choose not to allow it. Does the Secretary of State have to respect any criteria in making this decision or is it absolutely at his discretion? I cannot see any guidance on the criteria in the instrument, but there may be a general criterion. I recall some discussion of this in the past and the requirement of Secretaries of State to behave reasonably, but I cannot see any criteria. Clearly, the stopgap—the thing that makes this reasonable—is that the tribunal may override the Secretary of State in the interests of justice, so it is not that important a point, but I am curious.

Just to make sure I have not got this completely wrong, would the Minister confirm that this measure is favourable for appellants in Scotland and Northern Ireland?

5.30 pm

Baroness Goldie (Con): My Lords, predictably, although this may be a somewhat technical and relatively short debate, your Lordships have advanced questions, some of which I may not be able to answer; I may have to offer to write.

I will deal first with the points raised by the noble Lord, Lord Jones. I do not have before me specific information about the compensation advisory steering group—members, who leads it, whether they are paid or whether there are ex-service representatives—but I can undertake to find out that detail. I am just glancing at my officials and, reassuringly, their faces are as blank as mine. If the noble Lord will be patient with me, we shall find out that information and I shall write to him.

Lord Jones (Lab): I am grateful for the Minister's remarks. I admire the way she does her business. I simply want to say that I rise often in this Committee as a point of principle, rather than to ask questions that may or may not be answered by the given Minister. Having been a Minister in three Administrations in another place, one's sympathy is always with a Minister seeking to answer.

The main thing that comes to my mind is that so often in this Committee there are orders and regulations that really should be on the Floor of the House. Important regulations and orders are often so badly attended. They can go through without any consideration as to how they affect the citizenry. I thank the Minister.

Baroness Goldie (Con): I applaud the noble Lord's persistence and tenacity, because that is entirely reflective of what good scrutiny should be. I came here thinking I had everything I needed, but the noble Lord has disproved my theory. The noble Baroness, Lady Smith, asked similar questions so I undertake to include all noble Lords in my response.

The noble Lord, Lord Jones, also asked whether I had an example of a case of the type of appeal. I do not, but I presume that could be obtained without too much difficulty. I undertake to investigate that.

On the numbers of appeals, I offer a little more in the way of a glimmer of hope. I have been given information that in 2021 in Scotland, 11 late appeals were received. These would have been received under the less favourable regime that this statutory instrument is seeking to correct. Of these 11 late appeals, nine were admitted and two were refused. I think the two were refused because the upper limit of two years had been extinguished, so I think we can accept that that was a bona fide and understandable reason for declining to meet the appeal. In 2022, nine late appeals were received in Scotland. Seven were admitted and two were refused. In one appeal the upper limit of two years had been extinguished. The other appeal was refused because not only was it late but it had already been adjudicated at a previous tribunal hearing. I think that reassures your Lordships that there is a process that has been robust.

In Northern Ireland in 2021, two late appeals were received and both were admitted. In 2022, two late appeals were received; two were admitted and none was refused. I hope that reassures your Lordships that there has been a working system and that the intrinsic components of the system are operating. But as I said from my speaking notes, there was a sense that this may lead to some disadvantage for appellants in Scotland and Northern Ireland, hence the desire, recognised by your Lordships, to achieve pan-UK consistency on the issue.

I think it was the noble Baroness, Lady Smith, who asked about other people who may have been disserved by the previous arrangement, and that was echoed by the noble Lord, Lord Tunnicliffe. All I can say is that I do not know, but these figures, which are from the previous regime, suggest to me that a very fair regard has been had to the appeals. I do not see evidence of any manifest unfairness or unreasonable determination of the appeal.

The noble Baroness, Lady Smith, said that we are doing a bit of tidying up. That is correct. Does more legislation need to be brought forward to address any other outstanding issues? I am not aware of it. As the noble Baroness herself observed, delegated legislation for the Ministry of Defence is relatively unusual and fairly sparse. As I think your Lordships will understand, this is intrinsically a very technical issue, and it was the tribunal presidents who pushed to make the change because they had both the experience and the technical knowledge, and I think they realised that there was a better way of dealing with this. The acquiescence of the devolved Administrations endorses that approach. I am not aware of any accumulation of material that needs to be addressed.

The noble Lord, Lord Tunnicliffe, asked about the length of time to address this. I do not have a specific answer; from the circumstances I can infer only that when the changes were made in England and Wales, nobody thought at the English and Welsh end that anything needed to be done in Northern Ireland and Scotland. Interestingly, it is pretty clear that nobody at the Scottish and Northern Ireland end thought that anything needed to be done. It has been a classic example of the system working and keeping going, and only on further consideration by the presidents of the tribunals in Scotland and Northern Ireland was there a realisation: "Wait a minute, this is maybe not the best we can do for these two countries, and we ought to change it".

The noble Lord, Lord Tunnicliffe, asked about the criteria that the Secretary of State has to observe when determining an application. He will be aware that the role of a Minister of the Crown in determining these matters is quasi-judicial, and I imagine that the Secretary of State is encompassed by legal advice to make sure that they are not in danger of doing anything that would be patently unfair or unjust to the applicant. There will no doubt be advice, based on the circumstances of the applicant, as to whether a case is deserving and should be granted. Of course, the safeguard is that if the applicant is dissatisfied with the Secretary of State's determination, there is now this more flexible method of appeal available to the applicant.

The final question from the noble Lord, Lord Tunnicliffe, was basically: is this change more favourable to appellants? The answer is yes. As I said and the noble Baroness, Lady Smith, identified, it is just possible that there may have been appeals determined in Scotland and Northern Ireland under the old, more rigid rules, which had been abandoned by England and Wales, and that under those more rigid rules something was deemed not grantable on appeal, but I do not know. I think it would be an impossible question to answer, but it is obvious from the numbers I have cited that we are dealing with a fairly small cohort of cases here.

With the exception of the compensation advisory steering group, on which I will write to all three noble Lords who contributed to the debate, I hope I have managed to answer all the questions. I commend this instrument to the Committee.

Motion agreed.

Energy Bill Relief Scheme Pass-through Requirement (Heat Suppliers) (Amendment) Regulations 2022

Considered in Grand Committee

5.40 pm

Moved by ***Lord Callanan***

That the Grand Committee do consider the Energy Bill Relief Scheme Pass-through Requirement (Heat Suppliers) (Amendment) Regulations 2022.

Relevant document: 24th Report from the Secondary Legislation Scrutiny Committee

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Callanan) (Con): My Lords, these regulations were laid before the House on 6 December 2022. We have already passed legislation concerning the energy bill relief scheme pass-through requirement for heat suppliers, which ensures that benefits from the energy bill relief scheme, known as the EBRS, are passed through to end consumers on heat networks. This legislation also provides for a route to resolve disputes between consumers and heat networks on these pass-through requirements.

This statutory instrument amends the pass-through regulations, introducing a requirement on heat suppliers to send a simple notification to provide information to the Secretary of State by 6 January 2023. This information, which includes heat suppliers' names, business addresses and contact details, will be shared with the energy ombudsman and the Consumer Council for Northern Ireland to support their handling of domestic and micro-business consumer complaints. This information will also be shared with the Office for Product Safety & Standards—the OPSS—for enforcement purposes.

The SI strengthens the OPSS's powers of enforcement, enabling it to request information from suspected heat suppliers to determine whether they fall within the scope of the regulations. The OPSS may also impose existing civil sanctions, including a monetary penalty on heat suppliers who fail to comply with the requirements to notify, join the redress scheme or provide information. The monetary penalty has been modified, providing for a maximum of £5,000 to provide an effective deterrent for non-compliance.

The SI also amends the existing regulations to reduce the administrative burden on heat network companies, removing the requirement for heat suppliers to provide information about the calculation of the benefit when they first notify end-users about the scheme, while retaining the requirement to provide these calculations in the next bill.

The EBRS and the corresponding pass-through regulations have been introduced as a critical component of support for consumers on heat networks and complement other support that the Government are providing with energy and the cost of living. We expect that the notification requirements will facilitate the consumer complaints handling process and that the strengthened enforcement powers will result in a higher number of heat suppliers passing on the EBRS discount to their customers. I commend the regulations to the Committee.

Lord Teverson (LD): My Lords, I thank the Minister for going through this piece of secondary legislation, which concerns what is clearly an important subject: making sure that the money that is in effect discounted from bills gets through to the final consumer.

It is probably unfair to say this but, having read through this instrument, I would be amazed if the dispute process is ever used or anybody ever gets round to being able to take advantage of it. To be honest, a maximum fine of £5,000 hardly seems a great deterrent to anybody, but there we are; I suspect it will be not a great deal of money in terms of the P&L account of any of these providers, so I am rather surprised that it has been pegged at that amount.

The thing I am really interested in is that, as I read it, a core part of this piece of legislation is finding out the contact details of heat suppliers. If we do not know that information, how do we get in touch with the suppliers to find it out? I do not understand that. Given the fact that this measure was supposed to have happened by 6 January, as this is all in retrospect, clearly this has happened; I am just interested to understand from the Minister whether the Government have had good responses and replies from everybody. How do they know that everybody has replied? I would be interested to understand that.

The only other area I want to probe—the Minister will forgive me, as I should clearly know this—is the Office for Product Safety & Standards, because I had never heard of it before. I am sure it is a well-known organisation in certain parts of the sector, but I am interested in briefly understanding to whom it reports, its status and whether it is tooled up to do this work effectively. However, I thank the Minister, as this is clearly important secondary legislation and I support making the scheme effective.

5.45 pm

Lord Bassam of Brighton (Lab): My Lords, I do not have a great deal to add and obviously we do not oppose these regulations, but it seems that they have come forward urgently because the department appeared to forget, when making the original regulations, that—as the noble Lord, Lord Teverson, said—there is no complete register of heat suppliers in place that would enable the original legislation to be properly carried out. The original legislation went through without a word about why the department did not know who the energy suppliers were and how that made the legislation somewhat redundant and difficult to implement.

It seems that we have in front of us a rapid and somewhat scrambled fix to try to rectify that original problem. No doubt the Minister will tell me that I am wrong, but it seems to exist because the department forgot that a rather central part of the method of getting money to customers is through heat suppliers, which should be known to the department to make them pass the money through. Why is the scheme so last-minute and retrospective? Should it not have been up and running and operating earlier so that customers could benefit?

The Explanatory Memorandum for this SI says that this must happen in order to get money to customers over the winter period, so my question to the Minister is: how has this happened? Why have the regulations been introduced suddenly, and why now when this should have been done earlier? How much time has been lost in getting money to customers as a result of the scheme being incomplete when it was introduced? Finally, have customers lost out or been disadvantaged in any way? That is probably the key point, because people are getting much higher bills than they would have expected a year or 18 months ago. Judging from my experience, although I am not struggling to pay, people are being shocked and taken aback.

I looked at the Explanatory Memorandum and it seemed there were one or two errors. The instrument makes corrections to definitions of "end-user",

"intermediary" and "scheme benefit". That seems glaring. The Explanatory Memorandum says that suppliers need

"more time to provide their customers with detailed calculations".

I would have thought that that problem could have been anticipated and dealt with earlier. That is a concern. I also spotted, in the "policy background" section that

"The heat network sector is not currently comprehensively regulated and there exists no complete record of heat suppliers."

This is quite revealing. I appreciate that the instrument attempts to address this, but it is something of a gap to have left in the first instance. Although I was sort of impressed by the consultation exercise, a workshop with 120 heat suppliers in October hardly seems a complete consultation to my way of thinking. In its section on impact, the Explanatory Memorandum also refers to "light-touch notification", so that heat suppliers

"in effect are given an extension on the deadline for making the much more comprehensive notification under the"

billing regulations.

I may have misunderstood this, but I do not think I have. By my way of reading it, it is not an entirely happy story. I look forward to hearing the Minister's explanation of why and how this came about.

Lord Callanan (Con): I thank both noble Lords for their valuable contributions to this brief debate. The Government have put in place robust measures to support consumers in response to the energy crisis. For heat network consumers these measures include the EBRS—energy bill relief scheme—or alternative funding for those without a domestic electricity meter, and the energy price guarantee for electricity. These schemes are up and running, shielding heat network consumers and countless others from excessive energy bill increases this winter.

The measures in today's SI continue this work by strengthening the legal framework for ensuring that cost reductions from the EBRS received by heat networks are passed on to heat network consumers, leading to immediate short-term benefits to consumers over this winter. This SI results from wide-ranging engagement with industry, including trade associations, heat suppliers and consumer groups in the sector, and ensures an approach which works for both consumers and businesses. The changes are based on practicalities, meaning consumers will be informed of key information without placing an undue burden on heat suppliers.

Turning to the specific points raised by the noble Lords, I start with the noble Lord, Lord Teverson, who asked the obvious question: great minds think alike, as it is the same one I asked when I was introduced to this statutory instrument. How do we know that we have received a good response, as the deadline has already passed, and that everyone has replied? The figures are that, as of last week, we have received notifications from over 2,800 heat suppliers. Previous data obtained from notifications collected under the Heat Network (Metering and Billing) Regulations indicated that there were approximately 2,600 heat suppliers in 2018. We therefore judge that heat supplier engagement with the EBRS pass-through notification form has been good.

Of course there are some enormous heat networks, which everybody knows about, but also some quite small heat networks. Many developers just develop a block of flats, install a heat network and then subcontract out its management to a secondary company—some with great success and others with not such great success. Many people do not realise that they are on a heat network until they have already moved into the property, because it has elements of monopoly about it. If the noble Lord had been present in the debates on the Energy Bill, he could have discussed the fact that we are introducing powers to regulate heat networks, which will be given to Ofgem. We have been having debates separately with the noble Lord, Lord Teverson, and others on that but at the moment the sector is essentially unregulated, which has caused problems in some areas. There are some very bad examples of networks, which we will attempt to rectify.

The noble Lord, Lord Teverson, also asked about the role of the OPSS in ensuring enforcement, which was similarly raised by the noble Lord, Lord Bassam. The OPSS already had a role to receive notifications from heat suppliers and is therefore a natural fit. Notifying is actually a simple process, which should take about five minutes to complete. We would press any heat network suppliers which have not already notified—from the figures, we think that the vast majority have—to do so as soon as possible to ensure the avoidance of enforcement action. Again, all the big ones were known anyway and have complied. It is possible that there might be an odd mansion block or small block of flats somewhere, or some remote properties, that have not yet notified but we think the vast majority have.

If the supplier has not submitted its notification by 6 January or within 30 days of beginning operations, or for any new heat suppliers that began operating after 7 December last year, the OPSS may issue a notice of intent which makes clear the required actions and gives the business the opportunity to become compliant with the regulations. Should the heat supplier then continue to fail to do so, the OPSS may issue a notice of compliance, which sets a final deadline for the supplier to submit its notification after which point, if it is still non-compliant, it may be issued with the penalty fines that I referred to earlier. If the heat supplier does not engage with the ombudsman, or the Consumer Council in Northern Ireland, customers can recover the benefit that they are owed as a civil debt.

In response to the questions asked by the noble Lord, Lord Bassam, about why we are having the debate only after the notification window has closed, these regulations came into effect the day after they were made, on 7 December. This debate has no real bearing on the notification window but is to give time for parliamentary scrutiny and to ensure that this affirmative SI, as it was, does not now fall. We thought the "made affirmative" procedure was appropriate, given the time-sensitive nature of this work. Customers need support as quickly as possible, so ensuring prompt EBRS pass-through is important to provide that support. That underlines the rationale of running the notification window from the earliest possible date after the regulations were made.

[Lord Callanan]

The noble Lord, Lord Bassam, also asked a very reasonable question about why we are amending relatively new SIs. The answer is that following the initial regulations, which were made very rapidly given the urgent nature of the problem, we have taken on board feedback from the sector to ensure that this final approach now works for both businesses and customers.

The noble Lord also asked why the definitions of intermediaries have been amended. The amendments distinguish obligations that do not apply to an intermediary who is also an end-user. That could be a landlord, for example. The requirement to join the redress scheme will not apply unless the intermediary is provided with a scheme benefit by way of a discount or reduction under the Energy Bill Relief Scheme Regulations, nor will it apply to a person who supplies heating to the final customer unless that person is provided with a scheme benefit by way of a pass-through under these regulations. A landlord provided with a pass-through amount under the pass-through regulations, which it in turn must pass on to its tenants, will not be required to join the redress scheme unless that landlord also supplies heating through a district or communal heat network. Similarly, an intermediary who is also an end-user will not be required to notify an authorised person of their name, business address and contact details.

The noble Lord also asked why heat network suppliers are being given an extension on the requirement to complete their heat network metering and billing notifications. The answer is that these regulations will introduce minimal costs on heat networks. The information required is information that heat suppliers will already have access to, and we are not requiring heat suppliers to provide information beyond that which they already provide to government under the Heat Network (Metering and Billing) Regulations. We consider that the benefit of heat network consumers receiving lower heat prices resulting from the EBRS pass-through will significantly outweigh these relatively minor administrative costs to heat suppliers. By completing the notification requirement under these regulations, a heat supplier gains an extension in complying with the Heat Network (Metering and Billing) Regulations until 31 March 2023, so this further reduces the burden on the business over what, I think we agree, will be a challenging winter period.

I hope I have successfully answered the questions from both noble Lords, and therefore I commend these regulations to the Committee.

Lord Teverson (LD): Can I just follow up on a couple of things? Given that this is an unregulated sector and one in which there are issues, as the Minister said, will the OPSS undertake some sort of random survey of end-user customers to make sure that this is getting through to them, so that there is some form of check? I would be interested to understand whether the Minister or his department has any estimate of the proportion of final consumers who have now received payment.

Lord Callanan (Con): Consumers would not receive payment as such; they would just receive the appropriate discount off the bill presented by the heat network. I am sure the OPSS will want to monitor the market. I think it will primarily be driven by complaints from customers. I assure the noble Lord that, based on my postbag, customers are very willing to complain, both to their Member of Parliament and directly. Because the OPSS is responsible for the original billing regulations, it is best placed to carry out this work and I am sure it will conduct the appropriate market monitoring.

Motion agreed.

Immigration (Leave to Enter and Remain) (Amendment) Order 2023

Considered in Grand Committee

6 pm

Moved by ***Lord Murray of Blidworth***

That the Grand Committee do consider the Immigration (Leave to Enter and Remain) (Amendment) Order 2023.

The Parliamentary Under-Secretary of State, Home Office (Lord Murray of Blidworth) (Con): My Lords, the order, laid before the House on 7 December 2022, is required to enact one very minor change to the legislation which sets out the form and manner by which leave to enter the United Kingdom is granted and refused. It will amend the eligibility criteria for people seeking to enter the United Kingdom via an automated e-passport gate, or e-gate, so that eligible, accompanied children as young as 10 may do so. The lower age limit in the present instrument is 12.

This statutory change is needed to enable a limited trial to take place in the February half term, which will examine whether the lower age limit for entry via an e-gate should be 10 years, rather than 12, moving forward. We hope that this will have the effect of accelerating the passage through the airport of families with children aged 10 and 11. In order to carry out the limited exercise—the pilot—it is necessary in law to first pass this order.

The proposed proof of concept exercise will take place, as I said, in the February half term. It will be limited to three airports: Stansted, Heathrow terminal 5 and Gatwick's north terminal. Once completed, the Home Office will make an assessment of whether the lower age limit of 10 should be more widely adopted.

The Government's ambition for our future border involves making maximum use of automation. The majority of passengers will routinely cross the UK border using automation as their only point of contact. Indeed, this ambition was set out in last year's *New Plan for Immigration* strategy, in which the proposed proof of concept involving younger passengers was made public. Increasing, in a controlled manner, the number of passengers eligible to use an e-gate is a logical next step.

Noble Lords will be aware that some form of automation is already used by large numbers of people passing through the UK border. Indeed, there has been significant widening of the pool of nationals eligible for e-gate entry in recent years. The e-gates started in 2008 and there has been progressive expansion.

A previous amendment to the 2000 order in May 2019 extended e-gate eligibility to visitors from Australia, Canada, Japan, New Zealand, Singapore, South Korea and the United States of America.

The continued use of e-gates should be seen in the context of the development of our new global border and immigration system, which makes better use of data, biometrics, analytics and automation to improve security and fluidity across the UK border. The use of e-gates is an important part of that approach, as they provide a safe, secure and efficient means of processing arriving passengers, allowing our highly trained Border Force officers to focus their efforts on those who seek to abuse or exploit the system and those who are vulnerable, as well as wider border threats.

For eligible families with young children, there are obvious advantages to being able to enter via an e-gate, in that they may enter the UK swiftly and effectively without having to queue to be seen by a Border Force officer. We believe that this in turn benefits others by minimising queuing times and bottlenecks at busy UK ports, especially at peak times of the year, such as half term or the summer school holiday season.

There are a number of important questions that must be answered before a permanent lowering of the lower age limit. These include whether children aged 10 and 11 have the cognitive ability to use the technology efficiently and, indeed, whether the technology is able to process such young passengers. It is because of these and other considerations that we must first conduct this short trial, which will be closely monitored by officials and have its results rigorously analysed.

Needless to say, the Home Office takes most seriously its statutory duty to safeguard and promote the welfare of children. We will use the live trial to consider whether there may be any unintended consequences for the welfare of younger passengers, such as anxiety if they become temporarily separated from their parents. To be clear, there will be no decision to extend e-gate eligibility to younger passengers if we consider that doing so would expose them to any safeguarding risks that cannot be mitigated.

Although this amendment enables us in law to allow eligible passengers younger than 12 to use an e-gate, it does not confer a right on those passengers to do so. It does not mean that passengers aged 10 and 11 must be able to use an e-gate at any UK port with that facility. Eligibility will be limited to accompanied 10 and 11 year-olds of eligible nationality at the three participating ports, and only for a 14-day trial period. At other ports, the lower age limit will remain where it is currently set: at 12 years of age.

This order enacts the most modest changes to its parent legislation but allows for a significant next step to be taken in developing a secure and smooth border that demonstrates to the rest of the world that the UK is open for business. I commend it to the Committee.

Lord German (LD): My Lords, I recognise that this is a very small change to the legislation but I am of course tempted to stray into other immigration and right-to-remain areas. However, temptation is not necessarily the best way of approaching this order so I will stick to the instrument before us.

The first thing I want to say is that I have just returned from a parliamentary delegation. My delay was such that I was not able to find any transport whatever from Heathrow Airport; I would have had to sleep on the floor had I not been able to take a taxi. The reason for that was the snaking queues. If you extend the eligibility, which is a reasonable thing to do, you must have a sufficiency of e-gates. Clearly, there are insufficient numbers at Heathrow. This happened late at night but it could have been early in the morning, or whenever; I have experienced the queue being quite extensive probably three or four times in the past five months. Extending the queue by giving more people this opportunity does not solve the real problem, which lies in an insufficiency of e-gates.

There are a number of related questions about children. I have observed them queueing with their families to get through on a separate basis. I have also observed people who are elderly or need support being helped by a family member to make sure that they put their passport in the slot and withdraw it in the right way. It is not easy to do that. The main support that was given was having an official standing by who could tell people exactly what to do. I wonder whether there are sufficient staff to handle an increased number, given the difficulties already being experienced.

It is likely that, when people put their hand on their passport and put it on to the reader, it will not work the first time. I have never had a reader work with mine the first time—well, perhaps once. It has always been after two, sometimes three, attempts. That is nothing to do with me because my hand is in the same place and it is the same passport. I have never understood why it fails each time then, on a subsequent occasion, putting it through works. That may be the technology; it has worked on the first occasion in other countries but not here in the UK. I have no idea why that is.

The efficiency of the e-gate system needs to be improved as well. I observed in front of me, having had plenty of time to watch as the queues lengthened, how many people had to go through more than one attempt to get the gate to open. It needs to be improved in efficiency. I would like to understand, if the Minister can tell us, whether gate efficiency can be improved and what the problems are in the second, perhaps third, attempt to get them to work.

The other problem that this test check of an age group will come against is when families have one child of 10 and an eight or seven year-old. They are not going to separate; they are going to take them together. You have to have a family in which there is a 10 year-old and any other children have to be older than 10. While it will be an experiment, I have no idea—perhaps the Minister can tell us—of the number of families coming through with only children aged 10 or older with them and who will be able to take advantage of this.

The other question I have is about the height of individuals. Anybody who has taken any children to a theme park will know that they have measures of height by which you can take part in certain rides. When you come to the positioning of a child against it, is there a height problem for younger children who are perhaps small in stature and will have to put their hand almost as high as their head to get their passport

[Lord German]
in? Will the machinery accept that? I hope all of this has been thought out. If it has not, it will probably become clear when the experiment takes place.

My final point concerns what you might call an ESTA approach in USA terms—that is, where you have to complete a document in advance to visit. Will the system already have the ability to understand such a certificate when the UK introduces them? Will it already be built into the software? I think it applies to every country—apart from the UK and Ireland, obviously—that currently has the ability to use these e-gates. As I understand it, there will be a requirement—the Minister can confirm this—to fill in an ESTA-type document that deals with your entry. Will the software in the e-gate system accept that, so that the people going through will already have had that check, or will anybody with one of these certificates have to be peeled off and sent to another means of manual checking?

There is automation, obviously. Anything that can be done to speed up the system of getting people through into the United Kingdom properly and swiftly will be welcome. The only question is whether these will all be tested in the experiment that is about to be undertaken. Could the Minister address those specific issues—height, the ESTA-type certificates, the shortage of gates and whether there will be sufficient assistance—in replying to this debate? Otherwise, I am satisfied that this is a reasonable thing to do.

Lord Coaker (Lab): My Lords, I thank the Minister for his helpful introduction to this order. Like the noble Lord, Lord German, I think there are a number of questions of detail that we need to ask and put on the record to ensure that, when the order goes forward, we are all clear about what it means and how the pilot will operate. Although it is a small change to the rules, it is a significant and important one. The pilot, if agreed, will require very careful monitoring.

At the heart of this is safeguarding children. That is everything, particularly when we are talking of very young children at the age of 10. Children aged 12 are obviously young, but we are entering the realms of quite young children who will be able to pass through e-gates at borders, so I was pleased that the Minister talked about the pilot testing whether that age is appropriate.

6.15 pm

The Minister does not need the Committee to remind him of the risks of children being trafficked, smuggled, victims of forced marriage or moved illegally in any way. We must not do anything, even inadvertently, that helps or increases the risk of that. With that, I have a number of questions for the Minister.

Why has the age of 10 been chosen? Why not 11 or nine? It sounds like a silly question but, somewhere along the line, somebody has to decide the appropriate age. Can the Minister say why 10 was chosen? As the noble Lord, Lord German, asked, was it to do with height or some sort of assessment of the cognitive ability of a child at a particular age?

What is important, and what I do not totally understand from the Minister's remarks or from reading the Explanatory Memorandum, is whether we are talking of accompanied children only. We need to be reassured that we are not talking of unaccompanied children in any sense, only children with families, because we should not expect a pilot in which any child who is not accompanied is able to pass through. It may be that this requires a simple yes, as this is for accompanied children only, but it is important to put that on the record.

Presumably this is aside from school trips, on which children are accompanied differently. I am not trying to be flippant, but has any thought been given to what accompanied means for school trips? Many of us know, from parents or teacher friends, that significant ratios are used. It would be helpful to know that. Again without being flippant, if the ratio were 1:100 for a child to be regarded as accompanied, that probably would not be appropriate. Somewhere along the line, some thought must be given to what an acceptable ratio is. That should be thought about.

Can the Minister confirm how long the pilot will last and whether there will be an interim assessment? If it lasts for a year, two years or three years, but it is obvious after six months that serious risks are emerging and the Border Force is informing the Home Office of them, the pilot clearly needs to stop before then. We would not want to get to the end of two years when we had realised that there was a real problem within a few months. Can the Minister reassure us on that?

The Minister said this would be trialled at three airports. How were they chosen? I share my ignorance, if this is ignorance, but I am not sure about the use of e-gates at seaports and whether any of them have e-gates. Information seems to be coming to light that there are no e-gates at ports, but looking forward there may be. This is for airports, but thought needs to be given to how this will work for seaports. Will there be any difference? This is quite helpful, because I did not know that there were no e-gates at seaports. I do not know whether I am the only ignorant person here, but it would be interesting to know how the three airports were chosen.

Given the open land border between the EU and Northern Ireland, are there any arrangements to be made for accompanied children arriving from Northern Ireland into any of those three airports? Have any special thoughts been given to monitoring that?

The Minister has talked about—we also see it in the guidance—the importance given to the training of border staff. That is very welcome. Can he reassure us that this is well under way—indeed, almost finished—given that I read in the Explanatory Memorandum that it comes into force seven days after the passing of the order? I think this is being discussed in the other place next week so, in two weeks, this could be in place in the three airports that the Minister mentioned. Are we certain that each of these three airports will be ready in two weeks' time, or whenever it starts, and will have had all the training to operate the new system? Although it comes into force in two weeks' time, can the Minister reassure us that, if the assessment is made that it is not ready, we will wait a few weeks to make sure that all the appropriate guidance has been given?

When the pilot ends in a couple of years—it is two years, I think—will this order give the Government the ability to take the decision then to extend the pilot

and roll it out nationally, or will the Minister have to come back to Parliament to get it approved? In other words, will there need to be a further order to extend the rollout nationally, or will the order we are passing today give the Government the power to do that upon their assessment that there has been a successful completion of the pilot?

The Government say that, to use an e-gate at the border, you currently need to be not only the required age—that is, 10 years old—but "of an eligible nationality". Again, this may be an obvious question to those who follow all this, as I try to, but can the Minister say something about what the eligible nationalities are? Is anybody excluded from this because they are not an eligible national? It would be quite helpful to know what "eligible nationality" means.

There are a number of questions there; I am sure a number of others may well arise when the other place considers this. We must remind ourselves that we are being asked to allow children as young as 10 to pass through e-gates without the direct authorisation of an immigration official. Although there will not be direct supervision of the children passing through the e-gate, does the Minister expect there to be an increase in overall supervision in these three airports?

In the Explanatory Memorandum, the Government say that we need to

"consider the best mechanisms for ensuring that the welfare of those children is safeguarded."

One hopes that the best mechanisms are being used and that it is not a pilot to find out what the best mechanisms are, because we cannot really take chances with the safety of children. To go back to my earlier point, can the Minister assure us that the pilot will be ended sooner than two years if it becomes obvious during that period that increased dangers to children are emerging? As the noble Lord, Lord German, said, we all wish to hear reassurances on these issues as this order progresses through Parliament.

Lord Murray of Blidworth (Con): I thank both noble Lords for their helpful contributions. I will certainly seek to address all the questions asked.

I will deal first with the points raised by the noble Lord, Lord German. By way of context—this also answers a couple of the points from the noble Lord, Lord Coaker—the pilot is for two weeks, or 14 days, during the half term and on those three specific sites. During the operation of the pilot, staff from the relevant team will be supervising so any problems will be swiftly rectified. As I am sure noble Lords are aware, the e-gates are clear glass, so the separation of people from one another is always limited to that clear glass and can be rectified very swiftly if necessary.

It is anticipated—I say this as the father of 10 year-old twins—that the average 10 year-old will have very little difficulty operating the e-gates, given their technical proficiency in many other things. Indeed, they may be better than some older age cohorts at successfully operating the e-gates. It is a usual experience that most families will put the children through the e-gate first and supervise the placement of the passport. It will be interesting to see the extent to which that happens during the pilot. That certainly seems to be the logical way to approach it.

At the relevant part of Heathrow where the pilot is taking place, there are 25 e-gates. It is felt that this is sufficient. Because it is happening during the half-term period, statistics suggest that there will be a lot of 10 and 11 year-old traffic, so it is a good way to test the system.

I was asked by both noble Lords why and how the age of 10 was selected. It was selected both on a cognitive basis, as we think 10 year-olds can operate it—that is certainly my personal experience—and because, from a height perspective, the technology will fit. We have used ONS height statistics, and we think that will work, but clearly it is something we want to test during the pilot. That is why we chose 10 rather than nine or 11. It has also been the international experience; in other countries 10 is the age and it seems fairly successful.

I will turn to one or two of the other points made by the noble Lord, Lord German. On the question about support, the hosts—the airport staff managing the queues—direct people and support them through the e-gates. They are contracted airport employees. They have been worked with in preparation for this pilot to ensure that they are going to provide sufficient support during the pilot and beyond. We will of course, as I have said, ensure increased support during the pilot.

Regarding what we are calling electronic travel authorisations—this is our version of the ESTA—when they are introduced the e-gates will be able to confirm the types of permission held before they allow somebody to enter the UK. I suspect that is the answer the noble Lord anticipated. I have already made the point that the ONS statistics suggest that most 10 year-olds are tall enough to operate the machine.

I turn to the questions posed by the noble Lord, Lord Coaker. At the moment it is anticipated that most children using the e-gates will be accompanied, mostly by their families. On the question about school trips, clearly it would be appropriate for a small school trip but maybe not for one with a large number, which would probably go to the primary control point. Again, we will test that through the pilot.

The next question was on how the airports were chosen. They were chosen with some care because, statistically, those three airports have been ones where there has been quite a number of children of those ages in the February half term. Those airports were selected because it will be a real-world test of the system.

Regarding Northern Ireland, we do not believe there are any ramifications in relation to the common travel area particularly. Obviously Irish citizens, as with British citizens, do not require leave to enter but can use the gates to go through the airport. It will be the case that 10 year-old Irish children can use the gates, just as 10 year-old British children can.

On the level of readiness, they have been working towards this pilot since October. It is the department's view that the training is ready, and we are aiming for this February half-term period. If there is any intervening event, the department is obviously prepared to postpone the pilot if needed.

As to the question of rolling out nationally, the position is that this change does change the regulations. If the pilot is successful and the decision is taken to

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roll it out nationally, there will be no need for a further regulatory change, but we will obviously keep the House up to date in the event of that decision being made.

Turning to eligible nationalities, I appreciate that it is not clear, because it is just an amending instrument, but in the parent order, the Immigration (Leave to Enter and Remain) Order 2000, SI 2000/1161, the reference in Article 8B is to the schedule to the order. It is not terribly long, so I will read it out. It says that they consist of the EU nations, Australia, the United States of America, Canada, New Zealand, South Korea, Japan and Singapore. Clearly, over time, one anticipates that this will grow.

Lord German (LD): Does that include EFTA—Norway, Liechtenstein, Switzerland and Iceland?

Lord Murray of Blidworth (Con): Yes, I should have made that clear. Indeed, it is the wider EEA, not just the EU, so it includes all the EFTA countries. I thank the noble Lord; that is an important clarification.

As for safeguarding, we are satisfied that the safeguarding risk is appropriately handled during the pilot and measures will be in place to ensure that there is no safeguarding risk arising as a result of the change. Obviously, we will consider that and whether there have been any implications or learning points arising while we are considering the results of the pilot.

With that, I think I have addressed all the issues which arose, and I ask the Committee to approve the instrument.

Motion agreed.

Committee adjourned at 6.32 pm.