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PARLIAMENTARY DEBATES
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OFFICIAL REPORT

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

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

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House of Lords

Wednesday 19 April 2023

3 pm

Prayers—read by the Lord Bishop of Leeds.

VAT: Building Repairs and Maintenance

Question

3.07 pm

Asked by ***Lord Swire***

To ask His Majesty's Government what assessment they have made of the case for applying the same rate of VAT to building repairs and maintenance as to the construction of new homes.

The Parliamentary Secretary, HM Treasury (Baroness Penn) (Con): The Government maintain a zero rate of VAT on new-build residential or qualifying buildings to incentivise the construction of new homes and increase the housing supply. The Government do not have plans to introduce a new VAT relief for building repairs and maintenance. Introducing a new relief for repairs and maintenance would have a significant fiscal cost, which would lead to associated spending, borrowing or tax decisions taken elsewhere.

Lord Swire (Con): I am most grateful to my noble friend, but she will have to concede that new building emits 48 megatonnes of carbon dioxide in the UK each year—equal to the total emissions for the whole of Scotland, and that is before you get to the emissions coming out of the SNP headquarters as we speak. Conversely, if we are serious about addressing climate change, we should look at refitting and restoring existing housing stock. Now that we are outside the EU, I simply cannot understand why we cannot have one level of VAT, or even a 5% level, both for new housing and for refurbishing and restoring old stock.

Baroness Penn (Con): My noble friend raises an important point. He is right that the renovation of existing properties can be an energy-efficient way to bring them back on to the market. There are special reduced rates of VAT for the renovation of properties that are converted either from commercial to residential use or from one residential use to another, if they are renovated after a period of two years without use. A temporary zero rate of VAT applies to installations of qualifying energy-saving materials, such as insulation, to address some of the points my noble friend raised.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, the noble Lord, Lord Swire, has just reminded me that, the last time I intervened with the Minister, I asked her to get Treasury officials to intervene in Scotland to stop the improper expenditure—she said she would not. Will she rethink that in light of recent events?

Baroness Penn (Con): My Lords, I would not want to interfere with an ongoing police investigation. My answer was not quite as the noble Lord termed it, but it may have reflected that his question goes slightly beyond the scope of this Question.

Viscount Brookeborough (CB): My Lords, this is not a devolved issue, and it therefore affects Northern Ireland as well. Does the Minister not agree that conservation of the countryside and the built environment is a very high priority? The effect of continued government policy along this line, especially in Northern Ireland, is that a lot of older houses—nice heritage houses—are ignored, and people simply build new houses beside them. When visitors come to Northern Ireland, they say, "What is this? It is bungalow blight". There are new houses everywhere, and no wonder, because of successive government policies. Will the Minister please assure us that the Government will look at this anew?

Baroness Penn (Con): My Lords, the Government keep all taxes under review, but there are no plans to change the VAT treatment of repair and maintenance. The noble Viscount made the important point that we need to ensure that the maintenance of heritage and other older buildings in particular is supported, and we do that through a number of ways other than VAT relief. For example, approximately £206 million of the £2 billion culture recovery fund supported heritage sites and organisations through the pandemic, and several other sources of funding from government arm's-length bodies are available for historic buildings in need.

Baroness Jones of Moulsecoomb (GP): My Lords, does His Majesty's Treasury not have a climate change policy? What goes on there? Does it really not understand that this does not just come down to the cost of living? It comes down to dealing with the impacts of climate change. This tiny measure from the noble Lord, Lord Swire, would actually help with that because it would reduce the amount of embodied carbon that gets trashed every year and we would have a more efficient housing system.

Baroness Penn (Con): My Lords, it is not a tiny measure; it is a measure that has costs in the billions. There may be several different ways to achieve the point that the noble Baroness is making, which is more energy-efficient construction to create new dwellings. That is the point that I was making to the House.

Lord Cormack (Con): My Lords, the All-Party Arts and Heritage Group, which I helped to found 49 years ago and of which I have the honour to be president, has lobbied consistently on this. There is no single measure that would do more to help conserve our wonderful historic buildings, and our large historic houses in particular, than this move. Will my noble friend please receive a small deputation, which I hope will be accompanied by my noble friend Lord Swire, to talk about this, because the Government's answers are totally unsatisfactory and frankly wrong?

Baroness Penn (Con): I will always be happy to meet my noble friend and a deputation that he brings with him. I am not sure whether I will be able to persuade him of the Government's view on this matter, but we agree on the importance of support for heritage properties. In addition to the support I previously referenced, DCMS provided £285 million for heritage in 2021-22, including £162 million to Historic England. We also have our heritage high-streets programme running until March next year and have extended the listed places of worship scheme until March 2025.

Baroness Thornhill (LD): My Lords, as most registered providers of social housing cannot reclaim VAT, they are reluctant to buy VAT-elected land and resort to an inefficient process known as "golden brick" to address the conflict between themselves and the developers. There are many such conflicts and unintended consequences across the construction industry. With such a broken system, is it not time for a full review? Will the Government at least consider allowing registered providers to claim back VAT on land built for social housing?

Baroness Penn (Con): On the noble Baroness's specific point, if I may I will write to her with the details because I do not have them to hand at the moment.

Baroness Chapman of Darlington (Lab): My Lords, can the Minister confirm that around one-third of the money allocated by the Government to fund installation of heat pumps and home insulation has so far gone unspent? That is £2.1 billion that could have been spent on making British homes cheaper to keep warm. Do the Government have a plan to spend this money? For example, could it help to fund VAT reductions on improvements to energy efficiency, encouraging more people to upgrade their homes?

Baroness Penn (Con): I can confirm to the noble Baroness that we already have a reduced rate of VAT in place for energy-efficiency installations. She will also be aware that we are extending the available support through a new energy company obligation, the energy-efficient Great British insulation scheme. It is estimated that the scheme will make around 300,000 homes more energy efficient, primarily through the installation of insulation measures, reducing household bills by around £300 to £400 on average per year and, crucially, reducing emissions.

Baroness Hayman (CB): My Lords, I draw the House's attention to my interests, as set out in the register. Is not the noble Lord, Lord Swire, absolutely right on this point: we have underestimated the effects on the Government's statutory net-zero targets of the demolition of existing buildings and not taken into account the embodied carbon that occurs? The noble Baroness referred to the exemption from VAT on energy-saving materials, but that does not go across the board at the moment. The announcement in the Budget of a consultation on further extension of it was welcome, but I wonder if she can tell me when the Government expect some results from that consultation.

Baroness Penn (Con): The noble Baroness is right that, to target our support on energy-efficiency measures, we have extended VAT relief in that area. I do not have dates for when the consultation will complete or when the results are expected, but I will write to her if I have any more information.

Baroness Hoey (Non-Afl): Can the Minister please tell me which aspects of VAT in Northern Ireland are still governed, and going to be governed, by EU regulations since the Windsor Framework?

Baroness Penn (Con): Let me relate that to the topic at hand. The temporary zero rate of VAT that I have referred to, which applies to installations of qualifying energy-saving materials, will be expanded to Northern Ireland on 1 May this year.

Baroness McIntosh of Pickering (Con): My Lords, does my noble friend not agree that, with rural churches closing at an alarming rate, there is a case to be made for VAT to be either reduced or abolished on repairs for local churches?

Baroness Penn (Con): As I referred to earlier, we have in place the listed places of worship scheme that provides support to places of worship, which runs until March 2025.

Gender Identity Services: Children and Young People

Question

3.17 pm

Asked by ***Lord Young of Norwood Green***

To ask His Majesty's Government what steps they are taking to ensure that, during the closure of the Tavistock gender identity clinic, young people who accessed those services receive appropriate counselling, as recommended by the Cass Review of gender identity services for children and young people.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Markham) (Con): NHS England commissions children's and young people's gender identification services. All patients at the Tavistock gender clinic receive psychological or psychotherapeutic care. Following the Cass review interim report, NHS England is bringing the GIDS contract to a managed close and transitioning gender services to new providers that will deliver holistic and exploratory counselling. Existing patients will continue under the current care arrangements until they are transferred to new services based in specialist paediatric hospitals.

Lord Young of Norwood Green (Lab): My Lords, I thank the Minister for his reply, but I would like to probe a little more on this. Does he recognise that 80% of the young people who are diagnosed with gender dysphoria, many of whom are girls on the autistic spectrum, realise when they reach the age of 18 that they have gone through a perfectly normal

process of puberty? They might end up being gay or lesbian, but they certainly did not need to be prescribed puberty blockers, which are a serious medical risk. Can the Minister assure me that steps will be taken to ensure that those young people receive the appropriate counselling? It could be via CAMHS, but what it cannot be, as he rightly said, is through the discredited Tavistock clinic—and I would like to meet the Minister on this issue.

Lord Markham (Con): Yes. As I have said before, it is one of the privileges of this job that you learn about new areas, and I thank the noble Lord for his Question; this is something I have enjoyed being educated on in the last few days. I am very happy to meet with him. The points he makes are absolutely right: a lot of these people have other issues and going through puberty is a difficult time. So the lessons have been learned and we will make sure that they are implemented.

Baroness Hunt of Bethnal Green (CB): My Lords, I thank the Minister for his thoughtful reply to the Question and his curiosity about this subject area. I think that some issues and data that have just been shared are subject to debate and are not quite as substantial as has been suggested. When might the transition to these new services happen? At the moment, the young people on that waiting list have no knowledge of when they will be transitioning from the Tavistock to another service; there are those who have been waiting for an appointment since 2019, and four years is a very long time when you are a teenager, let alone when you are 43 and a half and a grown-up. We also know that that period is a very confusing time, so could we get some clarity for those young people on when they will be seen, by what service, and how quickly they will be able to get on to the system?

Lord Markham (Con): The points are well made, and they are understood and accepted on this side. My understanding is that the northern and southern hubs, as recommended in the Cass review, have already been set up, so patients are being seen as we speak at the Great Ormond Street and Evelina centres, and a transition programme is being put in place for all those people who are currently there. I will happily pick up with the noble Baroness afterwards to discuss this further.

Baroness Browning (Con): My Lords, the number of autistic children and adolescents at the Tavistock clinic was greater than the number of those in any other group. Would my noble friend just clarify his reply a little? I think this is going to require more than normal counselling, because there is a trait within the autistic mind that often focuses very strongly on a particular issue and, once an autistic person believes something is true, it is quite hard to get them to see it another way. So it is going to need expertise. What is being done to find those experts?

Lord Markham (Con): My noble friend will be aware that I do have some personal knowledge in this area, and I recognise very much the point that neurodiverse people can become fixed on a certain outcome. In terms of the statistics, yes, as many of a third of the people seen at Tavistock do have those sorts of conditions. So, it is something that is understood. Again, I am happy to pick up afterwards. The key point of the Cass review in all this is that these people need to be seen by medical doctors who are considering everything in the round and not just coming at this through a gender identification lens. That is the key thing we need to make sure happens going forward.

Baroness Burt of Solihull (LD): My Lords, whatever one's views on trans issues, surely the first imperative is to ensure that young people are properly looked after. Would the Minister agree with me that every young person suffering from gender dysmorphia, whether they have attended the Tavistock or not, should receive professional counselling and support? If he does agree, can he ensure that the resources are available in a timely manner, so that these young people do not have to wait years while they try to unravel the complex set of issues they face concerning their gender identity?

Lord Markham (Con): Again, my understanding—and I freely admit that the benefit of having these questions is that you then delve into them, which I very much support in terms of how this process works very well—is that these people who have been through these services need to be looked after and catered for, so that is something we are very much on.

Lord Winston (Lab): My Lords, leaving aside the issue of the serious psychological problems some of these children undoubtedly display, can the Government clarify one issue? Do they regard so-called gender dysphoria, which is a very broad term, as a pathological condition or simply a medical one? Is it a pure choice of the individual? Therefore, the question is: at what stage should the National Health Service be intervening in these cases?

Lord Markham (Con): I feel I am probably outgunned to some degree by the noble Lord. I would like to make sure that I answer that in the proper way and give him a detailed written response. I am happy to follow up, because I want to make sure that I am answering in completely the right way.

Lord Sandhurst (Con): My Lords, the *Times* of 23 February reported that GIDS patients were still receiving puberty blockers. What arrangements are in place—as recommended by Dr Cass in her report—to monitor patients who receive treatment, both during it and in subsequent years by way of follow-up, to ensure a proper longitudinal study of the effects?

Lord Markham (Con): My noble friend is absolutely correct: one of the main findings from the Cass review was that more research has to be done in the whole space of puberty blockers. The NHS is moving on that as we speak. At the same time, I can assure the House that, from now on, no puberty blockers can be prescribed unless they are part of that research programme, because it is vital that that does not happen as a matter of course until we understand far more about this subject.

Baroness Wheeler (Lab): My Lords, the Cass review interim report underlines that the expansion of gender identity services to regional centres can be successful only if the NHS can attract and engage the workforce within those centres and for crucial network secondary services. This week, however, as we have heard, we have seen just how under pressure these key services are. Over a quarter of a million children in Britain with mental health problems are awaiting NHS referral due to major shortages of psychiatrists and specialist nurses. How are the holistic, person-centred services that young people desperately need going to be provided in the continued absence of a clear government workforce strategy?

Lord Markham (Con): I am glad to say that there is a workforce strategy, which, unfortunately, we have not been able to publish yet. I assure your Lordships that a lot of work is being done, and there is a lot of work in place. I would be happy to meet with the noble Baroness and go through the findings of that, because it needs to cover a lot of these specialisms.

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

Baroness Brinton (LD) [V]: My Lords, in reply to the question from the noble Baroness, Lady Hunt, the Minister referred to the new GID services at the Evelina and GOSH. But the original proposals were for regional clinics in Manchester and London—so when will the Manchester clinic open? Since March of this year, the waiting list and all new referrals are being held by the Arden and Greater East Midlands commissioning support unit. There is real confusion about how this list will be integrated with the existing case load as the new services open. Can the Minister explain what will happen? If he does not have the answer to hand, please will he write to me?

Lord Markham (Con): As ever, I am very happy to write. In terms of the northern hub, I mentioned GOSH and Evelina just as examples. The Royal Manchester and Alder Hey are the northern sites that will be used to provide these services. The idea is that we will have eight regional centres—but I would be happy to provide the detail on both cases and follow up in writing.

Adult Social Care: Challenge Procedures

Question

3.28 pm

Asked by ***Baroness Tyler of Enfield***

To ask His Majesty's Government what assessment they have made of the Equality and Human Rights Commission's report *Challenging adult social care decisions in England and Wales*, published on 28 February; and what steps they will take to make local authority care challenge procedures more accessible and transparent.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Markham) (Con): The Government have noted the findings in the report. Encouraging a culture of feedback and learning is vital if we are to improve services and people's experiences of social care. The CQC's local authority assessment framework, which went live on 1 April, includes oversight of local authority assessment and eligibility frameworks for adults and unpaid carers accessing social care and support. This includes looking at transparency and accessibility and whether people can appeal decisions effectively.

Baroness Tyler of Enfield (LD): I thank the Minister for his reply. The EHRC report clearly demonstrates the problems facing social care users who have challenged local authority decisions, and it is a pretty bleak picture. But while there is much for local authorities to do to improve their complaints system, there are also important recommendations in the report aimed at government, including making the Local Government and Social Care Ombudsman the statutory complaints authority for social care in England. When and how do the Government intend to respond to these recommendations? Does the Minister agree with me that the shortcomings at local level will be remedied only by long-term sustainable funding of adult social care—not made easier by the Government's announcement on 4 April, when Parliament was in recess, to hold back £50 million of the money promised to help plug staff shortages?

Lord Markham (Con): First, we will respond in detail to the report the noble Baroness mentions. On funding, as I have mentioned before, the £7.5 billion over the next two years is a 20% increase and is substantial by any measure. I spoke to Minister Whately about this issue this morning, and she was at pains to say that, in terms of funding and overall numbers, everything is in place in this latest programme. Also, £600 million is being held in reserve to follow up in the areas that really need it.

Baroness Wheeler (Lab): My Lords, the report underlines just how difficult the current social care system is to navigate and challenge, as we have just heard, yet it showed that fewer than two-thirds of local authorities commission advocacy services that can be accessed by users and unpaid carers to help them challenge vital decisions on care and support. The postcode lottery, the complexity of local challenge systems and the overall lack of consistency, national standards and effective monitoring prevent vital decisions about care being overturned. How are the Government ensuring that, as per the 2014 Care Act requirement, independent advocates are available across all parts of the country to help users and carers understand and access the system?

Lord Markham (Con): As the noble Baroness says, it is a statutory part of the 2014 Care Act that advocacy be provided where people need such additional support. That is why we were keen to bring in the CQC to oversee local authorities, which it has from 1 April. This is one area where it will be making sure that advocacy is provided.

Lord Allan of Hallam (LD): My Lords, Section 72 of the Care Act 2014 empowers the Secretary of State to regulate for an appeals system through which people can challenge social care decisions. It seems odd that we went to the trouble of legislating for this and yet, nearly a decade later, it still has not been implemented. What more evidence do the Government need to come to a decision about whether the benefits of such an appeal mechanism would outweigh the costs?

Lord Markham (Con): The main point is that we already have two levels of appeal. In the first instance, someone can appeal to a local authority and if they are not satisfied with that, they can appeal to the local ombudsman. Thousands of people do this every year, and compliance in terms of replies to them is very high. I must admit that I am not sure whether an additional, third level of appeal is really necessary in this case.

Baroness Pitkeathley (Lab): My Lords, once again, a Question in your Lordships' House has pointed out the inadequacy of the social care system, be it funding or personnel. In answer to an earlier Question, the Minister teased the House a little about the workforce strategy. Can he be more specific in answer to this Question?

Lord Markham (Con): First, I take issue with the inadequacy comment. Some 89% of people expressed a high level of satisfaction with the social care provided, which, although not 100%, is pretty good, as I think everyone would agree. As I said, the workplace plan has been drafted. I am afraid I cannot give an exact date of publication—I believe there are local purdah issues now—but I can say that it will be soon.

Baroness Fraser of Craigmaddie (Con): My Lords, one of the things this House has heard about many times is our reliance on unpaid carers and the important role they play in helping people who draw on adult social care to navigate the system. The 2014 Care Act put a duty on local authorities to identify unpaid carers, but that is not happening. What can the Government do to identify unpaid carers, so that we can support them more readily?

Lord Markham (Con): I thank my noble friend for that question. The Government absolutely recognise the role that unpaid carers play—I have fulfilled such a role myself for a number of years—and it something we are working towards. We have introduced the leave provisions and a certain level of payments for them; that may be modest but it is a step in the right direction. Again, the whole idea of getting the CQC in this space is that it can start monitoring local authority provision and ensure that it is identifying unpaid carers, among other things.

Lord Laming (CB): My Lords, last week or perhaps it was the week before—time flies—there was a report on the number of people occupying health service beds who are fit for discharge but are not being discharged, largely due to the absence of social care provision. Are the Government taking seriously reports of that kind?

Lord Markham (Con): Yes, we are taking them very seriously. The House has heard me talk many times about the 13% of beds that are blocked. This is a key issue for the whole flow of the system, which is backed up right the way through. That is why we introduced the discharge fund. Again, Minister Whately is very focused on this issue.

Baroness McIntosh of Hudnall (Lab): My Lords, further to the question asked by the noble Lord, Lord Laming, in response to my noble friend Lady Pitkeathley, the Minister referred to an 89% satisfaction rate among people in receipt of social care. However, as the noble Lord, Lord Laming, has just pointed out, the issue is not the people in receipt of social care but those who are not, of whom there are far too many. That is exactly what is causing some of the problems the noble Lord referred to. Does the Minister agree?

Lord Markham (Con): Again, this goes to the point about the massive increase we have put in place of £7.5 billion. I have not heard of but would be pleased to hear about any plans on the other side of the House to increase that funding, since £7.5 billion is a very large figure—a 20% increase. Clearly, we will continue to review whether more is needed; we have put in increases each year. The importance of ensuring social care provision is completely understood.

Lord Blunkett (Lab): My Lords, can the Minister clarify his last answer? In replying to me on a previous occasion, he conceded that a very substantial part of the money he has just announced is from local authority council tax. Can he confirm that?

Lord Markham (Con): Yes, absolutely; a large part of it is from central government funding and a large part is from local authority funding, given local authorities' ability to use a precept and increase council tax. Of the 153 local authorities, 151 have taken that opportunity to increase the council tax.

Lord McColl of Dulwich (Con): My Lords, does the Minister agree that in talking about the costs of health and social care, we seem to have forgotten that 40 million people in this country are moving slowly towards suicide by putting too many calories in their mouths, which is costing £27 billion every year?

Lord Markham (Con): I will answer quickly to allow a final question, but yes, our anti-obesity strategy is very much about that.

Lord Forsyth of Drumlean (Con): I am most grateful to my noble friend, who is a glutton for punishment. I wanted to follow up on the point made by the noble Lord, Lord Blunkett. It is all very well saying that the money is coming from local government, but the problem is that the tax base in local authority areas

[Lord Forsyth of Drumlean]
does not reflect the demand in those areas. Therefore, there is unmet need where the need is often greatest, is there not?

Lord Markham (Con): I knew that was coming. As a former local authority deputy chair of finance, I very much understand the problem my noble friend describes. My Treasury colleague has gone, but we all agree that local authorities have a very important part to play in this. The mix between local and central funding is clearly something we need to work on.

Ukraine: Arms Supplies

Question

3.40 pm

Asked by ***Lord West of Spithead***

To ask His Majesty's Government what plans they have, if any, to increase arms supplies to Ukraine in view of the possible Ukrainian offensive.

The Minister of State, Ministry of Defence (Baroness Goldie) (Con): My Lords, the UK and our allies and partners are continuing to respond decisively to provide military and humanitarian assistance to Ukraine as the conflict evolves. The UK is recognised as a leading nation providing support to Ukraine, training more than 12,000 recruits, providing £2.4 billion-worth of support, including hundreds of thousands of rounds of artillery ammunition, and leading the world on the gifting of vital capabilities such as multiple-launch rocket systems and Challenger 2 tanks.

Lord West of Spithead (Lab): My Lords, there has been a considerable build-up to this planned offensive that has been talked about. Indeed, some people are saying that they think it will be a game-changer. I have to say that I do not think that it will be a game-changer, but I think it is very important. Certainly, the intelligence leaks from America have not helped it very much at all. The problem we have, not just in the UK but in other allied countries, is that we have not mobilised our defence industries to actually start producing the weapon stocks that are absolutely needed day by day. We should have started this more than 12 months ago, and industry needs to be working 24/7. Will the Minister tell us whether we are now mobilising these defence firms? Do the Government consider this offensive by the Ukrainians to be extremely important, because it might well grind down the numbers of Russians again and give the Ukrainians a boost, and, I hope, improve their morale while damaging the morale of the Russians?

Baroness Goldie (Con): In response to the last part of the noble Lord's question, we regard everything Ukraine is doing as vitally important—hence our commitment to supporting Ukraine in every way that we can. On our relationship with industry, we have remained fully engaged with the sector. Allies and partners have done the same to ensure both the continuation of supply to Ukraine and that all equipment and munitions granted in kind from UK stocks are replaced as quickly as possible. Within NATO, the UK's position is not unique with regard to industrial capacity and stockpile replenishment. There has been an intelligent conversation with industry, which realised that it had a role to play and, to be fair, is now discharging that role.

Lord Lancaster of Kimbolton (Con): My Lords, it is not just about delivering munitions to Ukraine; it is about upgrading and modernising its armed forces. There, of course, our interests align, as we seek to upgrade and modernise our own Armed Forces. Can we be sensible and clever about this, where perhaps the money we are spending is of dual use and can act as a catalyst to advance our own procurement programmes? We have already seen one example, with the sunsetting of AS-90—the artillery system being given to Ukraine—and the introduction of Archer. Surely there are other opportunities as well.

Baroness Goldie (Con): My noble friend makes an important point. This is certainly something that has been on our radar screen, and for that matter on the radar screens of our allies, particularly within NATO. For example, we have not been replacing like with like; we have been looking holistically at what our need is once we have supplied support to Ukraine. I reassure my noble friend and the Chamber that we are indeed engaged in the very issue to which he quite rightly refers.

Lord Stirrup (CB): My Lords, the anticipated offensive will be an extremely hazardous undertaking. It will be made all the more perilous for the Ukrainians without at least local control of the air. How confident is the Minister that the Ukrainians have been given the wherewithal to be able to achieve such control?

Baroness Goldie (Con): I say to the noble and gallant Lord that it is interesting if we just put a little context around this. Russia planned a major offensive effort through the winter and, quite simply, has not succeeded. This is a slow-moving conflict, and both sides have effectively neutralised each other's air power. That is a remarkable achievement for a country the size of Ukraine responding to an air force capacity the size of Russia's. It demonstrates that this is about a multi-faceted approach, both strategically and in specific support for Ukraine, in trying to ensure collective help; the real clout of what we are offering is the aggregate effect of what every other country is doing along with the UK. I reassure the noble and gallant Lord that we are in daily touch with Ukraine, and we seem to be closely attuned to what it looks for.

The Lord Speaker (Lord McFall of Alcluith): My Lords, we will now have a virtual contribution form the noble Lord, Lord Campbell-Savours.

Lord Campbell-Savours (Lab) [V]: My Lords, despite all the calls with honourable intent for increased military support and NATO participation, should we not be seriously considering opening up back channels with the potential for an exchange of views, if not negotiation?

If that proves impossible, are we considering the route to a settlement? A settlement is required that takes into account the interests of innocent non-combatants who are suffering on the front line. It may also require a compromise on the Crimea.

Baroness Goldie (Con): It is for Ukraine to determine its position in any negotiations, just as it is for Ukraine to determine its democratic future. As friends and international partners of Ukraine, we will always work to protect and defend the country's sovereignty. I observe that, if there are to be any peace negotiations, it is only by going into them from a position of military, economic and diplomatic strength that Ukraine will secure a strong and lasting peace.

Earl Attlee (Con): My Lords, is the Minister aware that high street banks are having to withdraw provision of financial services to firms exporting armoured fighting vehicles to Ukraine because of money laundering regulations? Is she further aware that Ministers have indicated at the Government's Dispatch Box that they see the complete integrity of the money laundering regulations as more important than exporting armoured fighting vehicles to Ukraine?

Baroness Goldie (Con): I am aware that my noble friend has raised this on previous occasions. He understands that it is not really within the MoD's bailiwick; it is more a matter for my Treasury colleagues. I suggest that my noble friend refers to them for a response.

Baroness Smith of Newnham (LD): My Lords, can I press the Minister further on the initial Question from the noble Lord, Lord West of Spithead, about not just conversations with industry but procurement? The Minister implied that the Government have been talking to industry, which is fine, but can she confirm that orders have been placed so that adequate capabilities are available both to the UK and in whatever we are supplying to Ukraine?

Baroness Goldie (Con): Orders have certainly been placed by the UK. I do not have specific information in front of me but I shall inquire and will submit whatever detail I can to the noble Baroness.

Lord Coaker (Lab): I again make clear from this Front Bench that His Majesty's Opposition fully support what the Government are doing on Ukraine and will continue to do so. The Committee of Public Accounts today published its report *MoD Equipment Plan 2022-32*. This makes a number of serious points about the Government's ability to supply Ukraine with the equipment it needs. Building on my noble friend Lord West's Question, what are the Government going to do to enable industry to deliver the military equipment that we need, and quickly?

Baroness Goldie (Con): I do not want to pre-empt the department's response to the Public Accounts Committee, which will be prepared and submitted in due course. I can say that there is an element of divergence on how facts and circumstances are interpreted, but that is for the more detailed response. I reassure the noble Lord that, on the basis of previous criticism of the MoD by the National Audit Office and the Public Accounts Committee, significant reforms have been effected within it. To be fair, the noble Lord is aware of many of these, and there is no doubt that they are delivering improvement. As to the committee's overall report, it falls to the department to respond fully in the appropriate time period.

Lord Craig of Radley (CB): My Lords, it is well known that much equipment is being provided to Ukraine by its allies. Will that be sufficient to ensure that Russia does not embark on further offensive action?

Baroness Goldie (Con): As I indicated earlier to the Chamber, I can tell the noble and gallant Lord that we are in daily contact with Ukraine. Wherever possible, we seek to ensure that intelligent responses are given to the pressing needs that Ukraine identifies. We do this in consort with our allies and partners, as that is the only sensible approach. The noble and gallant Lord is aware of the significant support that has already been provided, not just by this country but by our allies—notably the United States. That programme of activity includes the Defence Secretary attending a meeting of the Ukraine defence contact group, hosted by the United States, this Friday in Ramstein. That is another forum where we can work out how best to continue to provide support to Ukraine.

Emergency Alert System: Fujitsu

Private Notice Question

3.50 pm

Asked by ***Lord Arbuthnot of Edrom***

To ask His Majesty's Government what assessment they have made of the suitability of Fujitsu's involvement in the UK emergency alert system.

Lord Arbuthnot of Edrom (Con): My Lords, in begging leave to ask the Question of which I have given private notice, I refer to my entry in the register as an unpaid member of the Post Office Horizon compensation advisory board.

The Minister of State, Cabinet Office (Baroness Neville-Rolfe) (Con): Fujitsu has had a small role in the development of the UK's emergency alert system, initially providing a subject matter expert to support early development by DCMS. Emergency alerts are a critical tool in our toolkit for warning people whose lives are at risk.

Lord Arbuthnot of Edrom (Con): My Lords, I am grateful to my noble friend for that Answer. I have no objection at all to the emergency alert that is to be sent to our mobile telephones on Sunday: it is good for the resilience that the House of Lords Select Committee on risk called for a year or so ago. But why was Fujitsu granted the contract? Fujitsu's Horizon system caused the sub-postmasters of this country to be shamefully

[Lord Arbuthnot of Edrom]
accused of things that they had not done. Some went to prison, some took their own lives and all those accused were humiliated in the eyes of their own communities. Fujitsu, which knew perfectly well what it was doing, has said not a single word of apology. This is already costing the Government hundreds of millions, potentially more. Why has Fujitsu not been taken off the government procurement list?

Baroness Neville-Rolfe (Con): My noble friend and I agree that the impact of the Horizon scandal on postmasters and their families is utterly horrendous; we used to work together on this when I was on the Back Benches. That is why the Government have set up an inquiry, much encouraged by my noble friend, to get to the bottom of what went wrong and ensure that it can never happen again, as well as providing compensation for those affected.

All government contracts are awarded in line with procurement regulations and transparency guidelines, and that goes for the contract on the alerts. As noble Lords would expect, robust security measures are in place as part of the procurement process.

Lord Clement-Jones (LD): My Lords, I pay tribute to the noble Lord, Lord Arbuthnot, for his relentless campaigning over a period of 13 years. Otherwise, the sub-postmasters would not have received any form of justice. Fujitsu's track record is quite appalling; the noble Lord mentioned that it has never apologised. It was described as giving unsatisfactory and inaccurate evidence in the case brought by the sub-postmasters. The NHS terminated two contracts with it back in 2008-09, then Fujitsu sued the NHS for £700 million and did not settle for 10 years. On exactly what basis do the Government judge Fujitsu to be fit and proper to hold this contract?

Baroness Neville-Rolfe (Con): I will make one preliminary point: Fujitsu has been fully co-operating with the postmasters inquiry. I also emphasise that there is no link between the small amount of work that Fujitsu has done for DCMS and the Cabinet Office and the work done for the Post Office.

Baroness Chakrabarti (Lab): My Lords, I am so grateful to the Minister for setting out the issue about the regulations and security. But in addition to security concerns, there are basic decency and morality concerns. How do people in this country feel about contracts being given to this company in the interim, while this inquiry is pending?

Baroness Neville-Rolfe (Con): I have explained what we are doing about the inquiry. The grounds for the exclusion of bidders from public procurement procedures are set out in the Public Contracts Regulations 2015. These rules set out the circumstances in which bidders must or may be excluded from the public procurement process. We have to follow those processes. The Procurement Bill, which was brought forward by this Government and debated extensively in this House, and is now being considered elsewhere, strengthens the grounds for exclusion, but we have proceeded with this contract on alerts. I emphasise the value of these alerts in warning and informing people where we have serious problems.

Lord Pannick (CB): Can the Minister tell the House how much Fujitsu is being paid for this contract and how many other ongoing procurement contracts there are with Fujitsu?

Baroness Neville-Rolfe (Con): I do not have information on other procurement contracts but I can tell the noble Lord that, in the year that has just finished, we paid Fujitsu £1.6 million for the alerts contract. If he looks on Contracts Finder, which is one of the transparency mechanisms that we have, he will see that the range of the contract is from £1.6 million to £5 million, but at the moment we have used Fujitsu for only the £1.6 million that I have outlined.

Lord Cormack (Con): My Lords, that is £1.6 million too much. Does my noble friend accept that when she speaks from the Dispatch Box she is, of course, speaking for the whole Government, right across the board? It is completely wrong—I would say immoral—for any department of government to pay money to a company whose actions, carelessness and downright stupidity in some respects have led to the deaths of British subjects, to the incarceration of others and to the misery of many. Were it not for my noble friend Lord Arbuthnot, the situation would be far worse.

Baroness Neville-Rolfe (Con): We have to follow due process. An inquiry is rightly taking place into the Horizon and Post Office scandal. In the meantime, it is important that procurement processes are open, that people are allowed to bid and that awards are made in accordance with the rules. I emphasise the point that I have already made: there is no link between the work that Fujitsu has done for DCMS and the Cabinet Office and the work done for the Post Office.

Baroness Twycross (Lab): My Lords, I declare an interest as chair of the London Resilience Forum. The emergency alert system is a really good idea. In fact, it is such a good idea that the Cabinet Office first successfully tested the use of emergency text alerts in 2013. Why has it taken a decade to hold a nationwide emergency alert system test? Can the Minister confirm how quickly the test will be evaluated and how soon the Government think this potentially life-saving system can be rolled out?

Baroness Neville-Rolfe (Con): I thank the noble Baroness for her support. Indeed, I think this alert system appeared in the Labour Party manifesto; we have had cross-party support for it. We have set up the test in consultation with various affected parties, which obviously means that it has had to be done properly—with motoring organisations, for example, and for vulnerable groups. That has taken time. The test is now taking place on Sunday. My hope is that it will be successful. Just to reassure the noble Baroness, we had trials in East Sussex and Reading, and the feedback we had

from the people involved in the test was very positive, with 88% of people wanting to keep going and encouraging the test. We need to move things forward, which is exactly what we are doing.

The Lord Bishop of Leeds: My Lords, I understand the point about following procurement procedures, but can we try a different tack? What would Fujitsu have to do to make it excludable from these procedures?

Baroness Neville-Rolfe (Con): All of this arises from the horrendous case of the Post Office, which I have studied over many years and feel equally strongly about. That process is continuing; Fujitsu is continuing to answer questions. As to putting companies on excluded lists, I have tried to explain what the arrangements are under regulations and that changes are coming forward in the Procurement Bill. Where companies co-operate and a finding has not been found against them, it is important that we treat them fairly. This is a country that believes in that.

Lord Fox (LD): My Lords, the Williams inquiry is still taking evidence in late winter this year, so the chances of it reporting even this time next year are probably slim. During that time, how many other contracts will Fujitsu be bidding for and winning? Surely the Minister can see that there are grounds here for suspending Fujitsu's ability to bid on government contracts until such time as the report has had a chance to be published.

Baroness Neville-Rolfe (Con): I do not have information on how many contracts Fujitsu plans to bid on, or indeed whether it will be successful in bidding for those contracts. All I can say is that we are pursuing the Post Office side of things extremely keenly, and I think we have moved from a very bad place into a better place with the plans for compensation. I note what has been said about Fujitsu, but I emphasise that the small contract we are talking about is very separate from the large and troublesome contract that we have all discussed on other occasions when we have been debating the awful circumstances of the postmasters, which, frankly, is probably the worst thing I have ever dealt with while I have been in government.

Lord Cromwell (CB): The Minister prays in aid the process of procurement, and that is quite right; let us leave aside for a moment the moral cases that some people have made. Is it not a standard part of procurement processes to have regard to performance on previous contracts by bidders? Other contracts, for example with the NHS, have been mentioned earlier in the comments this afternoon. If that is not part of our procurement process, surely it should be. If it is part of our procurement process, what on earth must the other bidders have been like?

Baroness Neville-Rolfe (Con): The noble Lord is right that we do not always get as many bidders as I would like in procurement, and one of the things we are trying to do in the procurement area is to broaden procurement so that we get more bidders. Having said that, of course he is right that those who are looking at contracts, both within departments and across government—because we have central assistance for procurement now—look at the track record of companies, but you have to do that in a fair way.

Lord Bellingham (Con): My Lords, I endorse what the Minister said about the emergency alert concept being excellent. The Minister will not necessarily be aware that I was one of the MPs who represented a number of the sub-postmasters, including one who was forced out of the locality in disgrace. His life, his wife's life and his family's life were completely destroyed and ruined, whereas he was obviously completely innocent. What really grates—I am sure the Minister understands this, but it would be good to hear her reinforce it—is: why has Fujitsu not in any way apologised?

Baroness Neville-Rolfe (Con): I sympathise with the point made by my noble friend. That is for Fujitsu, of course, and the process of looking at the awful history of the postmasters is still not finished. I agree with him that it can be helpful to say sorry, but that is a matter for Fujitsu. I am sorry that we are not talking much about the alerts, on which I have every answer under the sun. I will try to move things forward more broadly and, on the postmasters, to encourage the progress of the inquiry. We are all longing for the result of that.

Lord Harris of Haringey (Lab): My Lords, I declare my interests in the register and the fact that I have been campaigning for these emergency alerts to happen for a number of years. I think the first alerts were used in a number of countries way back in 2012. The Cabinet Office trialled them in 2013, and then nothing happened for virtually a decade. The system is proven in Australia, where a number of people were saved from dying in fires, and in India people's lives were saved from floods and so on. This is very important, but emergency alerts require public trust in the authorities. I hope the Minister acknowledges that this small part of the contract that has gone to Fujitsu will undermine that trust. What further steps will the Government take to improve trust in the emergency alert system going forward?

Baroness Neville-Rolfe (Con): I do not accept that the small addition of Fujitsu's work in this area negates this very important piece of work, which the noble Lord was obviously involved in and agrees with. We need to get on with it. He is right that the US, Canada, the Netherlands and Japan already have such a system. We did have something of a system, as he will know, because we used texts during Covid, but we found that their coverage was not good enough. That is another reason why we have been spurred to move faster. Obviously, I am involved in this area and taking a big interest. I like to get on with things, as he knows. I very much hope that the test will work and that if we have a national crisis of the kind we very much hope not to have, these alerts will be helpful. They will also be useful locally, because the COBRA unit co-ordinating them will find them useful on occasions of local flooding and storms. At the moment, we get alerts but it is more haphazard than it needs to be.

Carer's Leave Bill

Order of Commitment

4.06 pm

Moved by ***Lord Fox***

That the order of commitment be discharged.

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

Motion agreed.

Strikes (Minimum Service Levels) Bill

Order of Consideration Motion

4.06 pm

Moved by ***Baroness Bloomfield of Hinton Waldrist***

That the amendments for the Report stage be marshalled and considered in the following order:

Clause 1, Schedule, Clauses 2 to 6, Title.

Motion agreed.

CPTPP: Conclusion of Negotiations

Statement

The following Statement was made in the House of Commons on Monday 17 April.

"With your permission, Madam Deputy Speaker, I will make a Statement on the progress of negotiations for us to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

I am delighted to announce that since we first launched consultations in 2018, and after nearly two years of talks, the UK has substantially concluded negotiations to accede to the CPTPP. We will become the first country to join since the original partnership was founded. I am also pleased to tell the House that we are delivering on our post-Brexit agenda for a modern, free-trading global Britain, and that this agreement represents the future of global trade. Our negotiators have spent 21 months working painstakingly, and often through the night, to secure the best deal for the UK, and that is what they have done. This is an outstanding deal for our country, giving access to a fast-growing economic bloc that will allow us to sell our goods and services without giving up control of our laws.

Before I continue my Statement, let me thank former Secretaries of State for International Trade. I thank my right honourable friend the Member for North Somerset (Dr Fox), who developed this strategy and without whom today would not have been possible. I thank my right honourable friend the Member for South West Norfolk (Elizabeth Truss), who first appointed me as Trade Secretary, and who launched the negotiations and ensured throughout her tenure that this was a deal that would be delivered. I thank the present Minister of State, Foreign, Commonwealth and Development Office, my right honourable friend the Member for Berwick-upon-Tweed (Anne-Marie Trevelyan), for her support and invaluable advice. I also thank my current and former Trade Ministers.

I am told that Their Excellencies the Japanese and Vietnamese ambassadors are with us today. It should not go without saying that both countries were extremely supportive of our accession. I thank the ambassadors and their countries, and the various negotiators and working groups, for everything that they did to help the UK to accede today.

The CPTPP will act as a gateway to the Indo-Pacific, one of the most dynamic and fastest-growing regions on Earth. The Indo-Pacific is expected to account for the majority of global growth by 2050. The CPTPP will grow nearly 40% faster than the EU over the next three decades, and membership of the bloc will enhance access to a market of more than 500 million consumers for the UK's goods and services. That is why I described the CPTPP as representing the future of global trade. The brilliant terms that we have secured mean that British businesses will be able to target these dynamic economies, which will account for 15% of global GDP once the UK has joined. As the partnership grows, so will its role in shaping the rules of global trade. This alliance will help us to confront growing protectionism and unfair trading practices, putting us in a stronger position to withstand global shocks.

British businesses will enjoy new opportunities as part of the CPTPP. For instance, 99% of current UK goods exports to its members will be eligible for tariff-free trade, new tariff reductions with countries such as Mexico and Canada will boost export opportunities, and a new free trade deal with Malaysia will open up a £330 billion economy to the UK.

We will benefit from reduced red tape and simplified customs procedures across the bloc, and from modern rules of origin that offer British businesses new export opportunities and could help support UK efforts to diversify critical supply chains. We have all seen what can happen to supply chains when economic shocks happen. This global flexibility with like-minded partners will help British firms to become more resilient and protect economic security. For supply chains, this partnership is the future of global trade.

As a Minister who represents a rural constituency, I understand the concerns farmers may have about trade agreements because they have told me about them many times, so I know that Members representing agricultural communities will be delighted with the opportunities the CPTPP presents. I would like to put on record my thanks to the president of the National Farmers' Union, Minette Batters, for recognising the opportunity to, as she puts it,

'get more fantastic British food on plates overseas'.

As the world's demand for meat and dairy changes, having better access to growing and dynamic economies in other parts of the globe will protect British farmers and food producers into the future.

Our farmers will benefit from increased market access on these products, including through tariff-free exports to Mexico for beef, pork and poultry and new zero-tariff access to Canada's butter and cream market, which we did not have under our existing EU rollover agreement. Our cheesemakers will have new market access to additional shared quotas, equating to about 7.5 times the amount we currently export to Canada, and our distillers will benefit from the elimination of tariffs of around 80% on UK whisky to Malaysia within 10 years. So for food and drinks exports, the partnership represents the future of global trade.

The UK is already a services superpower. Our digital, financial and legal services, among many others, are the envy of the world. This world-leading agreement will help them to grow further still. In future, a British firm will be able to operate on a par with a Vietnamese one without setting up a Hanoi branch. British firms will face less red tape in doing trade and business travel will become smoother and easier. For the modern services and tech economy, the partnership represents the future of global trade.

As you will know, Madam Deputy Speaker, no trade agreement comes without a quid pro quo, but we have taken our time to get this deal right for the UK and we never compromise on food quality or animal welfare standards. Joining CPTPP is no different. We will not have to change our standards to join, including on chlorine-washed chicken and hormone-fed beef, as many detractors would like to have the British public believe. We have also made sure that our high environment and labour standards are protected, so the CPTPP agreement includes comprehensive chapters for environmental protections, anti-corruption and improving workers' rights. We have secured appropriate protections for the UK producers, reducing import tariffs in a manner proportionate to the market access we have received, and maintaining protections where needed.

Membership will enable us to shape the future of the agreement, including its future membership, and it will increase our influence and that of the wider bloc in setting the rules of the global economy. The CPTPP shows how sovereign countries can uphold high standards without being subject to foreign court rulings or membership fees.

Parliament will rightly want ample opportunity to scrutinise this deal before ratification. My Department will follow the process set out in the Constitutional Reform and Governance Act 2010. Parliament will also have the opportunity to scrutinise any implementing legislation, as was the case with the recent Trade (Australia and New Zealand) Act 2023. The people of this country have voted for the future of global trade, not the past. On goods, on services, on supply chains, on growth and on rules-based trade without ceding sovereignty or losing control of our borders, this agreement lives up to that instruction. We are securing a place for the UK in the future of global trade, and I commend this Statement to the House."

4.07 pm

Baroness Chapman of Darlington (Lab): My Lords, the Government's record on trade is quite dreadful. UK exports are projected to fall by 6.6% this year, which is over £51 billion lost to the UK economy according to the OBR. The failure to deliver the India trade deal or the US trade deal promised by the end of last year is a significant issue, so it is important to scrutinise what exactly Ministers have agreed to in these talks. The Government have a history of lauding trade deals one minute and then criticising them the next.

As we all know, CPTPP is made up of 11 countries—Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam—but we also know that other countries, including China, have applied to join or expressed an interest in doing so. We are all aware of the developing situation in relation to Taiwan. It is inconceivable that there would not be economic consequences should tensions continue to escalate in the way some fear they might. Can the Minister let the House know, as far as he is able today, whether our involvement with CPTPP might affect the UK's response? What is the UK's position on the application of China to be part of CPTPP?

The UK will be the first new member since the bloc was established in 2018, and the first European member. The Government say that CPTPP membership brings a range of benefits, including lowering trade barriers to a dynamic region. Accession also forms part of the Government's Indo-Pacific tilt set out in the integrated review. However, the UK already has bilateral agreements with nine of the 11 CPTPP members.

Over the year to September 2022, the UK exported £60.6 billion of goods and services to the CPTPP countries, which is 7.8% of the UK total, and imported £50.2 billion, or 5.9%, so the economic benefits appear at this stage to be relatively small. In fact, the Government's own assessment tells us that the long-run increase in GDP will be 0.08%. Can the Minister confirm that the figure of 0.08% is correct?

As part of the Spring Budget, the OBR forecast that, in 2023, UK exports are set to fall by 6.6%. That is a hit of over £51 billion to the UK economy. Can the Minister explain why this has happened? The Prime Minister wants us all to be better at maths, so can the Minister lead by example and tell us what proportion of that loss he thinks this deal is going to replace?

Other countries joining CPTPP have negotiated safeguards and put in place support for their domestic producers. For example, New Zealand and Australia have put side letters in place to opt out of the dispute mechanism. Is the UK going to do this and if not, why not?

There needs to be as close to a level playing field as possible, especially on issues such as workers' rights but also environmental protections, safety and animal welfare. How can Ministers assure us that the highest possible standards are agreed and implemented, so that UK workers are operating on a fair playing field and workers internationally do not become exploited? On the environment, have conditions been put in place to address concerns around the import of palm oil, which has been linked to deforestation?

What consultation has been undertaken with the devolved Governments to assess their views on negotiating outcomes and how will they be involved in the ratification process? Importantly, what detailed assurances can the Government provide that the CPTPP will not undermine the Windsor Framework, given the closeness of standards regimes and the green lane system?

[Baroness Chapman of Darlington]

What safeguards have been secured for UK farmers and what support will the Government offer to our agricultural sector on exports to CPTPP countries, particularly given the strong feeling there is that Ministers sold out our farmers to get the Australia deal over the line? The RSPCA has made it clear that the CPTPP has no explicit language on animal welfare, so what safeguards have the Government put in place to ensure that animal welfare is maintained for products imported to the UK?

Can the Minister also update the House on the progress of negotiations with India and the United States? Is it correct that negotiations with those countries will not even start until 2025?

The reason I have asked a lot of questions—I accept that—is that the problem here is detail. It is very important but very thin on the ground at the moment, and I am afraid that the Government do not have the best track record in supporting UK producers on those issues. There absolutely is an opportunity here, but there is risk too. We do not want to find ourselves again in a position where the Government make an agreement without fully understanding the consequences.

Lord Purvis of Tweed (LD): My Lords, I thank the Minister for being approachable and proactive in communicating. I also thank his office for its openness and willingness to engage. I am sure that will continue, so if he could indicate what the timeframe will be with regard to the legal text being ready, and when we expect the treaty ratification process to commence, that would be enormously helpful.

These Benches believe passionately in free, fair, open and sustainable trade, so we welcome any reductions in tariffs for our exporters and moves towards reducing non-tariff barriers in new markets. As the International Agreements Committee and others have remarked, this will be the first agreement the UK enters into in which we will knowingly increase net emissions. What is the update from the Government with regard to the climate component of this accession? The Government do not provide much clear information with regard to emissions.

As the noble Baroness said, the UK already has trade agreements in place with most CPTPP members. This agreement absorbs the new ones that the UK has signed with Japan, Australia and New Zealand. Are there carve-outs in this agreement that we will be able to understand clearly when we receive the text?

With regard to the omissions in the Australia and New Zealand agreements on protecting geographical indicated foods, for those agreements, UK GI foods—some of the most cherished brands and produce in this country—will be protected only if Australia and New Zealand sign an EU trade agreement so we can protect them through the TCA. What is the protection for UK geographical indicated produce?

The Trade Secretary was getting into a bit of a tangle over the issue of modelling and the figures on Monday, so it is worth reminding the House that the Government's scoping paper stated that the net benefit to the UK over 15 years of accession would be a mere £120 million per year to the UK economy. The trade writer for the *FT* said that, in decibel terms, this was "a cat sneezing three rooms away".

The Trade Secretary then asked us not to use the Government's own paper regarding the 0.08% potential benefit. So I suspect we will have to await a full impact assessment. When can we expect to see that?

The Trade Secretary said that the CPTPP accession was "the future of … trade". She correctly highlighted that this was the "fastest-growing" trade area but did not say that it was because of those countries' trade with China. She also did not say that the pace of EU trade with those countries is now forecast to outpace what the Government's modelling has said that the UK will benefit from in accession. The Trade Secretary said that this was the future of trade and that the people had voted for this, not the past—in some way indicating that there was a choice to be made; we trade either with Asia or with Europe. That is obviously nonsense.

The Government's approach paper was pretty clear. It said that if we had maintained EU membership and the existing trajectory, UK trade with CPTPP members was already set to increase by 65% by 2030, or £37 billion. This accession is only adding 0.08%. I would be grateful if the Minister could say why it is opening up so little in additional markets.

The accession was also spun as a tilt away from China. However, we know that most of the countries within that agreement are also part of an agreement with China in the Regional Comprehensive Economic Partnership, which represents 30% of global GDP. Negotiations are in the final stages between China, Japan and South Korea for an FTA. What is the Government's position on whether they believe that China should accede to CPTPP?

Finally, there is an omission from all the Government's data. In the scoping paper and the Statement, there is no mention of trade diversion. There has been no consultation with developing countries on what the likely impact of market access will be. There is one line on page 52 of the Government's scoping paper that says:

> "While the impact of the UK's accession to CPTPP on GDP in developing countries is likely to be negligible, developing countries with a high share of trade with the UK and CPTPP member countries are most likely to be impacted".

We already know that some exporters from Africa are complaining that they were not consulted and that their produce is going to be harmed by this accession, so perhaps the Government could provide information on trade diversion.

As with the India agreement, I have a considerable fear that some, if not most, of the benefits that we are likely to see will be trade diversion from developing countries with which we are seeking to encourage trade. I hope that the Minister can provide detailed information with regard to those questions.

The Minister of State, Department for Business and Trade (Lord Johnson of Lainston) (Con): I thank the noble Lord, Lord Purvis, and the noble Baroness, Lady Chapman, for their questions and comments. I am only sad that I have to inject an element of enthusiasm into this Chamber for what is one of the greatest trade deals this country has struck in many decades, probably in my short lifetime. We have joined a £9 trillion group and there is no common army, there

is no flag, there is no currency; there is only a common group of nations, liberal-minded in their economic outlook, which want to work together for mutual recognition, not for harmonisation. I will quote, if I may, William Seward—Abraham Lincoln's Secretary of State, if noble Lords are not sure who he was—who said that

"the Pacific Ocean, its shores, its islands, and the vast regions beyond, will become the chief theatre of events in the World's great Hereafter".

I am extremely proud of the work that the Secretary of State and our department have done. I thank her, our chief negotiator Crawford Falconer and Graham Zebedee for the incredible number of hours they put in, and the previous Secretaries of State, who embarked upon this post-Brexit vision of Britain, to turn what could be called "Ocean's 11" into "Ocean's 12" with our accession, I hope, over the coming year.

I also thank the businesses that have participated, which will see the benefits of being able to export their goods more easily to these key countries, where the rules of origin benefits will be significant in terms of managing supply chains; where business mobility will be written into law; and where there will be protections for our industries and the agricultural community in this country, which will allow them access to markets that previously they were unable to access. These now include our free trade opportunities with Malaysia, where we did not have a comprehensive trade deal. We have the opportunity over the coming year or so as accession takes place to have a full trade deal with this nation that has a GDP of just under $400 billion. Vietnam, one of the countries of the CPTPP, is forecast to grow faster than any other major country on earth, I read today, between now and 2050. I was grateful to the noble Lord, Lord Purvis, for his statistical analysis.

However, this is not just a trade deal of statistics; it is about our focus on the growing economies of the Indo-Pacific region. It is right that this nation, in trying to ensure that we have close and good relationships with the European Union in our tariff-free and quota-free access to that valuable and essential continent of our neighbours, is also exposed to the future growth economies, the populations and the services that we can sell to them over the coming decades. So I congratulate the businesses that participated in this process to drive this forward, and our department that achieved it.

Finally, I thank the countries which supported us. When my Secretary of State gave her Statement to the other place a few days ago, she was watched and admired by the ambassadors, I believe, of Vietnam and Japan—just two of the countries which were so important in propelling us into this important trade group, which will stand as a beacon for liberalisation, free trade and economic growth for decades to come. I am surprised that everyone I have spoken to has congratulated me—not that I did anything, by the way, to accede us to CPTPP apart from providing moral enthusiasm and my work generally as an atom of the department—on Britain being able to join the accession process for CPTPP.

I went round Asia last week—I went to Japan, Australia and Singapore—and we were cheered and had standing ovations solely for the fact that we had recently acceded to the process of joining CPTPP. So I am amazed and saddened that we do not have more delight at this one act. Yes, there are important areas for inquiry and I hope that noble Lords have seen in my work over the Australia and New Zealand trade Bill the seriousness with which I have engaged personally with Members on all sides of the House in making sure that we do scrutinise these agreements. If we do not all get behind them, they will not have the effect of galvanising our exporters to action and making the most of the opportunities presented by these treaties.

I am extremely keen to engage where I can, at every opportunity and with all Members of this House, as we progress towards signature and accession to CPTPP. But I would like a little more enthusiasm and celebration, if possible, for something that, frankly, all Peers have been calling for and we are now starting to deliver—it will genuinely change lives.

I am happy to go through some of the core points raised by the noble Baroness, Lady Chapman, and the noble Lord, Lord Purvis. I am sure they will understand that I will have to come back to them on some of their questions—I think they would want me to be specific and accurate—but they certainly set the tone with some of their points. The important point is that, in this free trade agreement—rather than the customs union that was the old European Union—we do not abrogate any of our standards for imports: standards on pesticides and food remain exactly the same. We control our standards, and it is important for everyone in this House and the country to hear that clearly. Nothing has changed in what we allow to be sold in our shops; that is the whole point of a trade deal, rather than a customs union.

On many occasions I have been asked about countries acceding to the CPTPP in the future, but I will not be drawn on that for the simple reason that we have not even joined yet, so it would be totally inappropriate for me to comment on that. I echo the Secretary of State's statement on that point earlier this week. But this is a liberal, free markets trading group, and we hope it will act as a beacon for all countries around the world to reform their markets and economies to become liberal, free and open to world trade. I hope that all nations will look at it as a beacon of hope.

Questions about our treaty possibilities with the United States were raised. Again, this came up a few days ago in the other place. We are keen to do a trade deal with the United States—and with most countries in the world—because it is a huge part of the global economy, although it is not in a position to negotiate with us at the moment. So what have we done? That is a rhetorical question—we have signed specific memorandums of understanding with states, and this will enable us to have better links and closer co-operation, particularly for the all-important and growing services, and professional qualification recognition aspects of those services. I believe that my honourable friend, Minister Huddleston, was in Oklahoma this week, signing such an agreement—forgive me if I have got the state wrong, but he is certainly in the US at the moment, signing further MoUs.

It is important to turn to the comments by the noble Lord, Lord Purvis. He likened the economic benefit of this deal to a sneezing cat three rooms away—

Lord Purvis of Tweed (LD): The *FT* did.

Lord Johnson of Lainston (Con): I am glad that the noble Lord was quoting the *FT*. I am happy to discuss this further, but it is important that we have an impact assessment of all our FTAs and that we have a proper discussion in this House about the review of trade agreements. So I am comfortable with continuing my personal commitment—or whatever the expression should be—to what we term the "Grimstone principles", which noble Lords will be aware of. These give adequate time for committees and so on in this House to make sure that they have proper scrutiny. I am comfortable with confirming that, and I hope it is welcomed by the House. I very much look forward to having a full and frank debate on the points to ensure that we have indeed signed up to a deal that this House, this Government and this country support. It will bring benefits to us and the other nations of the CPTPP.

4.29 pm

Baroness Hayter of Kentish Town (Lab): My Lords, the Minister is obviously younger than I thought, because he does not remember the great agreement we signed when we joined the European Union in 1973. But I am delighted that he reinforced that the Grimstone principles will be adhered to and that we will have months, rather than days, to scrutinise this agreement. On behalf of the International Agreements Committee, I thank him for that.

I want to raise the question he mentioned of standards, particularly food standards, which are of enormous importance to consumers. Not only are they important in themselves, but any divergence of them from the rules that we keep for importing or exporting food to and from the European Union would be really difficult for manufacturers and importers. Can the Minister reassure us that nothing in any change to standards will impact either on our consumers or, indeed, on our ability to trade with our near neighbours in the European Union?

Lord Johnson of Lainston (Con): I am grateful to the noble Baroness for her comments and for her continued support, through the process of scrutiny, of this very important treaty. I look forward to working with her and her committee's members closely over the coming months. On food standards, it is very important for me to repeat my point that nothing in the CPTPP lowers our food standards. All food and drink products imported into the UK will have to meet the same standards on the day before the CPTPP comes into force as they will the day after. The whole point about this is that we control our borders and the standards of goods and services sold to our consumers.

I too can quote from people who have been observing the situation. In a statement published on the National Farmers' Union website, its president, Minette Batters, was pleased that the Government

"continues to maintain its commitment to our food safety standards".

Questions were raised as to whether the CPTPP will lead to exports of food at lower standards, such as hormone-fed beef and chlorinated chicken. No: again, nothing in this treaty lowers our food standards. As I say, the standards we have the day before this treaty comes into force and the day after are exactly the same.

Lord Hannay of Chiswick (CB): My Lords, the Minister asked for a bit more enthusiasm for the CPTPP. As one who has spoken in debates in this House and in Grand Committee in favour of the agreement that has now been concluded, I do not think I qualify as lacking enthusiasm, but does the Minister not recognise that you get more enthusiasm by quoting figures that are valid, reliable and solid? For example, he quoted trade with Vietnam. That is very valuable indeed, but we have a free trade area agreement with Vietnam already, so can he say what CPTPP membership will add to what we already have? When he talked about trillions of trade in that area, that is of course true, but those are not all benefits to the United Kingdom. Enthusiasm will come if there is solid reason for it.

On China, will he answer two questions? At what point in time does our view on an agreement between the CPTPP and China—and indeed Taiwan; both have applied—become valid? At what point do we have an equal say? Presumably not now, because we are not yet a CPTPP member. Presumably not just when we ratify it—will all members have to ratify it before we have a say in China's relationship? It would be really helpful to have this; I asked the question in earlier debates and I am sorry to say that his predecessor never wished to reply to it.

Lord Johnson of Lainston (Con): I am grateful to the noble Lord for raising these points. He asks what the benefits are. As I have stated, the free trade agreement with Malaysia is in itself a worthy goal. We in this Chamber would be delighted—and I as a Minister, and the Department for Business and Trade, would be very comfortable—if all we had was a free trade agreement with Malaysia, where there are tariffs of up to 80% on some of the spirits we export. It is one of the largest consumers of Scotch whisky in Asia.

Secondarily, and more importantly, he mentioned Vietnam. The tariffs we have under our current agreements with Vietnam, on exports of pork, chocolate, engines and medicines, for example, are going to end far more quickly, so there is a speeding up of the process: if we already have a parallel agreement there is, in many instances, a speeding up of our access to those markets. It also highlights the importance of other areas, such as professional qualification recognition, which is so important; how services function; and the very important rules of origin. For all of us who believe in a renewed UK automotive sector, it is exactly these broad rules of origin that will allow us to make a success of this trading region.

The final point, which is often missed because we rightly look at the detail and the statistics, is that there are powerful personal, emotional and philosophical elements to joining this relationship. It gives us great sway over the future of global trade. It makes us relevant in a core area, in terms of our long-term national defence. It brings us closer together with other nations and it acts as a beacon to our exporters in this country—frankly, we could do with more of the companies in this great nation of ours exporting. I look forward to the opportunity this debate brings to give us a truly world view, rather than one that focuses simply on our locality, and put fire in the heart of our nation's exporters to take our products and services to the rest of the world.

Lord Hannan of Kingsclere (Con): I congratulate and thank my noble friend the Minister for enlivening this Eeyore-ish mood with some Tigger-ish enthusiasm. The benefits of CPTPP seem to be obvious to the lengthy list of countries which have formally applied for or are mulling membership—a list which includes Thailand, Taiwan, South Korea, the Philippines, Costa Rica, Ecuador, Colombia and Uruguay. Of course, I understand that my noble friend is bound by diplomatic protocol, but will he take this opportunity to express some optimism about the prospect of the United States joining that list? CPTPP was to a large degree negotiated not just by senior members of this Administration but by President Biden himself. American accession to that pact would allow an improvement in the terms of trade between our countries, bound together as we already are by language, law, custom, kinship, habit and history.

Lord Johnson of Lainston (Con): I am always grateful to my noble friend for his eloquence. He is a very difficult act to follow, even though his question is so true to my heart. I am afraid I will not be drawn into suggesting who should potentially be admitted into the CPTPP because we are not yet members, but as I said, I am delighted that this entire organisation acts as beacon of free trade around the world. We want more countries to see the world through the lens of us and our aligned partners. I very much support, conceptually, many of my noble friend's comments and I thank him for his support in this House and for continually making sure that the torch of free trade is held high in this place.

Viscount Stansgate (Lab): My Lords, the Minister complained earlier of having been insufficiently appreciated for this Statement, but I am more than happy to congratulate him for including in his answer the comments of one of Abraham Lincoln's most distinguished Cabinet members.

I want to ask a brief question about Vietnam which has, in part, been asked already by the noble Lord opposite. The Statement refers to Vietnam particularly with regard to legal and other services. Can the Minister explain in more detail what else the Government are expecting to get out of enhanced arrangements and trade with Vietnam, in addition to the arrangement we already have?

Lord Johnson of Lainston (Con): I am grateful to the noble Viscount. I was not asking for praise for myself or enthusiasm for my own actions, but enthusiasm for the actions of the Secretary of State, the department and this Government in pursuing this noble free-trade policy, which will ultimately enrich us all and make us safer.

The noble Viscount asks very sensible questions about the specificity of our relationship with Vietnam regarding the CPTPP. As I have said, the CPTPP contains a large number of chapters that will allow us more effectively to achieve market access for our goods, and with greater haste. In my view, that is in itself a very positive point. I have touched on some of the other aspects that apply broadly to the CPTPP, and I am happy to repeat the statistic I was sent this morning, although I cannot guarantee its legitimacy. Maybe I should declare an interest, to some extent: I have personal financial shareholdings in companies that invest in these countries, although I am not involved in them directly, as noble Lords can imagine. Vietnam is forecast to grow faster than any major country on earth between now and 2050. I would have thought any arrangement that allows us access to a market of that dynamic nature must be a positive for this country.

If we consider our long-term security and the importance of diversifying our supply chain and looking at how our supplying countries interact with us, I cannot think of any more powerful ally than Vietnam in this instance. I look forward to visiting that nation and seeing if we can encourage investment from there into the UK.

Lord Hamilton of Epsom (Con): My Lords, I have an interest to declare, in that my noble friend the Minister is actually my son-in-law. I have been advised that, on that basis, I can call him my noble kinsman. I am not sure that he actually is my noble kinsman but on the other hand, it is rather useful shorthand for declaring my interest when getting up to ask him a question. First, I congratulate my noble kinsman on the role he has played in achieving our signing of this treaty, which is going to make a massive difference. May I ask about the rather minimal increase to trade of 0.08%? I just wonder what assumptions were made when this forecast was produced. Does my noble friend recognise that many recent economic forecasts have applied on the basis of "garbage in, garbage out"?

Lord Johnson of Lainston (Con): I thank my noble kinsman for his intervention; this is the first time we have spoken in this way. I asked the House of Lords Library whether there were any other pairings of son-in-law and father-in-law, and I have not received a response; maybe the Library was too alarmed by our own prospects. But my noble kinsman raises a good point about the statistical analysis of the value of this trade deal to the UK. I wish to avoid getting drawn into complex statistical discussions in this important but short opening debate, but I am happy to do so in the future, and there will be further impact assessments.

It is difficult to forecast the ramifications of a trade arrangement. In fact, what has been produced is not a forecast; it is a static model. It is not for me to lecture Peers in this House on how that functions but as the name implies, it is a static model rather than a positive forecast of how trade can be increased on account of this deal. All I will say is that New Zealand signed a free trade deal with China, and its model projected $3 billion a year of additional trade activity; I think within five years, it was over $30 billion a year. So it is not simply a question of looking at one static model; we must look at a more effective impact assessment in the future and make our own forecasts. As I say, it is not simply about trade data; it is also about the influence we will have in this region and the philosophical endeavour we embark on to encourage free trade around the world.

Lord Walney (CB): The Minister has been clear that he is not going to express a view on particular countries joining, but will he at least be clear that the Government will view Taiwan's application as a valid one not subject to any veto from China?

Lord Johnson of Lainston (Con): I thank the noble Lord for his point, and I thank all noble Lords who have raised similar questions about countries potentially joining the CPTPP. As he will understand, it would be totally inappropriate for me to comment on that, since we have not even joined. I say again that I encourage all countries that fulfil the liberal free trade obligations and criteria to look to the CPTPP as a beacon of free trade and economic prosperity. However, I would not like to comment at this stage.

Lord Fox (LD): The Minister has reeled off some really impressive growth figures, and I am sure he would acknowledge that one of the main drivers of that growth is the proximity of many of those countries to China. I would like him to comment on the observation that with or without China's accession to this treaty, our accession to it subtly changes, whether implicitly or explicitly, our relationship with China. Also, what advice is his department giving to businesses when they are sourcing large proportions of their supply chain in China?

Lord Johnson of Lainston (Con): I am grateful to the noble Lord, Lord Fox, for his interventions. There may be some confusion; there is not a preclusion of doing business with China now that we are acceding to join the CPTPP. This is an enhanced trade agreement that will allow us, as my namesake Prime Minister said, to have our cake and eat it in the relationships that we can have with all Asian countries. As for the advice we are giving to businesses, the Department for Business and Trade employs many hundreds of people around the world and in this country, as well as many hundreds of export champions, to encourage businesses to export to these countries. There is no length to which we should not go in order to assist our businesses and to signpost them. The very fact that we are having this debate on this important free trade accession will, I hope, raise the salience of exporting, as I have mentioned in earlier comments. I do not necessarily see enough businesses in this country taking the risk, challenge or opportunity of exporting. I hope that, if we raise the salience of exporting, that in itself will help, as people see the opportunities that are presented to them.

Baroness Bennett of Manor Castle (GP): My Lords, my understanding is that this agreement will lead to the removal of all tariffs on Malaysian palm oil. Can the Minister confirm that and explain how that is compatible with the UK's COP 26, and indeed COP 15, obligations to reverse forest loss and degradation? Why have the Government not gone towards an approach, as happened with EFTA and Indonesia, where improved market access is tied to sustainability and improved environmental conditions?

Lord Johnson of Lainston (Con): I am grateful to the noble Baroness for raising that point. It is clearly important to raise palm oil, and I am sure it will come up in later debates. However, I believe—I am happy to write to the noble Baroness to confirm—from memory that sustainable palm oil imports into this country have risen from about 16% in 2010 to nearly 80% now. The reforestation of Malaysia and its pledges to ensure that it runs sustainable palm oil production have been very much wrought into the discussions we have had with it. All members of the CPTPP are parties to the Paris climate accord, and there is an environmental chapter.

In other areas which were covered earlier in this debate by noble Lords, such as animal welfare, we would like to think that we have actually informed the debate, particularly with countries such as New Zealand and Australia. In both those countries, we have now seen whole new swathes of legislation around animal rights that may even bring their standards to a level higher than our own. That is the sort of concept around the engagement of these treaty negotiations that yields common benefit for all.

Baroness Wheatcroft (CB): My Lords, I share the enthusiasm of the Minister for trying to replace some of the exports lost through Brexit, and I listened to what he said about static targets. However, the Minister for Trade, Kemi Badenoch, said she could not stand the estimate of 0.08% because it was based on "stale" figures from 2014. If that is true, could the Minister explain why his department is using figures that are 10 years old?

Lord Johnson of Lainston (Con): I am very grateful to the noble Baroness for raising this point. Clearly, there will be a lot of discussion around how to measure, if we can, the benefits of a free trade agreement. As I believe I mentioned—I apologise for not being clear enough—these figures are static modelling figures rather than forecasts, so they rely on significant quantities of historic data. It is often a difficult position to be a government Minister at the Dispatch Box when you are reliant entirely upon government figures which do not necessarily chime with the mood music. However, it is important to look at all the different statistics that will give us the information we need to have a sensible debate. This is not a forecast; this is a static model. The forecast, I believe, will be extremely positive, as will the impact assessments. I reiterate again: the experience of New Zealand in simply one of its trade deals was 10 times greater than any model that it had created. That is the sort of statistical analysis I look forward to seeing.

Online Safety Bill

Committee (1st Day)

Relevant document: 28th Report from the Delegated Powers Committee

4.49 pm

Clause 1 agreed.

Amendment 1

Moved by ***Lord Stevenson of Balmacara***

1: After Clause 1, insert the following new Clause—

"Purposes of Act

(1) This Act has the following purposes—

(a) to secure that regulated internet services comply with UK law and do not endanger public health or national security,

(b) to provide a higher level of protection for children than for adults in respect of regulated internet services,

(c) to identify and mitigate the risk of reasonably foreseeable harm arising from the operation and design of regulated internet services,

(d) to recognise and respond to the disproportionate level of harms experienced in relation to regulated internet services by people on the basis of one or more protected characteristic,

(e) to apply the overarching principle that regulated internet services should be safe by design,

(f) to safeguard freedom of expression within the law and privacy in relation to regulated internet services, and

(g) to secure that regulated internet services operate with transparency and accountability in respect of online safety.

(2) The Secretary of State and OFCOM must have regard to the need to fulfil these purposes in exercising functions under this Act."

Member's explanatory statement

This new Clause would implement a recommendation of the Joint Committee which carried out pre-legislative scrutiny of the Bill, setting out a range of purposes for the legislation and making clear that both the Secretary of State and OFCOM must have regard to those purposes when exercising their statutory functions.

Lord Stevenson of Balmacara (Lab): I must say I am quite relieved that so many noble Lords have stayed; I thought that a single group with a single amendment on a sunny afternoon might have been enough to drive most noble Lords away. I take it as a thoroughly good-going sign that this will be a useful debate for us to have in Committee. I am privileged, and it is a great honour, to open this Committee stage with Amendment 1—at last.

Amendment 1 is in my name and those of the noble Baroness, Lady Kidron, and the noble Lords, Lord Clement-Jones and Lord Gilbert of Panteg. The noble Lord, Lord Gilbert, has let me know that he would have liked to have been present today and had intended to speak but, unfortunately, he has a hospital appointment. As noble Lords will be aware, he was recently a distinguished chair of your Lordships' Communications and Digital Committee and would, I think, have had a lot to say about some of the issues that we are going to discuss this afternoon. I had the pleasure of working with him there, and he has kindly agreed that I can mention a couple of the points that he would have liked to make had he been present; I will be delighted to do so.

I am grateful to the noble Baroness and noble Lords for signing this amendment; that highlights the all-party support for ensuring that the Bill will achieve the high hopes that we all have for it. It also points to the fact that all the signatories were members of the Joint Committee of both Houses which undertook comprehensive pre-legislative scrutiny of the Bill 18 months ago—a process that I thoroughly endorse and count as one of the highlights of my time in your Lordships' House.

I observe in passing that this amendment, based as it is on a recommendation from that Joint Committee, represents one of the few recommendations not yet implemented in the Bill before us today—just saying, Minister. I got that phrase from my kids; I am not quite sure what it means but they use it a lot, so I think it must have some commonality.

This amendment is intended to be declaratory, although it is also what the Public Bill Office—it has done a great job for us, we should all say—says is purposive. I had to look that one up, I confess; I discovered that it means "having or tending to fulfil a conscious purpose or design". So this is a purposive amendment—indeed, it does what it says on the tin.

As the noble Lord, Lord Gilbert, would have said had he been present, the Bill is very difficult to understand, in part because of its innate complexity and in part because it has been revised so often. A simple statement of its purpose will help us all. I agree.

I stress at the outset that the amendment on its own does not seek to add anything to the considerable detail already in the Bill. However, it does five important things. It says up front what the Government are trying to achieve with this legislation and highlights what those companies within the scope of the Bill will need to bear in mind when they prepare for the new regime. It makes it clear that the new regime is centred on ensuring that the duties of care are placed on the companies that are in scope

"to identify and mitigate the risk of reasonably foreseeable harm arising from the operation and design of"

their services. It calls for "transparency and accountability" from all concerned in respect of online safety.

Had he been present, the noble Lord, Lord Gilbert, would have added that the amendment also sets out a few important principles that Ministers claim are fundamental to the way in which the Bill works but are absent from the detailed provisions when one comes to read them—such as, for example, that this Bill is about systems, not content. We will have to keep reminding ourselves of those words as we go through the Bill: it is about the systems that deliver the content but not the content itself.

Finally, this amendment would send a clear message about the trust that we in Parliament are placing in our independent regulator, Ofcom. That is a very important point. The amendment leads with a requirement that regulated services comply with UK law and do not endanger public health or national security. National security and public health are of course topical issues, but even if we were not in the midst of a storm about USA national security leaks shared on a Minecraft Discord server, which is certainly a user-to-user service that is widely accessed in the United Kingdom, it is probably wise to stress early on how vital it is for leaks of this nature to be at the forefront of regulated companies' approach to the Bill. Today's warnings by a Cabinet Minister and former Secretary of State at DCMS about cybersecurity affecting our national infrastructure are relevant here—likewise for public health.

I will not go through the amendment line by line. I am sure that others will want to comment on how it is laid out, the order of it and other matters, which are relevant but do not capture what the amendment is trying to do. However, I will focus on one: the reference to regulated companies having to have regard to reasonably foreseeable harm, as outlined in proposed new subsection (1)(c). I regret that the term "reasonably foreseeable harms" is absent from the Bill, although of course it featured heavily in the preceding White Paper when Sir Jeremy Wright was Secretary of State. The dropping of the "legal but harmful" category raises the question

[Lord Stevenson of Balmacara]
of how Ofcom will future-proof the system. Now that a wide-ranging risk assessment is no longer required by Ofcom, it will be hard to see what harms are coming down the track that might harm children in the future when applied to them or indeed hobble the regime by undermining the ability to look forward with the full resources of Ofcom and the companies working in concert. There are amendments on this issue which we will come to later, including one tabled by the right reverend Prelate the Bishop of Oxford that may test this issue.

The Government confirmed in a Written Answer to me of 8 February that AI products in a user-to-user or search engine service would be covered by the Bill, but the sudden recent explosion of AI products is a very good example of why a more general sense of foreseeability of harms may be required, rather than simply relying, as I think we will have to, on a list of things that we currently know about.

Our Joint Committee report made clear that the inclusion of this overarching objectives amendment would help all of us to ensure that the Online Safety Bill will be easy to understand, not just for service providers but for the public. Its inclusion would mean that we would be able to get into the detail of the Bill with a much better understanding of what the Government are seeking. I see the flow, which the committee was very clear about—having clear objectives that lead into precise duties on the regulated providers, robust powers for the regulator to act when the platforms fail to meet those legal and regulatory requirements, and a continuing role for Parliament, which is something that we will come to in future debates.

The internet is a wonderful invention. The major online services have become central to how people around the world access news and information, do business, play games, and keep in touch with family and friends, and the internet is free to use. But is it free? These services are highly profitable businesses. Where does that money come from? It is a commercial model based on selling targeted advertising. User data—our data—is collected and used to train algorithms to maximise engagement and users' attention. The length of time and the frequency with which users engage on the platforms increase their value. More spent online means that more advertising reaches users, which leads to more revenue for the companies. It is a vicious circle.

However, we are where we are. Actively seeking to increase engagement through personalisation has the power to create more harmful user experiences for vulnerable people and children, who are more likely to see content which will increase their vulnerabilities or do them harm. The more that people interact with conspiracy theories, for example, the more of them they will see. The grouping together of users with similar interests can create environments which normalise hate speech and extremism. Design features that favour the spread of information over safety facilitate the targeting and amplification of abuse, as we have seen.

There is no doubt that this Online Safety Bill is a key step forward for our citizens and consumers. I have made it absolutely clear that I support the Government in their Bill and that we will do what we can to make sure that it reaches the statute book as quickly as possible. It is also important to remember that it is showing other democratic societies that want to bring accountability and responsibility to the internet how it can be done, and I believe that this Bill will do it very well. However, it will only be effective if online services are held accountable for the design and operation of their systems by the regulations introduced by this Bill—and of course its successors, because this is the first of a number of Bills which we know we will be seeing in this area. There are very important points here about how we approach this, the need to maintain the will of Parliament throughout these areas, and the appointment of an independent regulator rather than those who happen to reside in Silicon Valley.

5 pm

In conclusion, this is a very long and complex Bill, so it is a very fair question to ask: why on earth are we adding to it? I strongly believe that the impact of the Bill will be lessened if there is no clear, concise statement of what the Bill is designed to do and what it will change once it is up and running. Rather than critiquing the rationale of moving this amendment, therefore, I hope the debate this afternoon will focus on ensuring that it does what the Joint Committee wanted. Does it make clear what the Bill is trying to achieve? After the Bill receives Royal Assent, will we see a reduction in the seemingly ever-increasing harms caused by social media services and search engines? Is the balance between privacy and freedom of expression correct? Is the priority need to protect children secure and well embedded in the Bill? Will the system as a whole operate with transparency and accountability? Does it foreground what citizens and consumers want and need? Will they be able to get redress if their interests are harmed?

The Government will likely respond by saying that everything that I have set out in this amendment is already in the Bill. I agree. However, while the words are all there, they are scattered about in various places, with most of the substance being in Schedule 4, which, of course, will have limited application. It is very hard to get a sense of what the overarching priorities are: hence the amendment. I also agree with the Government when they say that legislating for a largely unprecedented, comprehensive, future-proofed and enforceable framework has required the creation of a range of targeted duties and a series of new definitions; and that an overall objective might risk confusing rather than clarifying. That is a fair point.

It is correct to say, however, as I am sure the Minister will say in his response, that the fact that the Bill is complicated—and, boy, it is—does not necessarily mean that the framework itself will, in practice, be overly complicated for services to comply with and for Ofcom to enforce. My argument today is not about a concern that Ofcom's codes of practice and any associated guidance might not provide detail and clarity for services as to what steps they need to take to comply with their legislative duties, taking into account their risk profiles. I have confidence that Ofcom will do that very well indeed, and recent discussions on that have confirmed my impression. It will be independent, it will be important for it to be seen as independent, and it will act in the best interests of what we require in this space.

My concern is that, without also asserting a clear vision of what we want to happen as a result of passing this Bill, Parliament, and the people who use the social media and search resources of the internet, will have no framework by which to judge the success or otherwise of this important Bill. This amendment, as I said, is primarily declaratory, but I hope I have proved that it is also purposive. I think that the Government should look at it very carefully and hope that they will accept it. I beg to move.

Baroness Kidron (CB): My Lords, I draw attention to my interests in the register, which I declared in full at Second Reading. It is an absolute pleasure to follow the noble Lord, Lord Stevenson, and, indeed, to have my name on this amendment, along with those of fellow members of the pre-legislative committee. It has been so long that it almost qualifies as a reunion tour.

This is a fortuitous amendment on which to start our deliberations, as it sets out the very purpose of the Bill—a North Star. I want to make three observations, each of which underlines its importance. First, as the pre-legislative committee took evidence, it was frequently remarked by both critics and supporters that it was a complicated Bill. We have had many technical briefings from DSIT and Ofcom, and they too refer to the Bill as "complicated". As we took advice from colleagues in the other place, expert NGOs, the tech sector, academics and, in my own case, the 5Rights young advisory group, the word "complicated" repeatedly reared its head. This is a complex and ground-breaking area of policy, but there were other, simpler structures and approaches that have been discarded.

Over the five years with ever-changing leadership and political pressures, the Bill has ballooned with caveats and a series of very specific, and in some cases peculiar, clauses—so much so that today we start with a Bill that even those of us who are paying very close attention are often told that we do not understand. That should make the House very nervous.

It is a complicated Bill with intersecting and dependent clauses—grey areas from which loopholes emerge—and it is probably a big win for the deepest pockets. The more complicated the Bill is, the more it becomes a bonanza for the legal profession. As the noble Lord, Lord Stevenson, suggests, the Minister is likely to argue that the contents of the amendment are already in the Bill, but the fact that the word "complicated" is firmly stuck to its reputation and structure is the very reason to set out its purpose at the outset, simply and unequivocally.

Secondly, the OSB is a framework Bill, with vast amounts of secondary legislation and a great deal of work to be implemented by the regulator. At a later date we will discuss whether the balance between the Executive, the regulator and Parliament is exactly as it should be, but as the Bill stands it envisages a very limited future role for Parliament. If I might borrow an analogy from my previous profession, Parliament's role is little more than that of a background extra.

I have some experience of this. In my determination to follow all stages of the age-appropriate design code, I found myself earlier this week in the Public Gallery of the other place to hear DSIT Minister Paul Scully, at Second Reading of the Data Protection and Digital Information (No. 2) Bill, pledge to uphold the AADC and its provisions. I mention this in part to embed it on the record—that is true—but primarily to make this point: over six years, there have been two Information Commissioners and double figures of Secretaries of State and Ministers. There have been many moments at which the interpretation, status and purpose of the code has been put at risk, at least once to a degree that might have undermined it altogether. At these moments, each time the issue was resolved by establishing the intention of Parliament beyond doubt. Amendment 1 moves Parliament from background extra to star of the show. It puts the intention of Parliament front and centre for the days, weeks, months and years ahead in which the work will still be ongoing—and all of us will have moved on.

The Bill has been through a long and fractured process in which the pre-legislative committee had a unique role. Many attacks on the Bill have been made by people who have not read it. Child safety was incorrectly cast as the enemy of adult freedom. While some wanted to apply the existing and known concepts and terms of public interest, protecting the vulnerable, product safety and the established rights and freedoms of UK citizens, intense lobbying has seen them replaced by untested concepts and untried language over which the tech sector has once again emerged as judge and jury. This has further divided opinion.

In spite of all the controversy, when published, the recommendations of the committee report received almost universal support from all sides of the debate. So I ask the Minister not only to accept the committee's view that the Bill needs a statement of purpose, the shadow of which will provide shelter for the Bill long into the future, but to undertake to look again at the committee report in full. In its pages lies a landing strip of agreement for many of the things that still divide us.

This is a sector that is 100% engineered and almost all privately owned, and within it lie solutions to some of the greatest problems of our age. It does not have to be as miserable, divisive and exploitative as this era of exceptionalism has allowed it to be. As the Minister is well aware, I have quite a lot to say about proposed new subsection (1)(b),

"to provide a higher level of protection for children than for adults",

but today I ask the Minister to tell us which of these paragraphs (a) to (g) are not the purpose of the Bill and, if they are not, what is.

Lord Allan of Hallam (LD): My Lords, I am pleased that we are starting our Committee debate on this amendment. It is a pleasure to follow the noble Lord, Lord Stevenson, and the noble Baroness, Lady Kidron.

In this Bill, as has already been said, we are building a new and complex system and we can learn some lessons from designing information systems more generally. There are three classic mistakes that you can make. First, you can build systems to fit particular tools. Secondly, you can overcommit beyond what you can actually achieve. Thirdly, there is feature creep, through which you keep adding things on as you develop a new

[Lord Allan of Hallam]
system. A key defence against these mistakes is to invest up front in producing a really good statement of requirements, which I see in Amendment 1.

On the first risk, as we go through the debate, there is a genuine risk that we get bogged down in the details of specific measures that the regulator might or might not include in its rules and guidance, and that we lose sight of our goals. Developing a computer system around a particular tool—for example, building everything with Excel macros or with Salesforce—invariably ends in disaster. If we can agree on the goals in Amendment 1 and on what we are trying to achieve, that will provide a sound framework for our later debates as we try to consider the right regulatory technologies that will deliver those goals.

The second cardinal error is overcommitting and underdelivering. Again, it is very tempting when building a new system to promise the customer that it will be all-singing, all-dancing and can be delivered in the blink of an eye. Of course, the reality is that in many cases, things prove to be more complex than anticipated, and features sometimes have to be removed while timescales for delivering what is left are extended. A wise developer will instead aim to undercommit and overdeliver, promising to produce a core set of realistic functions and hoping that, if things go well, they will be able to add in some extra features that will delight the customer as an unexpected bonus.

This lesson is also highly relevant to the Bill, as there is a risk of giving the impression to the public that more can be done quicker than may in fact be possible. Again, Amendment 1 helps us to stay grounded in a realistic set of goals once we put those core systems in place. The fundamental and revolutionary change here is that we will be insisting that platforms carry out risk assessments and share them with a regulator, who will then look to them to implement actions to mitigate those risks. That is fundamental. We must not lose sight of that core function and get distracted by some of the bells and whistles that are interesting, but which may take the regulator's attention away from its core work.

We also need to consider what we mean by "safe" in the context of the Bill and the internet. An analogy that I have used in this context, which may be helpful, is to consider how we regulate travel by car and aeroplane. Our goal for air travel is zero accidents, and we regulate everything down to the nth degree: from the steps we need to take as passengers, such as passing through security and presenting identity documents, to detailed and exacting safety rules for the planes and pilots. With car travel, we have a much higher degree of freedom, being able to jump in our private vehicles and go where we want, when we want, pretty much without restrictions. Our goal for car travel is to make it incrementally safer over time; we can look back and see how regulation has evolved to make vehicles, roads and drivers safer year on year, and it continues to do so. Crucially, we do not expect car travel to be 100% safe, and we accept that there is a cost to this freedom to travel that, sadly, affects thousands of people each year, including my own family and, I am sure, many others in the House. There are lots of things we could do to make car travel even safer that we do not put into regulation, because we accept that the cost of restricting freedom to travel is too high.

Without over-labouring this analogy, I ask that we keep it in mind as we move through Committee—whether we are asking Ofcom to implement a car-like regime whereby it is expected to make continual improvements year on year as the state of online safety evolves, or we are advocating an aeroplane-like regime whereby any instance of harm will be seen as a failure by the regulator. The language in Amendment 1 points more towards a regime of incremental improvements, which I believe is the right one. It is in the public interest: people want to be safer online, but they also want the freedom to use a wide range of internet services without excessive government restriction, and they accept some risk in doing so.

I hope that the Minister will respond positively to the intent of Amendment 1 and that we can explore in this debate whether there is broad consensus on what we hope the Bill will achieve and how we expect Ofcom to go about its work. If there is not, then we should flush that out now to avoid later creating confused or contradictory rules based on different understandings of the Bill's purpose. I will keep arguing throughout our proceedings for us to remain focused on giving the right goals to Ofcom and allowing it considerable discretion over the specific tools it needs, and for us to be realistic in our aims so that we do not overcommit and underdeliver.

Finally, the question of feature creep is very much up to us. There will be a temptation to add things into the Bill as it goes through. Some of those things are essential; I know that the noble Baroness, Lady Kidron, has some measures that I would also support. This is the right time to do that, but there will be other things that would be "nice to have", and the risk of putting them in might detract from those core mechanisms. I hope we are able to maintain our discipline as we go through these proceedings to ensure we deliver the right objectives, which are incredibly well set out in Amendment 1, which I support.

5.15 pm

The Lord Bishop of Oxford: My Lords, it is a pleasure to follow other noble Lords who have spoken. I too support this key first amendment. Clarity of purpose is essential in any endeavour. The amendment overall sets out the Bill's aims and enhances what will be vital legislation for the world, I hope, as well as for the United Kingdom. The Government have the very welcome ambition of making Britain the safest country in the world to go online. The OSB is a giant step in that direction.

As has been said, there has been remarkable consensus across the Committee on what further measures may still be needed to improve the Bill and on this first amendment, setting out these seven key purposes. Noble Lords may be aware that in the Christian tradition the number seven is significant: in the medieval period the Church taught the dangers of the seven deadly sins, the merits of the seven virtues and the seven acts of mercy. Please speak to me later if a refresher course is needed.

Amendment 1 identifies seven deadly dangers—I think they are really deadly. They are key risks which we all acknowledge are unwelcome and destructive companions of the new technologies which bring so many benefits: risks to public health or national security; the risk of

serious harm to children; the risk of new developments and technologies not currently in scope; the disproportionate risk to those who manifest one or more protected characteristics; risks that occur through poor design; risks to freedom of expression and privacy; and risks that come with low transparency and low accountability. Safety and security are surely one of the primary duties of government, especially the safety and security of children and the vulnerable. There is much that is good and helpful in new technology but much that can be oppressive and destructive. These seven risks are real and present dangers. The Bill is needed because of actual and devastating harm caused to people and communities.

As we have heard, we are living through a period of rapid acceleration in the development of AI. Two days ago, CBS broadcast a remarkable documentary on the latest breakthroughs by Google and Microsoft. The legislation we craft in these weeks needs future-proofing. That can happen only through a clear articulation of purpose so that the framework provided by the Bill continues to evolve under the stewardship of the Secretary of State and of Ofcom.

I have been in dialogue over the past five years with tech companies in a variety of contexts and I have seen a variety of approaches, from the highly responsible in some companies to the frankly cavalier. Good practice, especially in design, needs stronger regulation to become uniform. I really enjoyed the analogy from the noble Lord, Lord Allan, a few minutes ago. We would not tolerate for a moment design and safety standards in aeroplanes, cars or washing machines which had the capacity to cause harm to people, least of all to children. We should not tolerate lesser standards in our algorithms and technologies.

There is no map for the future of technology and its use, even over the rest of this decade, but this amendment provides a compass—a fixed point for navigation in the future, for which future generations will thank this Government and this House. These seven deadly dangers need to be stated clearly in the Bill and, as the noble Baroness, Lady Kidron, said, to be a North Star for both the Secretary of State and Ofcom. I support the amendment.

Baroness Harding of Winscombe (Con): My Lords, I too support this amendment. I was at a dinner last night in the City for a group of tech founders and investors—about 500 people in a big hotel ballroom, all focused on driving the sort of positive technology growth in this country that I think everyone wants to see. The guest speaker runs a large UK tech business. He commented in his speech that tech companies need to engage with government because—he said this as if it was a revelation—all Governments turned out not to speak with one voice and that understanding what was required of tech companies by Governments is not always easy. Business needs clarity, and anyone who has run a large or small business knows that it is not really the clarity in the detail that matters but the clarity of purpose that enables you to lead change, because then your people understand why they need to change, and if they understand why, then in each of the micro-decisions they take each day they can adjust those decisions to fit with the intent behind your purpose. That is why this amendment is so important.

I have worked in this space of online safety for more than a decade, both as a technology leader and in this House. I genuinely do not believe that business is wicked and evil, but what it lacks is clear direction. The Bill is so important in setting those guardrails that if we do not make its purpose clear, we should not be surprised if the very businesses which really do want Governments to be clear do not know what we intend.

I suspect that my noble friend the Minister might object to this amendment and say that it is already in the Bill. As others have already said, I actually hope it is. If it is not, we have a different problem. The point of an upfront summary of purpose is to do precisely that: to summarise what is in what a number of noble Lords have already said is a very complicated Bill. The easier and clearer we can make it for every stakeholder to engage in the Bill, the better. If alternatively my noble friend the Minister objects to the detailed wording of this amendment, I argue that that simply makes getting this amendment right even more important. If the four noble Lords, who know far more about this subject than I will ever do in a lifetime, and the joint scrutiny committee, which has done such an outstanding job at working through this, have got the purposes of the Bill wrong, then what hope for the rest of us, let alone those business leaders trying to interpret what the Government want?

That is why it is so important that we put the purposes of the Bill absolutely at the front of the Bill, as in this amendment. If we have misunderstood that in the wording, I urge my noble friend the Minister to come back with wording on Report that truly encapsulates what the Government want.

Baroness Fox of Buckley (Non-Afl): My Lords, I welcome this opportunity to clarify the purposes of the Bill, but I am not sure that the amendment helps as my North Star. Like the Bill, it throws up as many questions as answers, and I found myself reading it and thinking "What does that word mean?", so I am not sure that clarity was where I ended up.

It is not a matter of semantics, but in some ways you could say—and certainly this is as publicly understood—that the name of the Bill, the Online Safety Bill, gives it its chief purpose. Yet however well-intentioned, and whatever the press releases say or the headlines print, even a word such as "safety" is slippery, because safety as an end can be problematic in a free society. My worry about the Bill is unintended consequences, and that is not rectified by the amendment. As the Bill assumes safety as the ultimate goal, we as legislators face a dilemma. We have the responsibility of weighing up the balance between safety and freedom, but the scales in the Bill are well and truly weighted towards safety at the expense of freedom before we start, and I am again not convinced the amendment weights them back again.

Of course, freedom is a risky business, and I always like the opportunity to quote Karl Marx, who said:

"You cannot pluck the rose without its thorns!"

However, it is important to recognise that "freedom" is not a dirty word, and we should avoid saying that risk-free safety is more important than freedom. How would that conversation go with the Ukrainian people

[Baroness Fox of Buckley]
who risk their safety daily for freedom? Also, even the language of safety, or indeed what constitutes the harms that the Bill and the amendments promise to keep the public safe from, need to be considered in the cultural and social context of the norms of 2023. A new therapeutic ethos now posits safety in ever-expanding pseudo-psychological and subjective terms, and this can be a serious threat to free speech. We know that some activists often exploit that concept of safety to claim harm when they merely encounter views they disagree with. The language of safety and harm is regularly used to cancel and censor opponents—and the Government know that, so much so that they considered it necessary to introduce the Higher Education (Freedom of Speech) Bill to secure academic freedom against an escalating grievance culture that feigns harm.

Part of the triple shield is a safety duty to remove illegal content, and the amendment talks about speech within the law. That sounds unobjectionable—in my mind it is far better than "legal but harmful", which has gone—but, while illegality might sound clear and obvious, in some circumstances it is not always clear. That is especially true in any legal limitations of speech. We all know about the debates around hate speech, for example. These things are contentious offline and even the police, in particular the College of Policing, seem to find the concept of that kind of illegality confusing and, at the moment, are in a dispute with the Home Secretary over just that.

Is it really appropriate that this Bill enlists and mandates private social media companies to judge criminality using the incredibly low bar of "reasonable grounds to infer"? It gets even murkier when the legal standard for permissible speech online will be set partly by compelling platforms to remove content that contravenes their terms and conditions, even if these terms of service restrict speech far more than domestic UK law does. Big tech is being incited to censor whatever content it wishes as long as it fits in with their Ts & Cs. Between this and determining, for example, what is in filters—a whole different issue—one huge irony here, which challenges one of the purposes of the Bill, is that despite the Government and many of us thinking that this legislation will de-fang and regulate big tech's powers, actually the legislation could inadvertently give those same corporates more control of what UK citizens read and view.

Another related irony is that the Bill was, no doubt, designed with Facebook, YouTube, Twitter, Google, TikTok and WhatsApp in mind. However, as the Bill's own impact assessment notes, 80% of impacted entities have fewer than 10 employees. Many sites, from Wikipedia to Mumsnet, are non-profit or empower their own users to make moderation or policy decisions. These sites, and tens of thousands of British businesses of varying sizes, perhaps unintentionally, now face an extraordinary amount of regulatory red tape. These onerous duties and requirements might be actionable if not desirable for larger platforms, but for smaller ones with limited compliance budgets they could prove a significant if not fatal burden. I do not think that is the purpose of the Bill, but it could be an unintended outcome. This also means that regulation could, inadvertently, act as barrier to entry to new SMEs, creating an ever more monopolistic stronghold for big tech, at the expense of trialling innovations or allowing start-ups to emerge.

I want to finish with the thorny issue of child protection. I have said from the beginning—I mean over the many years since the Bill's inception—that I would have been much happier if it was more narrowly titled as the Children's Online Safety Bill, to indicate that protecting children was its sole purpose. That in itself would have been very challenging. Of course, I totally agree with Amendment 1's intention

"to provide a higher level of protection for children than for adults".

That is how we treat children and adults offline.

5.30 pm

However, even then there are dilemmas. For example, if a filter for suicide might prevent a teenage user seeing some of the most awful, hideous and nihilistic images—those that we have in mind that the Bill's purpose is to get rid of—how do we ensure it does not also reduce that teenager's exposure to help, which they might want if they are feeling suicidal? How do we ensure that they are not denied valuable news items, debate and discussion for educational merit? Parents and society have those sorts of cost-benefit analysis challenges every day. Everyone wants their own children, indeed wants all children, to be kept safe from harms. But we do not lock children in their bedroom 24/7 just in case they encounter risk. We know that that would deprive them of crucial developmental opportunities to grow and learn, and to manage risk. A whole body of educational scholarship exists looking at some of the downsides of adult fears creating a generation of cotton-wool kids. That has been detrimental to children's resilience, and children are often victims when adults overprotect. So I would just warn against overselling the Bill as a guarantee of risk-free safety for the young online, at any cost.

The whole issue of children is a difficult area. I know to my cost, from a rather ill-chosen way in which I expressed myself in a newspaper interview some years ago on the dilemmas of child protection versus free speech, that mis-speaking can mean being branded as complacent or even as an apologist for the most heinous horrors that can be inflicted on the young, from grooming to access to pornography. However, when people say "Think of the children", or when we are rightly reminded to consider the tragedy of Molly Russell, for example, we can find ourselves chilled into walking on eggshells and not saying what we think.

We need to be bravely dispassionate in our discussions on protecting children online, and to scrutinise the Bill carefully for unintended consequences for children. But we must also avoid allowing our concern for children to spill over into infantilising adults and treating adult British citizens as though they are children who need protection from speech. There is a lot to get through in the Bill but the amendment, despite its good intentions, does not resolve the dilemmas we are likely to face in the following weeks.

Lord Allan of Hallam (LD): My Lords, I have had a helpful reminder about declarations of interest. I once worked for Facebook; I divested myself of any financial

interest back in 2020, but of course a person out there may think that what I say today is influenced by the fact that I previously took the Facebook shilling. I want that to be on record as we debate the Bill.

Baroness Stowell of Beeston (Con): My Lords, I have not engaged with this amendment in any particular detail—until the last 24 hours, in fact. I thought that I would come to listen to the debate today and see if there was anything that I could usefully contribute. I have been interested in the different points that have been raised so far. I find myself agreeing with some points that are perhaps in tension or conflict with each other. I emphasise from the start, though, my complete respect for the Joint Committee and the work that it did in the pre-legislative scrutiny of the Bill. I cannot compare my knowledge and wisdom on the Bill with those who, as has already been said, have spent so much intensive time thinking about it in the way that they did at that stage.

Like my noble friend Lady Harding, I always have a desire for clarity of purpose. It is critical for the success of any organisation, or anything that we are trying to do. As a point of principle, I like the idea of setting out at the start of this Bill its purpose. When I looked through the Bill again over the last couple of weeks in preparation for Committee, it was striking just how complicated and disjointed a piece of work it is and so very difficult to follow.

There are many reasons why I am sympathetic towards the amendment. I can see why bringing together at the beginning of the Bill what are currently described as "Purposes" might be for it to meet its overall aims. But that brings me to some of the points that the noble Baroness, Lady Fox, has just made. The Joint Committee's report recommends that the objectives of the Bill

"should be that Ofcom should aim to improve online safety for UK citizens by ensuring that service providers"—

it then set out objectives aimed at Ofcom rather than them actually being the purposes of the Bill.

I was also struck by what the noble Lord, Lord Allen, said about what we are looking for. Are we looking for regulation of the type that we would expect of airlines, or of the kind we would expect from the car industry? If we are still asking that question, that is very worrying. I think we are looking for something akin to the car industry model as opposed to the airline model. I would be very grateful if my noble friend the Minister was at least able to give us some assurance on that point.

If I were to set out a purpose of the Bill at the beginning of the document, I would limit myself to what is currently in proposed new subsection (1)(g), which is

"to secure that regulated internet services operate with transparency and accountability in respect of online safety".

That is all I would say, because that, to me, is what this Bill is trying to do.

The other thing that struck me when I looked at this—I know that there has been an approach to this legislation that sought to adopt regulation that applies to the broadcasting world—was the thought, "Somebody's looked at the BBC charter and thought, well, they've got purposes and we might adopt a similar sort of approach here." The BBC charter and the purposes set out in it are important and give structure to the way the BBC operates, but they do not give the kind of clarity of purpose that my noble friend Lady Harding is seeking—which I too very much support and want to see—because there is almost too much there. That is my view on what the place to start would be when setting out a very simple statement of purpose for this Bill.

Baroness Benjamin (LD): My Lords, this day has not come early enough for me. I am pleased to join others on embarking on the Committee stage of the elusive Online Safety Bill, where we will be going on an intrepid journey, as we have heard so far. Twenty years ago, while I was on the Ofcom content board, I pleaded for the internet to be regulated, but was told that it was mission impossible. So this is a day I feared might not happen, and I thank the Government for making it possible.

I welcome Amendment 1, in the names of the noble Lords, Lord Stevenson, Lord Clement-Jones, and others. It does indeed encapsulate the overarching purpose of the Bill. But it also sets out the focus of what other amendments will be needed if the Bill is to achieve the purpose set out in that amendment.

The Bill offers a landmark opportunity to protect children online, and it is up to us to make sure that it is robust, effective and evolvable for years to come. In particular, I welcome subsection (1)(a) and (b) of the new clause proposed by Amendment 1. Those paragraphs highlight an omission in the Bill. If the purposes set out in them are to be met, the Bill needs to go much further than it currently does.

Yes, the Bill does not go far enough on pornography. The amendment sets out a critical purpose for the Bill: children need a "higher level of protection". The impact that pornography has on children is known. It poses a serious risk to their mental health and their understanding of consent, healthy sex and relationships. We know that children as young as seven are accessing pornographic content. Their formative years are being influenced by hardcore, abusive pornography.

As I keep saying, childhood lasts a lifetime, so we need to put children first. This is why I have dedicated my life to the protection of children and their well-being. This includes protection from pornography, where I have spent over a decade campaigning to prevent children easily accessing online pornographic content.

I know that others have proposed amendments that will be debated in due course which meet this purpose. I particularly support the amendments in the names of the noble Baroness, Lady Kidron, and the noble Lord, Lord Bethell. Those amendments meet the purpose of the Bill by ensuring that children are protected from pornographic content wherever it is found through robust, anonymous age verification that proves the user's age beyond reasonable doubt.

Online pornographic content normalises abusive sexual acts, with the Government's own research finding

"substantial evidence of an association between the use of pornography and harmful sexual attitudes and behaviours towards women"

and children. This problem is driven largely by the types of content that are easily available online. Pornography is no longer the stereotype that we might imagine from

[Baroness Benjamin]
the 1970s and 1980s. It is now vicious, violent and pervasive. Content that would be prohibited offline is readily available online for free with just a few clicks. The Online Safety Bill comes at a crucial moment to regulate online pornography. That is why I welcome the amendment introducing a purpose to the Bill that ensures that internet companies "comply with UK law".

We have the Obscene Publications Act 1959 and UK law does not allow the offline distribution of material that sexualises children—such as "barely legal" pornography, where petite-looking adult actors are made to look like children—content which depicts incest and content which depicts sexual violence, including strangulation. That is why it is important that the Bill makes that type of material illegal online as well. Such content poses a high risk to children as well as women and girls. There is evidence that such content acts as a gateway to more hardcore material, including illegal child sexual abuse material. Some users spiral out of control, viewing content that is more and more extreme, until the next click is illegal child sexual abuse material, or even going on to contact and abuse children online and offline.

My amendment would require service providers to exclude from online video on-demand services any pornographic content that would be classified as more extreme than R18 and that would be prohibited offline. This would address the inconsistency between online and offline regulation of pornographic content—

5.45 pm

Lord Harlech (Con): My Lords, we have had a good-natured and informative opening debate, but we should keep our remarks to this particular amendment, in the knowledge that all future amendments will have their rightful discussion in due course.

Baroness Benjamin (LD): I thank the noble Lord. I hope that the amendments I support will be supported by CEASE, Refuge and Barnardo's—I declare an interest here. Let us not let the chance of creating a robust Online Safety Bill slip through our fingers. It is now time to act with boldness, vision, morality and determination. I trust that we will continue to focus on the purpose of the Bill: to make the online world safer, especially for our children. They are relying on us to do the right thing, so let us do so.

Lord Knight of Weymouth (Lab): I strongly support my noble friend in his amendment. I clarify that, in doing so, I am occupying a guest slot on the Front Bench: I do so as a member of his team but also as a member of the former Joint Committee. As my noble friend set out, this reflects where we got to in our thinking as a Joint Committee all that time ago. My noble friend said "at last", and I echo that and what others said. I am grateful for the many briefings and conversations that we have had in the run-up to Committee, but it is good to finally be able to get on with it and start to clear some of these things out of my head, if nothing else.

In the end, as everyone has said, this is a highly complex Bill. Like the noble Baroness, Lady Stowell, in preparation for this I had another go at trying to read the blooming thing, and it is pretty much unreadable—it is very challenging. That is right at the heart of why I think this amendment is so important. Like the noble Baroness, Lady Kidron, I worry that this will be a bonanza for the legal profession, because it is almost impenetrable when you work your way through the wiring of the Bill. I am sure that, in trying to amend it, some of us will have made errors. We have been helped by the Public Bill Office, but we will have missed things and got things the wrong way around.

It is important to have something purposive, as the Joint Committee wanted, and to have clarity of intent for Ofcom, including that this is so much more about systems than about content. Unlike the noble Baroness, Lady Stowell—clearly, we all respect her work chairing the communications committee and the insights she brings to the House—I think that a very simple statement, restricting it just to proposed new paragraph (g), is not enough. It would almost be the same as the description at the beginning of the Bill, before Clause 1. We need to go beyond that to get the most from having a clear statement of how we want Ofcom to do its job and the Secretary of State to support Ofcom.

I like what the noble Lord, Lord Allan, said about the risk of overcommitment and underdevelopment. When the right reverend Prelate the Bishop of Oxford talked about being the safest place in the world to go online, which is the claim that has been made about the Bill from the beginning, I was reminded again of the difficulty of overcommitting and underdelivering. The Bill is not perfect, and I do not believe that it will be when this Committee and this House have finished their work; we will need to keep coming back and legislating and regulating in this area, as we pursue the goal of being the safest place in the world to go online—but it will not be any time soon.

I say to the noble Baroness, Lady Fox, who I respect, that I understand what she is saying about some of her concerns about a risk-free child safety regime and the unintended consequences that may come in this legislation. But at its heart, what motivate us and make us believe that getting the Bill right is one of the most important things we will do in all of our times in this Parliament are the unintended consequences of the algorithms that these tech companies have created in pushing content at children that they do not want to hear. I see the noble Baroness, Lady Kidron, wanting to comment.

Baroness Kidron (CB): I just want to say to the noble Baroness, Lady Fox, that we are not looking to mollycoddle children or put them in cotton wool; we are asking for a system where they are not systematically exploited by major companies.

Lord Knight of Weymouth (Lab): I very much agree. The core of what I want to say in supporting this amendment is that in Committee we will do what we are here to do. There are a lot of amendments to what is a very long and complicated Bill: we will test the Minister and his team on what the Government are trying to achieve and whether they have things exactly right in order to give Ofcom the best possible chance to make it work. But when push comes to shove at the end of the process, at its heart we need to build trust in Ofcom and give it the flexibility to be able to respond

to the changing online world and the changing threats to children and adults in that online world. To do that, we need to ensure that we have the right amount of transparency.

I was particularly pleased to see proposed new paragraph (g) in the amendment, on transparency, as referenced by the noble Baroness, Lady Stowell. It is important that we have independence for Ofcom; we will come to that later in Committee. It is important that Parliament has a better role in terms of accountability so that we can hold Ofcom to account, having given it trust and flexibility. I see this amendment as fundamental to that, because it sets the framework for the flexibility that we then might want to be able to give Ofcom over time. I argue that this is about transparency of purpose, and it is a fundamental addition to the Bill to make it the success that we want.

Lord Inglewood (Non-Afl): My Lords, the noble Baroness, Lady Harding, made possibly one of the truest statements that has ever been uttered in this House when she told us that this is a very complicated Bill. It is complicated to the extent that I have no confidence that I fully understand it and all its ramifications, and a number of other speakers have said the same. For that reason—because I am aware of my own limitations, and I am pretty sure they are shared by others—it is important to have a statement of purpose at the outset to provide the co-ordinates for the discussion we are going to have; I concur with the approach of the noble Lord, Lord Allan. Because there is then a framework within which we can be sure, we hope, that we will manage to achieve an outcome that is both comprehensive and coherent. As a number of noble Lords have said, there are a number of completely different, or nearly different, aspects to what we are discussing, yet the whole lot have to link together. In the words of EM Forster, we have to

"connect the prose and the passion".

The Minister may say, "We can't do that at the outset". I am not so sure. If necessary, we should actually draft this opening section, or any successor to it, as the last amendment to the Bill, because then we would be able to provide an overview. That overview will be important because, just as I am prepared to concede that I do not think I understand it all now, there is a very real chance that I will not understand it all then either. If we have this at the head of the Bill, I think that will be a great help not only to us but to all those who are subsequently going to have to make use of it.

Lord Griffiths of Burry Port (Lab): My Lords, I want to say something simple in support of what has already been said. If it is true that the Bill's purposes are already scattered in the course of the Bill and throughout its substance, I cannot see what possible objection there can be to having them extracted and put at the beginning. They are not contentious—they are there already—so let us have them at the beginning to set a direction of travel. It seems so obvious to me.

It is an important Bill. I thank the Minister and his colleagues because they have put an enormous amount of work into this, and of course the Joint Committee has done its work. We have all been sent I cannot say how many briefing papers from interested bodies and so on. It is vital that, as we try to hold as much of this together as we possibly can in taking this very important Bill forward, we should have a sense of purpose and criteria against which we can measure what we eventually go on to discuss, make decisions about and introduce into the body of the Bill. I cannot see that the logic of all that can possibly be faulted.

Of course, there will be words that are slippery, as has been said. I cannot think of a single word, and I have been a lexicographer in my life, that does not lend itself to slipperiness. I could use words that everybody thinks we have in common in a way that would befuddle noble Lords in two minutes. It seems to me self-evident that these purposes, as stated here at the outset of our consideration in Committee, are logical and sensible. I will be hoping, as the Bill proceeds, to contribute to and build on the astounding work that the noble Baroness, Lady Kidron, has laid before us, with prodigious energy, in alerting all kinds of people, not just in your Lordships' House but across the country, to the issues at stake here. I hope that she will sense that the Committee is rallying behind her in the astute way that she is bringing this matter before us. But again, I will judge outcomes against the provisions in this opening statement, a criterion for judging even the things that I feel passionate about.

The noble Baroness, Lady Morgan, and I have been in our own discussions about different parts of the Bill, about things such as suicide and self-harm. That is content. There are amendments. We will discuss them. Again, we can hold our own decisions about those matters against what we are seeking to achieve as stated so clearly at the outset of the Bill.

I remember working with the noble Lord, Lord Stevenson. It is so fabulous to have him back; the place feels right when he is here. When I was a bit of a greenhorn—he was the organ grinder and I was the monkey—I remember him pleading at the beginning of what was at that time the Data Protection Bill to have a statement like this at the beginning of that Bill. We were told, "Oh, but it is all in the Bill; all the words are there". Then why not put them at the beginning, so that we can see them clearly and have something against which to measure our progress?

With all these things said, I hope we will not spend too much time on this. I hope we will nod it through, and then I hope we will remind ourselves of what it seeks to achieve as we go on in the interminable days that lie ahead of us. I have one last word as an old, old preacher remembering what I was told when I started preaching: "First, you tell 'em what you're gonna tell 'em; then you tell 'em; and then you tell 'em what you've told 'em". Let us take at least the first of those steps now.

6 pm

The Lord Bishop of Leeds: My Lords, first, I am relieved to hear that I am not the only thick person in this Committee, because I have struggled to understand and follow the detail and interconnectedness of everything in the Bill. The maxim that you need simplicity and clarity, especially if the Bill is going to be effective, is really important. That is why I think this amendment is a no-brainer: just set it out at the front.

[The Lord Bishop of Leeds]

Secondly, the amendment provides a guideline, or a lens through which we read the complexity of what follows. That might even lead us, as we go through some of the detail, to strip stuff out and make it simpler for everybody to understand. It does not have to grow the extent of the Bill. It might help us to be—I think this is the most important word I have heard—disciplined as we proceed. I support the amendment.

Lord Russell of Liverpool (CB): My Lords, I suggest, very briefly, that we look at this amendment in a slightly different way. Understandably, we have a tendency in Parliament to look at things through our own lens, and perhaps some of us are viewing this amendment as a reminder of what the Bill is about.

The noble Baroness, Lady Harding, made a very good point about clarity. I suggest we imagine that we are one of the companies that the Bill is designed to try to better manage. Imagine you are in the boardroom, or on the executive management team, and you are either already doing business in the United Kingdom or are considering entering the UK market. You know there is an enormous piece of legislation that is designed to try to bring some order to the area your business is in. At the moment, without this amendment, the Bill is a lawyer's paradise, because it can be looked at in a multitude of ways. I put it to the Minister and the Bill team that it would be extremely helpful to have something in the Bill that makes it completely clear, to any business thinking of engaging in any online activities in the United Kingdom, what this legislation is about.

Lord Cormack (Con): My Lords, I am one of those who found the Bill extremely complicated, but I do not find this amendment extremely complicated. It is precise, simple, articulate and to the point, and I think it gives us a good beginning for debating what is an extremely complex Bill.

I support this amendment because I believe, and have done so for a very long time, that social media has done a great deal more harm than good, even though it is capable of doing great good. Whether advertently or inadvertently, the worst of all things it has done is to destroy childhood innocence. We are often reminded in this House that the prime duty of any Government is to protect the realm, and of course it is. But that is a very broad statement. We can protect the realm only if we protect those within it. Our greatest obligation is to protect children—to allow them to grow up, so far as possible, uncorrupted by the wicked ways of a wicked world and with standards and beliefs that they can measure actions against. Complex as it is, the Bill is a good beginning, and its prime purpose must be the protection and safeguarding of childhood innocence.

The noble Lord, Lord Griffiths of Burry Port, spoke a few moments ago about the instructions he was given as a young preacher. I remember when I was training to be a lay reader in the Church of England, 60 or more years ago, being told that if you had been speaking for eight minutes and had not struck oil, stop boring. I think that too is a good maxim.

We have got to try to make the Bill comprehensible to those around the country whom it will affect. The worst thing we do, and I have mentioned this in connection with other Bills, is to produce laws that are unintelligible to the people in the country; that is why I was very sympathetic to the remarks of my noble friend Lord Inglewood. This amendment is a very good beginning. It is clear and precise. I think nearly all of us who have spoken so far would like to see it in the Bill. I see the noble Baroness, Lady Fox, rising—does she wish to intervene?

Baroness Fox of Buckley (Non-Afl): I want to explain more broadly that I am all for clarifying what the law is about and for simplicity, but that ship has sailed. We have all read the Bill. It is not simple. I do not want this amendment to somehow console us, so that we can say to the public, "This is what the Bill is about", because it is not what the Bill is about. It is about a range of things that are not contained within the amendment—I would wish them to be removed from the Bill. I am concerned that we think this amendment will resolve a far deeper and greater problem of a complicated Bill that very few of us can grasp in its entirety. We should not con the public that it is a simple Bill; it is not.

Lord Cormack (Con): Of course we should not. What I am saying is that this amendment is simple. If it is in the Bill, it should then be what we are aiming to create as the Bill goes through this House, with our hours of scrutiny. I shall not take part in many parts of this Bill, as I am not equipped to do so, but there are many in this House who are. Having been set the benchmark of this amendment, they can seek to make the Bill comprehensible to those of us—and that seems to include the noble Baroness, Lady Fox—who at the moment find it incomprehensible.

In a way, we are dealing with the most important subject of all: the protection of childhood innocence. We have got to err in that direction. Although I yield to no one in my passionate belief in the freedom of speech, it must have respect for the decencies of life and not be propagator of the profanities of life.

Lord Clement-Jones (LD): My Lords, I think we need to move now to closing speeches, if that seems appropriate—

Baroness Chakrabarti (Lab): I have tried to be patient, and I will be very brief. A lot has been said about a lawyer's paradise. At the moment, the lawyers are over here and paradise is over there and there is a gulf between us. Like the noble Lord, Lord Allan of Hallam, I declare my former interest. I did not get any shillings from Facebook or any other big tech empires, but I was a government lawyer for some years, and it is in that vein that I may have a small contribution to make, if the noble Lord, Lord Clement-Jones, does not mind.

There can be a real benefit to an amendment such as this. I want to explain why, not by repeating anything that I said at Second Reading on the substance of the Bill but by speaking from the perspective of legislative drafting and its policy. I will confine my short remarks to that.

In my view, length is always an issue. My noble friend was quite right when he moved his amendment to say that the burden was on him because he was

going to add to the length of a very long Bill. In my experience as a government lawyer for about five and half years, with the mixed privilege of sitting over there through many Bills, sometimes counterintuitively a little extra length can actually aid clarity. Sometimes, a very tightly drafted Bill that is complex can be more difficult to read if, for example, it has many schedules and you need a number of copies open at any one time in order to make reference to what will be substantive sections and subsections of the Act. Ironically, it is sometimes beneficial to add a clause of this kind.

There are, I would argue, three potential reasons why Governments sometimes want to do this in relation to legislative policy. One reason is accessibility, and that has been mentioned by a number of noble Lords today. That is, I think, generally a good thing. It is not easy to achieve; I do not blame any colleagues in the Box or the Office of the Parliamentary Counsel, or Ministers, for the challenge of legislating in a complex, fast-developing area that is only going to change over time. But accessibility can be aided at times by a provision of the kind that my noble friend Lord Stevenson of Balmacara, the noble Baroness, Lady Kidron, and others are proposing.

A second possible reason is to aid interpretation, which can be very beneficial as well. That is not just interpretation for judges, litigators and these wicked barracuda lawyers that everyone is so concerned about. Interpretation is important in practice when people are having to deal on a day-to-day basis with the functioning of contentious and important legislation; that is when they have executive, regulatory and legislative functions under a measure of this kind. It is to aid their interpretation—a point made rather well, if I may say so, by the noble Baroness, Lady Harding.

So, it is not just about interpretation for lawyers, in order to sue based on what things mean; it is to aid regulators of those in the regulated sector and, potentially, members of the public and pressure groups, with some advice. As a lawyer, I consider myself a half-decent legislative professional, and this is a complex Bill for me. It would be aided by a provision of the kind my noble friends are proposing. I am saying this, really, to tempt the Minister seriously to consider something like it. I suppose I am partly trying to pre-empt what I suspect is in his brief to say by way of rebuttal in just a moment.

The third potential reason to have a provision like this at the beginning of the Bill is pure politics, and we sometimes see that in Bills: it is total flummery, and just a way of making a big political statement of intent. That is never, in my view, a good enough reason by itself. But that is not what is happening or what is suggested in my noble friend's amendment.

I now come to complexity and the benefits of a purposive provision in this Bill. Before the Minister says that it is not appropriate, not what we do and not what parliamentary counsel does, may I remind noble Lords of another Bill going through Parliament at the moment? In contrast to this Bill, which consists of 247 pages, 212 clauses and 17 schedules, we are going to have another controversial—more controversial, I would argue—Bill in due course with a mere 59 pages, 58 clauses and one schedule, which is just a list of countries. That Illegal Migration Bill has, in fact, a purposive provision right at the beginning, in the first subsection of Clause 1. I am not making a point about the substance of that legislation; I am just pre-empting any argument that this is not what we do and not how we draft Bills. Sometimes, it appears, it is. As I say, it is a much shorter, much simpler, dare I say even more controversial Bill, and perhaps there is more politics there than accessibility of interpretation.

That was my cheap point. What I really want to say to all noble Lords in this Committee is that for the purposes of debating this amendment, let us put to one side what we think about the Bill and the various clauses and amendments we would like to see or not see. Let us just ask: is this amendment as drafted and the approach recommended by my noble friend going to aid accessibility and interpretation—not litigation and lawyers and those wicked people in my profession, but the people who, day to day, will have to live and work with the proposed new regime? Whatever one's views—be they those of the noble Baroness, Lady Fox, or others—about the Bill as it stands or as it should or should not stand, as amended, something like Amendment 1, in my submission, is a very good idea.

6.15 pm

Viscount Stansgate (Lab): If I may, I will prevail upon the noble Lord, Lord Clement-Jones, to wait just another few seconds before beginning his winding-up speech. I have found this an extremely interesting and worthwhile debate, and there seems to be an enormous amount of consensus that the amendment is a good thing to try to achieve. It is also true that this is a very complex Bill. My only point in rising is to say to the Minister—who is himself about to speak, telling us why the Government are not going to accept Amendment 1—that, as a result of the very long series of debates we are going to have on this Bill over a number of days, perhaps the Government might still be able, at the end of this very long process, to rethink the benefits of an having amendment of this kind at the beginning of the Bill. I hope that, just because he is going to ask us that the amendment be withdrawn today, he will not lose sight of the benefits of such an amendment.

Baroness Stowell of Beeston (Con): My Lords, just before the noble Lord, Lord Clement-Jones gets to wind up, I wanted to ask a question and make a point of clarification. I am grateful for the contribution from the noble Baroness, Lady Chakrabarti; that was a helpful point to make.

My question, which I was going to direct to the noble Lord, Lord Stevenson—although it may be one that the noble Lord, Lord Clement-Jones, wants to respond to if the noble Lord, Lord Stevenson, is not coming back—is about the use of the word "purpose" versus "objective". The point I was trying to make in referring to the Joint Committee's report was that, when it set out the limbs of this amendment, it was referring to them as objectives for Ofcom. What we have here is an amendment that is talking about purposes of the Bill, and in the course of this debate we have been talking about the need for clarity of purpose. The point I was trying to make was not that I object to the contents of this amendment, but that if we are looking for clarity of purpose to inform the

[Baroness Stowell of Beeston]
way we want people to behave as a result of this legislation, I would make it much shorter and simpler, which is why I pointed to subsection (g) of the proposed clause.

It may be that the content of this amendment—and this is where I pick up the point the noble Baroness, Lady Chakrabarti, was making—is not objectionable, although I take the point made by the noble Baroness, Lady Fox. However, the noble Baroness, Lady Chakrabarti, is right: at the moment, let us worry less about the specifics. Then, we can be clearer about what bits of the amendment are meant to be doing what, rather than trying to get all of them to offer clarity of purpose. That is my problem with it: there are purposes, which, as I say, are helpful structurally in terms of how an organisation might go about its work, and there is then the clarity of purpose that should be driving everything. The shorter, simpler and more to the point we can make that, the better.

Lord Clement-Jones (LD): My Lords, I thank the noble Baroness. I hope I have not appeared to rush the proceedings, but I am conscious that there are three Statements after the Bill. I thank the noble Lord, Lord Stevenson, for tabling this amendment, speaking so cogently to it and inspiring so many interesting and thoughtful speeches today. He and I have worked on many Bills together over the years, and it has been a real pleasure to see him back in harness on the Opposition Front Bench, both in the Joint Committee and on this Bill. Long may that last.

It has been quite some journey to get to this stage of the Bill; I think we have had four Digital Ministers and five Prime Ministers since we started. It is pretty clear that Bismarck never said, "Laws are like sausages: it's best not to see them being made", but whoever did say it still made a very good point. The process leading to today's Bill has been particularly messy, with Green and White Papers; a draft Bill; reports from the Joint Committee and Lords and Commons Select Committees; several versions of the Bill itself; and several government amendments anticipated to come. Obviously, the fact that the Government chose to inflict last-minute radical surgery on the Bill to satisfy what I believe are the rather unjustified concerns of a small number in the Government's own party made it even messier.

It is extremely refreshing, therefore, to start at first principles, as the noble Lord, Lord Stevenson, has done. He has outlined them and the context in which we should see them—namely, we should focus essentially on the systems, what is readily enforceable and where safety by design and transparency are absolutely the essence of the purpose of the Bill. I share his confidence in Ofcom and its ability to interpret those purposes. I say to the noble Baroness, Lady Stowell, that I am not going to dance on the heads of too many pins about the difference between "purpose" and "objective". I think it is pretty clear what the amendment intends, but I do have a certain humility about drafting; the noble Baroness, Lady Chakrabarti, reminded us of that. Of course, one should always be open to change and condensation of wording if we need to do that. But we are only at Amendment 1 in Committee, so there is quite a lot of water to flow under the bridge.

It is very heartening that there is a great deal of cross-party agreement about how we must regulate social media going forward. These Benches—and others, I am sure—will examine the Bill extremely carefully and will do so in a cross-party spirit of constructive criticism, as we explained at Second Reading. Our Joint Committee on the draft Bill exemplified that cross-party spirit, and I am extremely pleased that all four signatories to this amendment served on the Joint Committee and readily signed up to its conclusions.

Right at the start of our report, we made a strong case for the Bill to set out these core objectives, as the noble Lord, Lord Stevenson, has explained, so as to provide clarity—that word has been used around the Committee this afternoon—for users and regulators about what the Bill is trying to achieve and to inform the detailed duties set out in the legislation. In fact, I believe that the noble Lord, Lord Stevenson, has improved on that wording by including a duty on the Secretary of State, as well as Ofcom, to have regard to the purposes.

We have heard some very passionate speeches around the Committee for proper regulation of harms on social media. The case for that was made eloquently to the Joint Committee by Ian Russell and by witnesses such as Edleen John of the FA and Frances Haugen, the Facebook whistleblower. A long line of reports by Select Committees and all-party groups have rightly concluded that regulation is absolutely necessary given the failure of the platforms even today to address the systemic issues inherent in their services and business models.

The introduction to our Joint Committee report makes it clear that without the original architecture of a duty of care, as the White Paper originally proposed, we need an explicit set of objectives to ensure clarity for Ofcom when drawing up the codes and when the provisions of the Bill are tested in court, as they inevitably will be. Indeed, in practice, the tests that many of us will use when judging whether to support amendments as the Bill passes through the House are inherently bound up with these purposes, several of which many of us mentioned at Second Reading. Decisions may need to be made on balancing some of these objectives and purposes, but that is the nature of regulation. I have considerable confidence, as I mentioned earlier, in Ofcom's ability to do this, and those seven objectives—as the right reverend Prelate reminded us, the rule of seven is important in other contexts—set that out.

In their response to the report published more than a year ago, the Government repeated at least half of these objectives in stating their own intentions for the Bill. Indeed, they said:

> "We are pleased to agree with the Joint Committee on the core objectives of the Bill",

and, later:

> "We agree with all of the objectives the Joint Committee has set out, and believe that the Bill already encapsulates and should achieve these objectives".

That is exactly the point of dispute: we need this to be explicit, and the Government seem to believe that it is implicit. Despite agreeing with those objectives, at paragraph 21 of their response the Government say:

"In terms of the specific restructure that the Committee suggested, we believe that using these objectives as the basis for Ofcom's regulation would delegate unprecedented power to a regulator. We do not believe that reformulating this regulatory framework in this way would be desirable or effective. In particular, the proposal would leave Ofcom with a series of high-level duties, which would likely create an uncertain and unclear operating environment".

That is exactly the opposite of what most noble Lords have been saying today.

It has been an absolute pleasure to listen to so many noble Lords across the Committee set out their ambitions for the Bill and their support for this amendment. It started with the noble Baroness, Lady Kidron, talking about this set of purposes being the "North Star". I pay tribute to her tireless work, which drove all of us in the Joint Committee on in an extremely positive way. I am not going to go through a summing-up process, but what my noble friend had to say about the nature of the risk we are undertaking and the fact that we need to be clear about it was very important. The whole question of clarity and certainty for business and the platforms, in terms of making sure that they understand the purpose of the Bill—as the noble Baroness, Lady Harding, and many other noble Lords mentioned—is utterly crucial.

If noble Lords look at the impact assessment, they will see that the Government seem to think the cost of compliance is a bagatelle—but, believe me, it will not be. It will be a pretty expensive undertaking to train people in those platforms, across social media start-ups and so on to understand the nature of their duties.

Lord Allan of Hallam (LD): I was just refreshing myself on what the impact assessment says. It says that the cost of reading and understanding the regulations will range from £177 for a small business to £2,694 for a large category 1 service provider. To reinforce my noble friend's point: it says it will cost £177 to read and understand the Bill. I am not sure that will be what happens in practice.

Lord Clement-Jones (LD): I thank my noble friend for having the impact assessment so close to hand; that is absolutely correct.

The noble Baroness, Lady Fox, talked about unintended consequences—apart from bringing the people of Ukraine into the argument, which I thought was slightly extraneous. I think we need a certain degree of humility about the Bill. As the noble Lord, Lord Knight, said, this may well be part 1; we may need to keep iterating to make sure that this is effective for child safety and for the various purposes set out in the Bill. The Government have stated that this amendment would create greater uncertainty, but that is exactly the opposite of what our committee concluded. I believe, as many of us do, that the Government are wrong in taking the view that they have; I certainly hope that they will reconsider.

At Second Reading, the noble Lord, Lord Stevenson, made something that he probably would not want, given the antecedence of the phrase, to characterise as a big open offer to the Minister to work on a cross-party basis to improve the Bill. We on these Benches absolutely agree with that approach. We look forward to the debates in Committee in that spirit. We are all clearly working towards the same objective, so I hope the Government will respond in kind. Today is the first opportunity to do so—I set out that challenge to the Minister.

6.30 pm

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con): My Lords, let me start by saying how saying how pleased I, too, am that we are now in Committee. I thank all noble Lords for giving up their time to attend the technical briefings that officials in my department and I have held since Second Reading and for the collaborative and constructive nature of their contributions in those discussions.

In particular, not least because today is his birthday, I pay tribute to the noble Lord, Lord Stevenson of Balmacara, for his tireless work on the Bill—from his involvement in its pre-legislative scrutiny to his recall to the Front Bench in order to see the job through. We are grateful for his diligence and, if I may say so, the constructive and collaborative way in which he has gone about it. He was right to pay tribute both to my noble friend Lord Gilbert of Panteg, who chaired the Joint Committee, and to the committee's other members, including all the other signatories to this amendment. The Bill is a better one for their work, and I repeat my thanks to them for it. In that spirit, I am grateful to the noble Lord for bringing forward this philosophical opening amendment. As noble Lords have said, it is a helpful place for us to start and refocus our thoughts as we begin our line-by-line scrutiny of this Bill.

Although I agree with the noble Lord's broad description of his amendment's objectives, I am happy to respond to the challenge that lies behind it and put the objectives of this important legislation clearly on the record at the outset of our scrutiny. The Online Safety Bill seeks to bring about a significant change in online safety. The main purposes of the Bill are: to give the highest levels of protection to children; to protect users of all ages from being exposed to illegal content; to ensure that companies' approach focuses on proactive risk management and safety by design; to protect people who face disproportionate harm online including, for instance, because of their sex or their ethnicity or because they are disabled; to maintain robust protections for freedom of expression and privacy; and to ensure that services are transparent and accountable.

The Bill will require companies to take stringent measures to tackle illegal content and protect children, with the highest protections in the Bill devoted to protecting children; as the noble Baroness, Lady Benjamin, my noble friend Lord Cormack and others have again reminded us today, that is paramount. Children's safety is prioritised throughout this Bill. Not only will children be protected from illegal content through its illegal content duties but its child safety duties add an additional layer of protection so that children are protected from harmful or inappropriate content such as grooming, pornography and bullying. I look forward to contributions from the noble Baroness, Lady Kidron, and others who will, I know, make sure that our debates are properly focused on that.

Through their duties of care, all platforms will be required proactively to identify and manage risk factors associated with their services in order to ensure both

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that users do not encounter illegal content and that children are protected from harmful content. To achieve this, they will need to design their services to reduce the risk of harmful content or activity occurring and take swift action if it does.

Regulated services will need to prioritise responding to online content and activity that present the highest risk of harm to users, including where this is linked to something classified as a protected characteristic under the terms of the Equality Act 2010. This will ensure that platforms protect users who are disproportionately affected by online abuse—for example, women and girls. When undertaking child safety and illegal content risk assessments, providers must consider whether certain people face a greater risk of harm online and ensure that those risks are addressed and mitigated.

The Bill will place duties relating to freedom of expression and privacy on both Ofcom and all in-scope companies. Those companies will have to consider and implement safeguards for freedom of expression when fulfilling their duties. Ofcom will need to carry out its new duties in a way that protects freedom of expression. The largest services will also have specific duties to protect democratic and journalistic content.

Ensuring that services are transparent about the risks on their services and the actions they are taking to address them is integral to this Bill. User-to-user services must set out in their terms of service how they are complying with their illegal and child safety duties. Search services must do the same in public statements. In addition, government amendments that we tabled yesterday will require the biggest platforms to publish summaries of their illegal and their child safety risk assessments, increasing transparency and accountability, and Ofcom will have a power to require information from companies to assess their compliance with providers' duties.

Finally, the Bill will also increase transparency and accountability relating to platforms with the greatest influence over public discourse. They will be required to ensure that their terms of service are clear and properly enforced. Users will be able to hold platforms accountable if they fail to enforce those terms.

The noble Baroness, Lady Kidron, asked me to say which of the proposed new paragraphs (a) to (g), to be inserted by Amendment 1, are not the objectives of this Bill. Paragraph (a) sets out that the Bill must ensure that services

"do not endanger public health or national security".

The Bill will certainly have a positive impact on national security, and a core objective of the Bill is to ensure that platforms are not used to facilitate terrorism. Ofcom will issue a stand-alone code on terrorism, setting out how companies can reduce the risk of their services being used to facilitate terrorist offences, and remove such content swiftly if it appears. Companies will also need to tackle the new foreign interference offence as a priority offence. This will ensure that the Bill captures state-sponsored disinformation, which is of most concern—that is, attempts by foreign state actors to manipulate information to interfere in our society and undermine our democratic, political and legal processes.

The Bill will also have a positive impact on public health but I must respectfully say that that is not a primary objective of the legislation. In circumstances where there is a significant threat to public health, the Bill already provides powers for the Secretary of State both to require Ofcom to prioritise specified objectives when carrying out its media literacy activity and to require companies to report on the action they are taking to address the threat. Although the Bill may lead to additional improvements—I am sure that we all want to see them—for instance, by increasing transparency about platforms' terms of service relating to public health issues, making this a primary objective on a par with the others mentioned in the noble Lord's amendment risks making the Bill much broader and more unmanageable. It is also extremely challenging to prohibit such content, where it is viewed by adults, without inadvertently capturing useful health advice or legitimate debate and undermining the fundamental objective of protecting freedom of expression online—a point to which I am sure we will return.

The noble Lord's amendment therefore reiterates many objectives that are interwoven throughout the legislation. I am happy to say again on the record that I agree with the general aims it proposes, but I must say that accepting it would be more difficult than the noble Lord and others who have spoken to it have set out. Accepting this amendment, or one like it, would create legal uncertainty. I have discussed with the officials sitting in the Box—the noble Baroness, Lady Chakrabarti, rightly paid tribute to them—the ways in which such a purposive statement, as the noble Lord suggests, could be made; we discussed it between Second Reading and now.

I appreciate the care and thought with which the noble Lord has gone about this—mindful of international good practice in legislation and through discussion with the Public Bill Office and others, to whom he rightly paid tribute—but any deviation from the substantive provisions of the Bill and the injection of new terminology risk creating uncertainty about the proper interpretation and application of those provisions. We have heard that again today; for example, the noble Baroness, Lady Fox, said that she was not clear what the meaning of certain words may be while my noble friend Lady Stowell made a plea for simplicity in legislation. The noble Lord, Lord Griffiths, also gave an eloquent exposition of the lexicographical befuddlement that can ensue when new words are added. All pointed to some confusion; indeed, there have been areas of disagreement even in what I am sure the noble Lord, Lord Stevenson, thinks was a very consensual summary of the purposes of the Bill.

That legal uncertainty could provide the basis for an increased number of judicial reviews or challenges to the decisions taken under the Bill and its framework, creating significant obstacles to the swift and effective implementation of the new regulatory framework, which I know is not something that he or other noble Lords would want. As noble Lords have noted, this is a complicated Bill, but adding further statements and new terminology to it, for however laudable a reason, risks adding to that complication, which can only benefit those with, as the noble Baroness, Lady Kidron, put it, the deepest pockets.

However, lest he think that I and the Government have not listened to his pleas or those of the Joint Committee, I highlight, as my noble friend Lady Stowell did, that the Joint Committee's original recommendation was that these objectives

"should be for Ofcom".

The Government took that up in Schedule 4 to the Bill, and in Clause 82(4), which set out objectives for the codes and for Ofcom respectively. At Clause 82(4) the noble Lord will see the reference to

"the risk of harm to citizens presented by content on regulated services"

and

"the need for a higher level of protection for children than for adults".

I agree with the noble Baroness, Lady Chakrabarti, that it is not impossible to add purposive statements to Bills and nor is it unprecedented. I echo her tribute to the officials and lawyers in government who have worked on this Bill and given considerable thought to it. She has had the benefit of sharing their experience and the difficulties of writing tightly worded legislation. In different moments of her career, she has also had the benefit of picking at the loose threads in legislation and poking at the holes in it. That is the purpose of lawyers who question the thoroughness with which we have all done our work. I will not call them "pesky lawyers", as she did—but I did hear her say it. I understand the point that she was making in anticipation but reassure her that she has not pre-empted the points that I was going to make.

To the layperson, legislation is difficult to understand, which is why we publish Explanatory Notes, on which the noble Baroness and others may have had experience of working before. I encourage noble Lords, not just today but as we go through our deliberations, to consult those as well. I hope that noble Lords will agree that they are more easily understood, but if they do not do what they say and provide explanation, I will be very willing to listen to their thoughts on it.

So, while I am not going to give the noble Lord, Lord Stevenson, the birthday present of accepting his amendment, I hope that the clear statement that I gave at the outset from this Dispatch Box, which is purposive as well, about the objectives of the Bill, and my outline of how it tries to achieve them, is a sufficient public statement of our intent, and that it achieves what I hope he was intending to get on the record today. I invite him to withdraw his amendment.

Lord Stevenson of Balmacara (Lab): Well, my Lords, it has been a very good debate, and we should be grateful for that. In some senses, I should bank that; we have got ourselves off to a good start for the subsequent debates and discussions that we will have on the nearly 310 amendments that we must get through before the end of the process that we have set out on.

However, let us pause for a second. I very much appreciated the response, not least because it was very sharp and very focused on the amendment. It would have been tempting to go wider and wider, and I am sure that the Minister had that in mind at some point, but he has not done that. The first substantial point that he made seemed to be a one-pager about what this Bill is about. Suitably edited and brought down to manageable size, it would fit quite well into the Bill. I am therefore a bit puzzled as to why he cannot make the jump, intellectually or otherwise, from having that written for him and presumably working on it late at night with candles so that it was perfect—because it was pretty good; I will read it very carefully in *Hansard*, but it seemed to say everything that I wanted to say and covered most of the points that everybody else thought of to say, in a way that would provide clarity for those seeking it.

The issue we are left with was touched on by the noble Baroness, Lady Stowell, in her very perceptive remarks. Have we got this pointing in the right direction? We should think about it as a way for the Government to get out of this slightly ridiculous shorthand of the safest place to be online, to a statement to themselves about what they are trying to do, rather than an instruction to Ofcom—because that is where it gets difficult and causes problems with the later stages. This is really Parliament and government agreeing to say this, in print, rather than just through reading *Hansard*. That then reaches back to where my noble friend Lady Chakrabarti is, and it helps the noble Baroness, Lady Harding, with her very good point, that this will not work if people do not even bother to get through the first page.

6.45 pm

My noble friend Lord Knight mentioned the first page and the opening statement, which the Minister nearly touched on himself in his excellent speech but did not quite. This is a Bill to:

"Make provision for and in connection with the regulation by OFCOM of certain internet services; for and in connection with communications offences; and for connected purposes".

Really? We can do better than that. Yes, of course there are Explanatory Notes, but it is the Bill that matters and the Bill that Parliament will sign on to, and there is a gap. I understand the downside of this and am not in any sense trying to force us down a road which will lead to unfortunate consequences—although probably not the same ones as the noble Baroness, Lady Fox, talked about. However, seven deadly sins stalk us as we go down this road. Surely between now and the end of Committee we can find a package that would work and cover us. I will leave it there at this stage because we have talked at length. It has been a very good debate. It is my birthday and I want to go and celebrate, but the Minister did not share the real killer, which is that it is my wedding anniversary; I must go.

I beg leave to withdraw the amendment.

Amendment 1 withdrawn.

Clause 2 agreed.

House resumed.

Powering Up Britain

Statement

The following Statement was made in the House of Commons on Thursday 30 March.

"For much of the past 50 years, since the oil crises of the 1970s, we have taken cheap, plentiful energy for granted. Indeed, one of the catalysts for Britain's

economic transformation over that period has been affordable, abundant energy powering our homes, infrastructure, businesses and industry. Yet today, this cornerstone of our prosperity is under threat. Putin's illegal war in Ukraine and decades of overreliance on imported fossil fuels have combined to push up energy prices. Even though we have very little exposure to Russian gas, we have suffered the consequences of volatile international energy markets. That is why the Government have stepped in this winter to pay around half of the typical household energy bill, and I am pleased to say that that support was extended in the Chancellor's recent Budget.

The much bigger challenge long term is to bolster our energy resilience as a nation, so that a tyrant like Putin can never again hit the pockets of every family and business in Britain. We must diversify, decarbonise and domesticate our energy supplies to secure the cheap, clean power that Britain needs to prosper in the future. That is why last month the Prime Minister created the Department for Energy Security and Net Zero to give these two closely entwined objectives—energy security and net zero—the full and dedicated attention within government that they clearly merit. It was a statement of intent to put energy security among the Government's top priorities. By doing so, we will bring wholesale electricity prices down to among the cheapest in Europe by 2035, drastically reduce carbon emissions and deliver the long-term boost that our economy needs, using Britain's unique talents and assets to drive the energy transition.

Following the department's launch just 50 days ago, I am pleased to announce how the Government will be powering up Britain, including through our energy security plan, which sets out the steps we are taking to become more energy independent by powering Britain from Britain, and through our net-zero growth plan, which builds on the measures laid out in the net-zero strategy to keep us on track to achieve our carbon budgets. That plan meets our statutory obligations under the Climate Change Act 2008 to respond to the Climate Change Committee's annual progress report from 2022 and sets out a package of proposals and policies that will enable carbon budgets to be met, to ensure that Britain remains the leader among the fastest decarbonising nations in the world.

Before starting on the announcements, I thank my right honourable friend the Member for Kingswood (Chris Skidmore) for his excellent work in this area, investigating how to deliver net zero in a way that is both pro-growth and pro-business. In January, he submitted his detailed report and recommendations to the Government. I can confirm that we are partly or fully acting on 23 recommendations of the independent review of net zero report's 25 recommendations for 2025. On behalf of the whole House, I thank my right honourable friend again for his work.

Let me start on the announcements, if I may. As part of powering up Britain, the Government are launching Great British Nuclear, to put clean nuclear power at the heart of Britain's energy security and spearhead a busy programme of new nuclear projects, starting with a competitive 'down selection' this year to choose the best small modular reactor technologies. We are launching the floating offshore wind manufacturing investment scheme, providing up to £160 million to kick-start funding in port infrastructure so that we can move forward with that exciting new technology, and we are publishing plans for investing in carbon capture and storage, a key area for cleaning up energy and one in which Britain can lead the world.

To drive our hydrogen ambitions, we are announcing a shortlist and funding for the first round of electrolytic hydrogen allocation, with a second round to come, and setting out our longer-term hydrogen plans. We are providing an extra £1 billion for energy efficiency upgrades through the new great British insulation scheme, and we are investing to speed up the market for heat pump installation to decarbonise home heating and leverage up to £300 million of overall funding, including private funding.

This country is already ahead of the game when it comes to decarbonising its economy. We are a global leader in offshore wind power and currently have the world's largest operational offshore wind farm project, named after a town in my constituency: Hornsea 2. We also have the second, third and fourth largest offshore wind farm projects, but the measures we are unveiling today will accelerate our transition, rolling out existing technologies and bringing transformative new technologies to market.

We are truly on the verge of a new industrial revolution, but just like the first Industrial Revolution, investment will be key to our success, delivering not just energy security and ambitious reductions in carbon but the jobs, exports and productivity gains of the future. With that in mind, we are publishing today a new green finance strategy, which sets out a range of measures to mobilise private investment in net zero. That will support the UK in maintaining its position as a world-leading centre for green finance, and it sets us on a pathway to becoming the world's first net-zero-aligned financial centre.

It is imperative that we do not just focus on reducing emissions at home. The UK will work with international partners through the green transition to share the benefits of an improved environment that is good for business, because all economies need to take decisive steps to reduce their emissions. Indeed, increased investment in net-zero technologies globally will unlock innovation and drive costs down, as well as create opportunities for green UK exports—in carbon capture and hydrogen, for example.

As such, today we are publishing two additional documents. The first is the 2030 strategic framework for international climate and nature action, which outlines our vision to halve global emissions, halt and reverse nature loss, and build resilience to climate impacts this decade. The second is the international climate finance strategy, which details our commitment to £11.6 billion of international climate finance up to 2025-26, after we pledged to double it. Both reinforce our climate leadership during what is a critical decade for delivery, showing that Britain is credible and committed to meeting its promises.

It is no exaggeration to say that Britain's prospects as a nation, our ability to compete as an economy, and our capacity to decarbonise and tackle climate change

all depend on energy security. Now, with a dedicated department to deliver that vital objective, we will not only wean ourselves off fossil fuel imports but deliver cheaper, cleaner energy from domestic renewables and nuclear, protecting British households from turbulent international energy markets and creating hundreds of thousands of green jobs to level up Britain in the process. Making Britain an energy-secure, net-zero nation is one of the greatest opportunities of our time. Today, we have shown how we will grasp that opportunity for the benefit of everyone in this country for generations to come."

6.48 pm

Lord Lennie (Lab): My Lords, the papers published before the Easter Recess represent, as my friend Ed Miliband said in the other place, a Groundhog Day of reannouncements, reheated policy and no new investment. The Government continue to fail to acknowledge the scale of the climate crisis and the need for urgent action rather than baby steps. The biggest indictment is an admission that the policies announced do not deliver the promises made at COP 26 to meet the UK's 2030 climate target.

On emissions targets, despite saying that they are building on their COP 26 presidency, the Government cannot say whether they will meet the targets set in Glasgow. Meeting these targets is crucial if we are to prevent catastrophic climate change, so can the Minister now confirm that the Government will ensure that the UK will meet the NDC emissions targets that they committed to at COP 26?

The UK's businesses operate at a disadvantage because of the Government's delay in responding to the Inflation Reduction Act in the United States. Why are the Government delaying their response, thereby putting us behind in the international race for green jobs? Without clear support from the Government, British businesses are struggling to transition to a low-carbon economy.

The Government's ban on onshore wind is preventing the UK cutting bills and providing energy security. Polls show that British people support onshore wind by a ratio of 20:1. The ban is costing hard-pressed families approximately £160 a year on their energy bills and leaves the UK dependent on expensive gas imports. Can the Minister say when they will get a grip and end the ban on onshore wind?

The Government's track record on energy efficiency is appalling, leaving uninsulated households with bills £1,000 higher than those of properly insulated homes. Labour's warm homes plan aims to bring down bills for 19 million homes and to reduce reliance on fossil fuels. Why will the Government not support it?

There is a range of other failures. There is the failure to provide support for electric vehicle infrastructure. The new UK emissions trading scheme lacks the necessary price signal to drive emissions reductions. Setting 2030 as the date for phasing out sales of new petrol and diesel cars is both later than other countries and comes without a plan on how to achieve it. In summary, the Government's lack of real ambition puts the UK at a major disadvantage in the drive towards a low-carbon future.

Lord Teverson (LD): My Lords, I do not in any way disagree with the noble Lord, Lord Lennie, but I have tried to be positive about these reports; a whole suite of reports has come out with this. I spent a little more time on the report entitled *Powering up Britain: Energy Security Plan*, which I thought may be the document that would get more to the heart of this. I also found the *2030 Strategic Framework for International Climate and Nature Action* particularly interesting. These are a long read but have a list of really good stuff. They mention areas that we have debated here such as gas storage, grid connections, carbon capture, energy efficiency and demand management. A few are missing, but it is a very impressive list of subjects that this House has considered during the passage of the Energy Bill, whose Third Reading we await next week. It is a great list, but it is five years too late—something like that.

I have a number of questions for the Minister. Small modular reactors are listed in the energy security plan. When do we expect them to come online? Going back to something we discussed on the Energy Bill, the energy security plan mentions the core responsibility of the future systems operator, or ISOP as we know it. When is it actually going to be established so that it can get on with its work? Those I have spoken to in National Grid ESO are really champing at the bit, because they need to get on with it, as this report says, but it is still not there because of the slowness of the Energy Bill through Parliament.

On Sizewell C, which the report mentions, what lessons have we learned from Hinkley C? There are all sorts of lessons to be learned from budget increases and other issues relating to the building of that. On planning, I am pleased to say that it talks about trying to reduce planning periods, but in the debate on the levelling-up Bill yesterday we discussed how the planning system is core to delivering net zero. In fact, as both the Climate Change Committee and the Chris Skidmore report asked, are the Government going to embed net zero properly into the planning system? As the noble Lord, Lord Lennie, asked, will we really meet not just the COP 26 obligations but the fourth carbon budget, whose period just started, let alone the fifth? I do not believe that these plans really do that.

What impressed me at the end of the energy security plan was a whole long list of timetables. I hope that at DESNZ all the senior officials and the Ministers sit around the table every week and are driven by that plan. I suspect they might not be.

Finally, I am very pleased that the *2030 Strategic Framework for International Climate and Nature Action* was published, but this comes back to something the noble Lord, Lord Lennie, said. In the introduction, I read something that really quite excited me, and I thought, "Here we get to the nub of it". It says:

> "Since the publication of the British Energy Security Strategy, our Environmental Improvement Plan and our Net Zero Strategy, the US has taken decisive action in allocating $370 billion for clean energy and manufacturing in its Inflation Reduction Act. And the EU has set out its ambitious plans to grow its green industries through the Green Deal Industrial Plan".

I then looked on to the next paragraph to find out what we were doing. It went off completely on a different subject. When are we going to understand

[LORD TEVERSON]
what our reaction is going to be to those two pieces of legislation in the United States and the EU—our major investment competitors?

The Parliamentary Under-Secretary of State, Department for Energy Security and Net Zero (Lord Callanan) (Con): I thank the noble Lords, Lord Lennie and Lord Teverson, for their comments. I want to thank the noble Lord, Lord Teverson, slightly more than I want to thank the noble Lord, Lord Lennie, because he was slightly more positive, but I thank them both for their comments anyway.

For too long this country has taken cheap, plentiful energy for granted. If the war in Ukraine has shown us anything, it is our decades-long overreliance on fossil fuels. Of course, we have all seen their record prices, but the Government have stepped in to help: we have been paying around half of a typical household's energy bills this winter, and that support has been extended. Our longer-term challenge now is to bolster our energy resilience as a nation so that never again can we be held hostage by tyrants such as Putin, putting his hand into the pockets of every family and business in this country.

This plan is about setting out a clear path and why we have to diversify our sources of supply. We have to decarbonise them and we have to move toward greater energy independence to secure the cheap, clean energy that Britain needs to prosper in the future. We are making considerable progress along that path, but we all know that we have to do a lot more.

I will move to the specific questions I was asked. The noble Lord, Lord Lennie, asked me about onshore wind. I have a funny feeling that the noble Baroness, Lady Hayman, is going to ask me a similar question, so let me try to pre-empt her. We have included onshore wind in our latest world-leading contracts for difference scheme. We are currently consulting on amending the National Planning Policy Framework so that local authorities can better respond to communities when they wish to host offshore wind infrastructure. A government response will be issued in due course.

The noble Lord, Lord Lennie, also mentioned the US Inflation Reduction Act. Of course, we are well aware of the action taken by international partners to accelerate their own uptake of green technologies. They are getting to the party a bit late, but I am pleased to see that they are finally going in the same direction. We continue to engage with them on this. Although the Act is significant, the race for green tech started decades ago here in the UK, with the rest of the world now playing catch-up, adopting many of the same mechanisms, such as contracts for difference, that we came up with seven or eight years ago.

We will not go toe to toe with our partners in a subsidy race; I have not noticed any commitments from the Labour Party to do this either. Instead, we will double down on our global leadership in clean technologies to tackle climate change, using a range of levers from smart regulation to market frameworks and targeted investments. Noble Lords will also have seen, in the green finance strategy published at the same time as the plan, a lot more information on our very ambitious plans to mobilise considerable amounts of the private investment we will need.

The noble Lord, Lord Lennie, also asked me about our 2030 NDC. We remain firmly committed to delivering our international commitments under the Paris Agreement, including the 2030 NDC. While countries are not due to start reporting to the UNFCCC on progress towards meeting the NDC until 2024, we have already quantified proposals and policies to deliver by 2030 a reduction in emissions of 67% compared to 1990 levels, providing a great majority of the savings required for our NDC target of a 68% reduction by 2030.

The noble Lord asked me about energy efficiency and referred to some vague Labour plan. I would be delighted to see what Labour's plan in this area actually is. I did see a half-baked press release last week, which was presaging a great announcement, but I do not think that that announcement ever happened. If it did, I certainly did not notice it. What I saw was not a plan at all; it was a wish list, without any numbers attached to it. I will tell the noble Lord exactly what this Government are doing.

When Labour left office in 2010, 14% of UK homes were at EPC level C or above. It is now 47%, and it will be over 50% by the end of next year. The Government are committed to improving the energy performance of homes across the country. I refer again to the new Energy Efficiency Taskforce that we have established to drive improvement. The Chancellor set a target of 15% energy reduction improvements by 2030, for which £6 billion of new funding will be made available from 2025 to 2028, in addition to the £6.6 billion already allocated in this Parliament. This is a key ask from many in the industry, providing long-term funding certainty, supporting the growth of supply chains and ensuring that we scale up delivery over time. In addition, we are still committed to the four-year, £4 billion ECO expansion, and noble Lords will have seen the announcement of the Great British Insulation Scheme and its additional £1 billion of funding.

Moving on, the noble Lord, Lord Teverson, asked me about nuclear and SMRs. I hope that presages that the Liberal Democrats might support us on nuclear in the future. This is well-established technology. We have invested £210 million with Rolls-Royce to develop SMRs in the UK. They are well established and we want to be world leaders in this. Realistically, it will be at least the end of the decade before they are rolled out. This is another world-leading green technology from which the UK can prosper.

7.02 pm

Baroness Hayman (CB): My Lords, I declare my interests as set out in the register. The Minister presaged a question about onshore wind, which was one of the things left out of the *Powering Up Britain* document. He half-answered the question in anticipation, but he said that the consultation results will come "in due course". Could I tempt him to be a little more specific than that, because we have been making progress very slowly on this issue? It feels rather like a can being kicked down the road and a wasted opportunity.

This document contains aspirations, intentions and objectives that are widely supported around the House. The concerns are about the pace, scale, impetus and

coherence of delivery. I want to talk particularly about the issues that we debated in your Lordships' House on Monday, when amendments to the Energy Bill were passed. None of those amendments in any way ran counter to the objectives set out by the Government. In ending emissions from coal, in making sure that we have a comprehensive energy efficiency policy, in building and encouraging community energy schemes, and in giving Ofgem, the regulator of this sector, a responsibility for implementing net zero, none of them was revolutionary or counter to government policy. All will help with this issue of scale, pace and delivery. My plea to the Minister is that he and colleagues think very carefully, after Third Reading in this House and before the Bill goes to another place, about whether those amendments could assist, rather than in any way impede, the Government in what they are trying to do.

Lord Callanan (Con): As I suspect the noble Baroness knows, I am afraid that I cannot give her a direct answer on the date of the consultation response. That is just the way that government works: the consultation response will come when it comes. Even if it were happening tomorrow, I would not be able to presage it, because it has to go into the Downing Street grid and through all those processes. I will endeavour to let her know as soon as it becomes available.

The amendments to the Energy Bill were of course disappointing. I noticed that there were no big majorities in favour of any of them, but we will look at them closely and respond in due course.

Baroness Bennett of Manor Castle (GP): My Lords, we face a difficult situation, with recess intervening and us now having a short period to interrogate 44 documents, which, as Carbon Brief calculated, comprise 2,840 pages. The timing was unfortunate, although it was forced by the 2022 High Court ruling that the net-zero strategy is unlawful—the deadline was at that point.

I will pick on one specific point. The energy security plan notes that the Government opened in October 2022 a new licensing round for oil and gas projects, and that 115 projects have bid, with the first licences expected to be awarded in the next quarter of this year. There is no mention in the energy security plan of the climate compatibility checkpoint, which was devised and announced by the Government in 2021. This was meant to ensure that any new oil and gas licences would be awarded only if they were in line with the UK's net-zero goals. Can the Minister tell me if the climate compatibility checkpoint still applies and is being used by the Government?

Lord Callanan (Con): On the two questions from the noble Baroness, first, as usual, she is dead wrong in her statement about the High Court action. It did not rule that the Government's plans are unlawful; in fact, the High Court clearly made no criticism whatever about the substance of our plans, which are well on track. During the proceedings, the claimants themselves described them as "laudable". The independent Climate Change Committee described the net-zero strategy as

"an ambitious and comprehensive strategy that marks a significant step forward for UK climate policy".

The court simply wished to see more detail on our plans. I am pleased to say that the *Carbon Budget Delivery Plan*, which we published alongside *Powering Up Britain*, provides that detail and sets out a package of proposals and policies that will enable carbon budgets to be met, ensuring that Britain remains the leader and among the fastest-decarbonising nations in the world.

The answer to the noble Baroness's question about oil and gas licences is that the climate compatibility checkpoint remains, but I make no apologies about this whatever. During the transition, we still have a requirement for oil and gas in the UK; the only question is whether we get it from British resources or from Saudi Arabia, Qatar, the US or somewhere else. Do we want to be paying British tax and employing British workers or for that money to be exported? That is the question that faces us.

Baroness Bennett of Manor Castle (GP): My Lords, if no one else is going to stand up, I will come back to the Minister on a different, broader and more conceptual point. I am very tempted to respond to the previous answer, but I will not.

The Committee on Climate Change said that we should be shifting from looking at territorial emissions to consumption emissions. The fact is that a great deal of manufacturing has been offshored in recent decades and emissions are currently being counted against other countries on a territorial basis, while we are consuming the goods made from them. Are the Government planning to follow the recommendations of the Committee on Climate Change and move from measuring territorial emissions to consumption emissions?

Lord Callanan (Con): It is a complicated question. We have no plans to. We will measure our emissions on the same basis that everybody else does. Nevertheless, I concede to the noble Baroness that she makes a valid point about carbon leakage and the extent to which we have driven many energy-intensive industries out of the UK and Europe, but we still use the products that many of them produce. These are produced not in Europe and the UK any more but in other parts of the world, often in more carbon-intensive manners.

There is a difficult policy question facing us and the EU: how do you address that if other countries do not have ambitious plans like ours to decarbonise but you still need the products? Do you look at mechanisms such as carbon border adjustment mechanisms, which the EU is looking at? Intrinsically, we are in favour of free trade, so we do not want to go down that avenue. A far better strategy is to try to persuade other countries to adopt similarly ambitious plans to ours.

Baroness Bennett of Manor Castle (GP): My Lords, given the fact that this is a really important issue and I do not see anyone else rising, I will rise once again. The Government have committed to a fully decarbonised electricity power system by 2035. The Committee on Climate Change has said that their plans need urgent reform to achieve that goal. Can the Minister assure me that he is highly confident that we are on track for that 2035 goal for electricity?

Lord Callanan (Con): Yes, we believe that we are on track. There is a diversity of sources of supply, including our world-leading offshore wind procedures—we have the first, second, third and fourth largest offshore wind farms in the world—and the rollout of new nuclear and solar. All of that will contribute to our ambitious plans to decarbonise our electricity sector by 2035.

Vladimir Kara-Murza

Commons Urgent Question

The following Answer was given to an Urgent Question asked in the House of Commons on Monday 17 April.

"I am most grateful to my honourable friend for raising this Urgent Question. I share her concerns about the case of Vladimir Kara-Murza, a Russian opposition politician, journalist and activist, and a British national, who has today been sentenced on clearly politically motivated charges and faces 25 years in prison. His detention is yet another example of Russia's efforts to shut down dissent over the war in Ukraine and to silence opposition voices.

I pay tribute to Mr Kara-Murza, a champion for human rights who has shown immense courage in speaking out against the aggression of the Russian state. I also want to recognise his wife Evgenia and commend her on her tireless efforts to promote her husband's cause.

Mr Kara-Murza has on numerous occasions, both in Russia and abroad, set out the facts of Russia's military actions in Ukraine, an invasion witnessed by the whole world. He has now been convicted of spreading false information about the Russian armed forces and of participating in the activities of an undesirable organisation. On top of this, he is further convicted of high treason. The charges brought against him are symptomatic of the Russian state's repression and blatant censorship of anyone who dares criticise it.

Mr Kara-Murza is one of over 500 individuals arrested by the Russian authorities for criticising the war in Ukraine. The repression of opposition voices and of those condemning Russia's illegal invasion of Ukraine is a glaring attempt to control discourse on the matter. His Majesty's Government condemn the politically motivated sentencing of Mr Kara-Murza and of all those who speak out against Russia's invasion of Ukraine. I echo the Foreign Secretary and the Minister for Europe in continuing to call for his release.

Politically, the UK has been at the forefront of efforts to pressure Russia to release Mr Kara-Murza. Since his initial arrest in April last year, we have continued to condemn publicly his politically motivated detention and to call for his release. We have raised Mr Kara-Murza's case repeatedly both with the Russians directly and in international fora, including the Organization for Security and Co-operation in Europe and the United Nations. Today, Foreign Office senior officials have summoned the Russian ambassador. They will make it clear that the UK considers Mr Kara-Murza's detention to be contrary to Russia's international obligations on human rights.

Mr Kara-Murza's welfare remains a priority for the Foreign Office and we continue to push for consular access. Diplomatic officials at the British embassy in Moscow have repeatedly attended the court building and, where permitted, the courtroom. His Majesty's ambassador was present at the court today when the verdict was given and delivered a statement to Russian media and spectators.

Consular officials remain in contact with Mr Kara-Murza's family and their lawyer to ensure that our actions remain aligned with his wishes. I can assure my honourable friend the Member for Rutland and Melton (Alicia Kearns) that we will continue to raise Mr Kara-Murza's case at every appropriate moment and to call for his release."

7.12 pm

Lord Collins of Highbury (Lab): My Lords, as we heard when the Urgent Question was asked, at least 31 Russian officials have been directly involved in the false prosecution and imprisonment of Vladimir. The Canadians and Americans appear to have sanctioned all those responsible already. Andrew Mitchell said in the other place that he had instructed officials to investigate the possibility of sanctioning everyone involved in the trial. When can we expect this investigation to conclude? What is the timeframe? I hope that the Minister can tell us.

Andrew Mitchell also spoke about Vladimir's well-being: there have clearly been two attempts to poison him already. He said that the Russian ambassador had been summoned and that Vladimir's health will be right at the top of the agenda. I hope that the Minister can tell us the outcome of those discussions and what next steps will be taken.

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): On the noble Lord's first question, of course sanctions remain an obvious tool for us. I assure the noble Lord that, in line with what my right honourable friend said in the other place, we are looking at all tools available to us, including the issue of sanctions. I accept, as the noble Lord pointed out, that other countries including the US and Canada have already sanctioned a number of individuals, while, going back to the time of those responsible for issues around Sergei Magnitsky, we have sanctioned two individuals. But I take on board what the noble Lord has said. I cannot give him a specific date—I am sure he will appreciate that—but I assure him that the FCDO is fully seized with ensuring that appropriate steps can be taken with whatever tools are at our disposal.

On the second question, the summoning of the ambassador did indeed happen. We made it very clear, under our view of the Vienna Convention on Consular Relations, that we should be given full access. We have demanded that. Mr Kara-Murza has been detained for just over a year. During that time, we have made numerous applications for consular access. The noble Lord will be aware that, with regret, Russia does not recognise dual nationality. That is Russia's perspective, not ours. Again, we made it very clear to the Russian ambassador during his summoning that we require

full access. Indeed, the point that we should be granted full consular access was made by our ambassador on the ground after the verdict was handed out on the steps in conjunction with others. I will update the House, the noble Lord and the Front Benches appropriately if we see progress in this regard. I can assure the noble Lord that this remains a key priority.

Lord Purvis of Tweed (LD): My Lords, with respect, the Minister did not explain why we did not choose to be in lockstep with the Canadians in November 2022. On 10 November, Canada announced the extension of its sanctions to 23 individuals across the Russian justice and security sector,

"including police officers and investigators, prosecutors … including senior Russian government officials".

So why is it only now, in connection with a joint national, that these options are being considered? With regard to those whom we recognise as joint nationals even if the Russians do not, who are living in Russia and are now vulnerable to a highly politicised and non-independent judiciary, is the point not that we are simply summoning an ambassador and warning that there should be consular access, rather than that there will be repercussions across the entirety of the politicised judiciary, investigative prosecutors and government officials—that they will be instantly sanctioned, and jointly sanctioned by the US, Canada, the UK and our partners?

Lord Ahmad of Wimbledon (Con): My Lords, as the noble Lord is aware, we do work very much in lockstep with our key partners. Systems and structures of sanctioning are different in each country and processes need to be followed, including on ensuring the robustness of the sanctions we apply. There is little more that I can add to what I have already said. But, as I said to the noble Lord, Lord Collins, we are very much seized of all the tools available to us, including sanctions. As updates are made, I will of course update noble Lords in that respect.

Viscount Waverley (CB): My Lords, dual nationality is a real problem and needs to be understood by all people affected in such matters. Russia is one, Iran and China are others, and there are all the rest. On the point before us specifically, is it the case that the gentleman's mother's nationality is Canadian? What consular activity or support, if the Minister is able to give any insight, is being offered to him at this difficult time?

Lord Ahmad of Wimbledon (Con): My Lords, without going into specifics, I assure the noble Lord that of course we are providing full support. I know that colleagues have engaged directly with Mr Kara-Murza's family as well. We will continue to ask for consular access. Under the Vienna Convention, it is our view that it is very clear that this should be granted. Mr Kara-Murza spent a substantial amount of time in the United Kingdom: indeed, his own courage and determination led him to return to Russia, notwithstanding that he knew full well some of the challenges and restrictions that he would face, including the possibility of detention.

Russia has again taken steps to silence any critic of the administration. As we know, Mr Kara-Murza specifically was very critical of Russia's role in its invasion of Ukraine. I assure the noble Lord and reassure the noble Lord, Lord Purvis, that we are not just demanding consular access from the ambassador: in our interactions we have also been very clear about the length of the detention and Russia's continuing actions on suppressing the rights of all Russian citizens, not just dual nationals.

Baroness Bennett of Manor Castle (GP): My Lords, given the horrendous circumstances of Mr Kara-Murza, highlighting the vulnerability of anyone in Russia who dares to speak out against President Putin's regime, can the Minister assure me that anyone similarly at risk of such repression would be offered an extremely sympathetic hearing and refuge in the UK, should they be in a position to seek it?

Lord Ahmad of Wimbledon (Con): My Lords, the noble Baroness will be aware, as I have said this before from the Dispatch Box, that there are many people around the world, regrettably and challengingly in Russia at the moment as well as other parts of the world, who seek refuge in the United Kingdom to escape all kinds of persecution, including political persecution. The United Kingdom deals very sympathetically with cases presented to it. We consider each application very carefully on an individual basis.

Sudan

Statement

The following Statement was made in the House of Commons on Monday 17 April.

"With permission, Madam Deputy Speaker, I will make a Statement on the situation in Sudan.

The Foreign Secretary is in Japan at the G7 summit. He led a call this morning with the United States and the United Arab Emirates to co-ordinate our response. I know the House will join me in strongly condemning the violence taking place in Khartoum and across Sudan. The violence broke out between the Sudanese armed forces, the SAF, and the Rapid Support Forces, the RSF, in Khartoum on Saturday morning. This is a tragic turn of events after months of constructive dialogue and progress towards a civilian-led transitional Government following the military coup in 2021. It is unclear which side was responsible for initiating the violence, but it comes after rising tensions between the SAF and RSF over leadership arrangements for a unified force under a civilian Government.

The humanitarian and security situation has deteriorated since October 2021, when General Burhan launched the coup, taking control of Sudan from the civilian transitional Government. Last July, the military committed to step back from politics and allow civilian groups to form a Government. After signing a political agreement in December, negotiations had been making good progress, with a final agreement due to be signed on 6 April and a civilian Government to be put in place on 11 April. That progress stalled in recent weeks due to failures within the military to agree on a unified command structure for a single military under

the transitional Government. Despite diplomatic efforts from the international community, those tensions have now led to violent conflict. The escalating violence is incredibly worrying, with heavy artillery and air bombardment being used in civilian and urban areas. The airport in the centre of the city came under heavy gunfire on Saturday and is closed. The violence is also spreading, with reports of armed clashes involving heavy weaponry in cities across the country.

Innocent civilians have already lost their lives, and I am appalled that that includes Relief International personnel and three World Food Programme staff members. The whole House will join me in sending our condolences to their families and friends and to Relief International and the entire World Food Programme community. Continued fighting will only cost further civilian lives and worsen the existing humanitarian crisis. Aid workers and civilians must never be a target. Aid agencies must be allowed to deliver life-saving assistance safely to those in desperate need. It is a disgusting turn of events, although sadly not unique, that humanitarians are targeted in this way.

Turning to the British Government's response, we are advising against all travel to Sudan. Our global response centre is taking calls and supporting British nationals and their relatives. We are advising civilians caught up in the violence, including our own staff, to shelter in place as heavy fighting continues. Our priority is to protect British nationals trapped by the violence, and we will continue to issue updates as the situation develops.

We are pursuing all diplomatic avenues to end the violence and de-escalate tensions. The Foreign Secretary and I are working with international partners to engage all parties. The UK special representative for Sudan and South Sudan, the special envoy for the Horn of Africa and the British embassy in Khartoum are fully mobilised to support those efforts. We are calling on both sides to break the cycle of violence and return to negotiations, and to agree an immediate return to civilian government for the sake of the people of Sudan and the region. Yesterday, the Intergovernmental Authority on Development convened an extraordinary summit of Heads of State and Governments to discuss ways to restore calm. We will support any mediation efforts it undertakes. The UN Security Council will discuss the situation later today.

A peaceful political transition to democracy and civilian governance is still possible in Sudan. I ask the House to join me in calling on the leaders of both sides in this conflict to end the violence and de-escalate tensions. They must uphold their responsibility to protect civilians, ensure humanitarian assistance can continue to be delivered safely and allow the transition to civilian leadership immediately. The UK stands in solidarity with the people of Sudan in their demands for a peaceful and democratic future. This violence must end before more innocent civilians lose their lives. I commend this Statement to the House."

7.20 pm

Lord Collins of Highbury (Lab): My Lords, I thank the Government for making this Statement. The situation is extremely worrying.

One concern has been about the external players in the conflict. NGOs and investigative reporters say that the Wagner Group is known to be active in Sudan, pointing to its involvement in gold mining and smuggling, alongside training and arms procurement. Yesterday the Wagner Group explicitly denied having any fighters in Sudan for the last two years. What assessment has the Foreign Office made of external players in the recent clashes?

Fighting appears currently to be centred on the army headquarters and Khartoum airport. The Statement refers to it spreading to other cities. Given that the army headquarters and the airport are situated close to residential neighbourhoods, how is the UK working with international counterparts to protect civilians? Many residents across Khartoum have left the city in recent days after losing access to food, water and power, so may I press the Minister further on what is being done to support multilateral activity, as well as the Government's assessment of the humanitarian risk to other regional states?

What is the scale of possible displacement of people, and what steps are being taken to rapidly increase humanitarian capacity to match that displacement? We know that IDP camps, as well as humanitarian aid workers, have already been targeted. What discussions have there been about international steps to increase protections and specifically deter this targeting?

The risks of destabilisation are significant, particularly to Chad, the CAR and South Sudan, so what work is being done at Security Council level to assess the linkages between the factions in the Sudan conflict and armed groups that are either active or quiescent but still organised in neighbouring states? What are we doing and what steps are we taking urgently to reassess and potentially strengthen UN arms embargoes? In the medium term, will the UK support further investigations into the sources of the arms and dual-use goods, in particular the technical vehicles, that are being used in this current conflict?

Martin Griffiths, the UN Under-Secretary-General for Humanitarian Affairs, has stated that the UN OCHA office in Darfur has been looted amidst increasing attacks on aid workers. Are the UK's representatives at the UN helping to secure the safety of the humanitarian workers across Sudan, working with our partners? How is the FCDO monitoring the safety of UK nationals, who the Statement referred to? Are there plans to follow Japan and Kenya and evacuate our nationals, including FCDO staff? Japan is reportedly looking to evacuate its nationals on military planes. Some human rights monitors from the region actively welcome this as they believe a corridor created to evacuate internationals is more likely to be respected by conflicting parties than the humanitarian corridors, which, sadly, have repeatedly broken down.

During questions on the Statement to the Minister in the other place, James Duddridge asked about the security of the oil pipelines from South Sudan and revenue sharing, which is by far the main source of revenue and foreign exchange other than aid. There was no specific response to that question. I hope the Minister will be able to respond to it tonight.

I conclude by asking whether the Minister can give us an update on the progress of the mediation efforts between the AU and IGAD, the Intergovernmental Authority on Development, in the region. What are we doing to support those mediation efforts and to promote a ceasefire as soon as possible? It is clear that we were not altogether prepared for this, although the FCDO assessed that conflict was possible. Were we able to seek or obtain more detailed intelligence from our partners and other countries, including specifically the Gulf states and Egypt, on whether this was more likely to happen? I hope the Minister can advise us on that.

Lord Purvis of Tweed (LD): My Lords, I refer to my entry in the register and declare that I was in Khartoum, accompanied by my noble friend Lady Suttie, during the Easter Recess. That was my 16th visit to Sudan. In March I met separately with both generals, Burhan and Hemedti. I played a small part in supporting the political dialogue among civilian forces and then the signatories to the framework agreement, to which the Statement referred. I am in constant contact with friends and their families, colleagues and those in civilian groups who continue to face incredible fear, hardship and suffering as a result of this horrific violence.

My points to the Minister relate first to the immediate and then to the medium term. His Majesty's Government must be doing everything they can to protect civilians. We already know that only five of 59 medical centres are functioning in Khartoum. The Sudan Doctors' Union says that the health system, in a city of 10 million, is "beyond collapse". Civilian areas have also been targeted. Combatants must be warned in clear terms that targeting civilians, from airstrikes in civilian areas to looting and pressurising for water and supplies, is a war crime. Water and electricity are in an unreliable condition at the moment, with temperatures of nearly 40 degrees centigrade on my recent visit there. Medical supplies are scarce and infrastructure throughout the country is unsafe. Threats to "sweep" neighbourhoods are a use of terror against civilians, and all combatants need to be warned of that in the clearest terms.

It is underreported, as most journalists are in Khartoum, but I am deeply concerned about the humanitarian safety of civilians in Darfur and other conflict-afflicted states within Sudan, where so much political dialogue had been focused since the coup. Diplomatic, INGO and civil society leaders must also be protected. We must now have plans for securing evacuation routes if necessary. I know that airport and that area extremely well. It will be complex but it may be necessary.

Also, our Prime Minister must immediately call for and, with Quad leaders, Egypt and Gulf allies, ensure at the very least that there is no munition and military equipment replenishment, as there is currently limited monitoring and geolocation of these supplies. We must quickly and in clear terms warn those who seek to disrupt, such as Islamist or former Bashir regime actors, that there will be personal, co-ordinated sanctions from the international community. The Minister now knows why, for months, I have repeatedly been calling for action on the Wagner Group.

Beyond securing immediate and medium-term safety and humanitarian support, I acknowledge and fully agree with the joint statement from Secretary Blinken and our Foreign Secretary, but now our Prime Minister and President Biden must, at Head of Government and Head of State level, speak with President Mohammed bin Zayed and President Sisi. The loyalties of those two countries to the combatants and their influence on them is widely known, and together with King Salman, who can offer brokerage, we must ensure a cessation for the festival of Eid.

The cessation must be monitored through an agreed mechanism, and we now need to be open to progressing to Chapter 7 processes and begin to plan and pretrain a potential AU/ UN peacekeeping component with UK support. Airports, sea and land terminals, and key strategic infrastructure must become safe and operational immediately, and trusted in the medium to long term.

I understand that some belligerents today are willing to engage again in dialogue. This must be actively supported and not discouraged by the actions of regional powers. If a Saudi and former Prime Minister Abdalla Hamdok initiative can be started for the medium term, we must support this. I believe that there can be an opportunity for a Riyadh peace summit, linked with an Eid cessation, with Foreign Minister-level representatives from the Quad, IGAD, the AU and UNITAMS to agree the continuation of the cessation of hostilities, the safety of key sites, at least minimal engagement on high-level security sector reform and the recommencement of engagement with civil society.

Finally, there is a major fear that, should the existing command structures of the SAF and the RSF break down and resources become scarce, the real and present threat of tribal, ideological, theological and dispersed violence will create an even more horrific humanitarian crisis than we are seeing now. We cannot afford for Sudan to descend to be a failed state. This is the time for us at Heads of Government level to be intensively involved to prevent that. Civil leaders have worked so hard to come around common proposals for transition—I had the privilege to play an extremely modest role in that—and that cannot be lost. Sudan is a country I love. I admire its people, and we must not let them down.

The Minister of State, Foreign, Commonwealth and Development Office (Lord Ahmad of Wimbledon) (Con): My Lords, I thank both noble Lords for their questions and for much, indeed all, of what they said. I agree with them. The situation in Sudan is appalling and it is abhorrent. Attacks are taking place on diplomats and, as the noble Lords, Lord Purvis and Lord Collins, said, on INGOs and civil society actors. I recognise the important role of the noble Lord, Lord Purvis. He has constantly kept me updated, and I am grateful for that. I welcome his detailed insights from the work he has carried out, and I know how much personal commitment, passion and principle he has applied in bringing the various sides together. It is tragic to see that, after what was offered as great hope following the removal of the former president, both sides have now descended into what can be described only as a country heading towards civil war. Clearly, Khartoum is being challenged immensely.

[Lord Ahmad of Wimbledon]

Both the noble Lord, Lord Collins, and the noble Lord, Lord Purvis, talked about outside influences. There are particular concerns over the Wagner Group, and while statements have been made, I think we take it for what it is. We know the influence of the Wagner Group. It is not just a mercenary force; it has economic clout behind it. We have already seen its influence in other parts of the African continent, particularly in the Sahel, and we need to be very vigilant about what is happening on the ground. The noble Lord, Lord Purvis, also talked about Darfur. Of course, it was the centre of the RSF, but they have clearly travelled much further around the country. On my previous visit to Sudan, I visited Darfur in the aftermath of the conflict, particularly to address the issue of preventing sexual violence in conflict. It was tragic still to see not just the marginalisation but the sheer lack of engagement and the lack of rights for women and minorities. I fear that the situation will get much worse.

The noble Lord, Lord Collins, referred to the oil pipelines. It is interesting that our reports suggest that there is no evidence that either side is attacking those pipelines. If there is one glimmer of hope, it is that they both recognise the economic value attached to this asset of Sudan.

The noble Lord, Lord Collins, asked about the support that we are giving to international organisations, particularly UN agencies and others. We are working very closely with them. He will have followed the statement in the UN Security Council. I have a trip scheduled to the UN in the early part of May, and I am scoping to see whether there is further action that we can take in that respect. I am the Minister responsible for the UN and recognise that, as a penholder, we have a specific responsibility.

Both noble Lords talked of other partners. I am sure they followed the joint statement made by Secretary of State Blinken and my right honourable friend the Foreign Secretary. My right honourable friend has also been engaging quite directly, notwithstanding his visit to the Far East. He has had a series of calls at a very senior level with key partners and discussions at the G7, and with a number of Gulf states which, as both noble Lords pointed out, have a role to play. We are engaging very closely with the Kingdom of Saudi Arabia and the United Arab Emirates, and my right honourable friend had a call with Foreign Minister Shoukry of Egypt. Indeed, on a recent visit to Egypt I raised Sudan directly with him, and we recognise Egypt's influence over both sides in this conflict.

While noting what the noble Lord, Lord Purvis, said about Heads of Government engagement, I am sure he will recognise that the most senior diplomats at Foreign Minister level are engaging extensively and that all our partners, including those in the Gulf, recognise the important role of the African Union and IGAD, and that they need to impress upon both sides the need for an immediate cessation of hostilities. We need a cessation, and Eid provides exactly that kind of respite. We are exploring that fully with our key partners.

Equally, how do we bring about some kind of sustainable solution? I am sure both noble Lords agree that both sides need to recognise that violence is not a means to an end. If one side was to win over the other, whichever that might be, that would not suddenly green-light the embrace of the international community, and that is a point we have made consistently. We have a special envoy to the region, who I know has been engaging extensively with other key parties and talking on an almost daily basis with senior officials in that regard. That conversation is ongoing.

On mediation efforts being undertaken by IGAD, the UN and the African Union, we are of course fully supportive. However, as I have already said, we are also talking to other key players, including those in the Gulf, who have important influence in this respect.

On corridors for humanitarian aid and to allow the departure of foreign nationals, we are working on that as a key priority. Both noble Lords will have seen the Foreign Office advice. At the moment, some of our diplomats are on the ground. The noble Lord referred to Japan and other counties that are planning evacuations. Without going into the details, we are very much seized of all the options we need to keep open to ensure the safety and security of, first and foremost, British nationals, including diplomatic staff, and also other nationalities. We are working very closely with them to ensure that there is a respite and that a corridor is opened to allow that access to be provided.

I fear that the humanitarian situation will go from bad to worse. The UN OCHA has been attacked directly, as the noble Lord Collins mentioned. The WFP has also been targeted specifically. Repeated attempts are being made on the diplomatic corps, and we saw the attack on the EU ambassador. These things are not just alarming and tragic but are real warning signals, and therefore we have to ensure that the maximum diplomatic pressure is put on. A notable reference was made to sanctions et cetera, and, while I cannot speculate, we will look at whatever tools we have and work in conjunction with key partners in this respect.

Our priority remains an immediate cessation of the hostilities for the short term. I agree with the noble Lord, Lord Purvis, that we need long-term solutions. He will be perhaps best placed in the House currently to agree with me that, notwithstanding diplomatic efforts, long-term planning and investment in the diplomatic channels, recent events have shown again how vulnerable the situation is on the ground.

For clarity, we are of course currently advising against all travel to Sudan. Our global centre is taking calls and supporting British nationals quite directly, as well as their relatives and families. This is a fluid situation; indeed, from the time I was first briefed to the time I was coming to the House, I was continuing to be briefed about this situation.

I assure noble Lords that I will continue to update them, and I would welcome a specific meeting. I have said to our special envoy to invite the noble Lord, Lord Purvis, for a more detailed meeting, and I have taken on board some of the noble Lord's suggestions. I say to the noble Lord, Lord Collins, that I will keep him updated in the usual way—not just in the House but through the demonstrably strong channels of communication that we have across Front Benches.

7.40 pm

The Lord Bishop of Leeds: My Lords, the question of threats is one that I am slightly bemused about. I want to pay tribute to the work of UK diplomats in Sudan. I have been going there since 2011; my diocese has a link with the whole of Sudan going back over 40 years and I am in daily contact with the Archbishop of Sudan. In his cathedral the other day, he managed to get all the families—42 of them including children—secured in an internal building. They then had to watch their homes and elements of the cathedral being shot up, all their vehicles destroyed, offices ransacked and so on.

It leads me to this question about threats. If we are dealing with people who simply cannot be threatened, then frankly sanctions are meaningless for many of them—maybe I am being naive. What other tools do we have at our disposal that make threats reasonable and viable? There is no point threatening things that cannot be delivered. We have talked about diplomatic routes; I wonder whether there are other back channels that can be used.

My fear, if I am honest about this, is that this violence is the trigger, with the breakdown of order, for other fractures to open up—for example, ethnic religious fractures. The Christian community is largely African. The Arabic population sneers at the Christians because they are African. They talk about their language being twitter language—they do not mean social media. My fear is that this will spill over and create other fractures that then become more complicated. Are there other back channels, or other civil society actors such as religious leaders and so on, that could be used by diplomatic services to open up conversations that might not be doable by the political actors?

Lord Ahmad of Wimbledon (Con): My Lords, I too recognise the importance of religious communities. Again, reflecting on my last visit to Sudan, and as the right reverend Prelate will know, I regard inviting in religious leaders as an essential part of how we build sustainable peace. I remember there was great hope at that time. There were discussions about the suspension of Sunday as a holiday for Christians. I was delighted that, through our interventions, the then governor in Khartoum issued a decree that provided for the reinstatement of Sunday as a holiday rather than imposing Friday as a universal holiday for everyone across the country. That showed the importance of faith leaders as well as civil society leaders in finding sensible, practical and workable solutions. I agree with the right reverend Prelate that the current situation does not allow an effective assessment of which civil society actors can play a part and where, because of the vulnerability of and the front-line attacks on diplomats and humanitarian workers. The right reverend Prelate talked about back channels. Of course, they are important in conflict resolution—be they long-standing or new conflicts—and should remain open. We are working through our very senior officials, who know the parties and the personalities, including our special envoy, who has engaged extensively. As someone who has been Minister for a while, I know that those relationships matter to be able to unlock some of the more difficult issues.

However, we have made our own assessment with key partners. As I said to the noble Lords, Lord Purvis and Lord Collins, in my earlier response, we are working with Gulf partners and recognise their important role and influence—and Egypt's role—in bringing about an immediate ceasefire for the short term, and then bringing parties together.

Of course, there are many levers open to us, not just diplomacy but strengthening, for example, some of our key messaging. As I said to the noble Lord, Lord Collins, there can be no winners. If one or the other of the two sides is thinking that they can prevail because they have air power, or because they have control of the airport and so forth, we are making things clear in all our engagements, and consistently through the troika and quad and engagements with our Gulf partners. That is done in a very structured way. So, whether it is one of our Gulf partners having those conversations, through back channels or directly, or it is us or one of our other key allies such as the United States, the message received by all sides is a consistent one: put your arms down now, cease fire immediately and then let us talk peace and negotiate a truce on the ground.

Baroness Suttie (LD): My Lords, I refer noble Lords my entry in the register of interests and my work in Sudan. I want to associate myself closely with the remarks of my noble friend Lord Purvis, particularly regarding the urgent need to establish safe channels for injured civilians and foreign nationals to leave. I welcome what the Minister has said in that regard. Does he agree that there is a very real risk that this conflict could become a regional proxy war? Can he also say whether we are working with others in planning to provide essential humanitarian aid such as medicines and water? I know that he said a little on that just now, but I wonder whether he could say some more.

Lord Ahmad of Wimbledon (Con): My Lords, I recognise the important work that the noble Baroness had done in Sudan. Of course, I recognise her commitment. On her second question, yes, but it is planning. As I said earlier, we have humanitarian aid workers being attacked indiscriminately for doing their jobs in providing support, be it food supplies or medical supplies. Of course, we are working very closely with our UN partners in particular and, as I said, with IGAD and the African Union. Indeed, the SG of the AU has also suggested an intervention, but at the moment the situation on the ground means that Khartoum airport cannot be accessed and accessibility through land routes is equally challenging.

On the widening of the conflict, tomorrow we have a Question on the situation in South Sudan. Let us not forget that South Sudan is heavily reliant on access routes from Sudan, be it through the air or through the River Nile. So, we are cognisant that this issue of lack of accessibility for humanitarian support is not limited to ordinary Sudanese civilians; it has wide-ranging impacts across the region. Certainly, we are monitoring the impact that is having in the immediate neighbourhood, particularly in South Sudan, which itself is continuing to suffer from immense political and economic vulnerabilities.

Viscount Waverley (CB): My Lords, I remember many a year ago the British ambassador rank briefing me—or warning me—about the consequences of activities in the Sahel. If I may, I will add to the powerful remarks of the noble Lord, Lord Purvis, and the right reverend Prelate. I remember I had recent occasion to sit with the Libyan Foreign Minister, who pointed out that there are difficulties in the south of that country in matters relating to infiltration by the Wagner Group.

Moral condemnation of the Wagner Group in itself is not the sole answer. What is being done to improve governance and security in the countries most affected by the Wagner Group? What is known about the longer-term specific agenda of the Wagner Group in Africa in its deployment of economic and political interventions to deepen violence and corruption? Finally, what can be done to curtail the activities of that group, including uniting pan-European activities? The British have had personnel in the region—I am not sure what their status is at this time—but the French have had a large pull-out from the region. What on earth can be done about this situation?

Lord Ahmad of Wimbledon (Con): My Lords, the noble Viscount raises specific questions, particularly on the activities of the Wagner Group. On the surface, there is no immediate information about Russian or proxy involvement but, as I alluded to earlier, the fact is that the Wagner Group is very sophisticated in its approach. This is no ordinary mercenary group: it has a specific model of influence, with an extension of destabilisation and economic dependency. Notwithstanding Russia's denials, we of course know of its direct links with the Russian state. We also know of the clear evidential base for its involvement elsewhere on the continent.

I assure the noble Viscount that, working across government, we are very much seized of its role not just in the African continent but further afield. We have seen, for example, what is happening in Ukraine. We will continue not just to be vigilant but to ensure that we have a full sense of the role of the group and its influences across different parts of the world, particularly Africa. But the challenge remains that where it sees vulnerabilities and where gaps are created, it very quickly fills them with the option of coming in to provide not just some kind of de facto security support but an economic lifeline. That may mean that deals are done with certain countries—or certain leaders in certain parts of the world—which may be of personal benefit to the then leader. That gives the assurance of its sustainability as a group within that country or region. I once again assure the noble Viscount that we are very cognisant of the increasing and destabilising influence and role of the Wagner Group, but its operation is both sophisticated and intent on exploiting destabilisation.

Baroness Bennett of Manor Castle (GP): My Lords, late last year the UNFPA estimated that there were 2.7 million women and girls in Sudan in need of gender-based violence protection, mitigation or response services. It was noted that women human rights defenders were being targeted particularly hideously. Of course, the current situation is extremely tragic and volatile. We are talking about immediate emergency responses but does the Minister acknowledge that it is important, wherever possible, that even in these acute circumstances the UK applies a gender-based lens? It should look at providing whatever protection it is possible to provide while also thinking about ways in which peace can be made or, at least, some kind of stability can be achieved, with an end to the fighting. Experience from other places shows that the involvement of women and girls can be really important. Will the Government work for that when it is possible?

Lord Ahmad of Wimbledon (Con): The short answer to the noble Baroness is: absolutely. I recognise fully, as we all do, the importance of engaging women in bringing about conflict resolution and their role in ensuring that peace is sustainable. If evidence is needed it is there: when women are involved in both bringing about and sustaining peace, peace agreements last longer, while societies are more stable and prosperous, and move forward quickly. However, as the noble Baroness recognises, the reality on the ground is that we are far from that.

We have invested a great deal over many years in various initiatives to empower women and ensure that girls enter education. I alluded earlier to my own visit to Darfur, on the preventing sexual violence in conflict issue. The tragic consequence of the past conflict in Darfur was still having an impact. When I met some leaders of a local council, I asked "Where are the women leaders?" There was one brave woman who came forward. While they spoke through an interpreter, it was clear to me that the leaders around her, who wished to give me a much rosier picture than the truth, were—how can I best state it diplomatically?—not very happy with her presence there. I give all praise to her courage, but the fact was that even in that slightly more stable situation, women were not being engaged effectively in any shape or form.

We are a long way off from that being a reality in Sudan. However, the reality is in recognising that if peace prevails, any negotiations need to be inclusive of all communities. We will certainly make that case, along with our partners. The right reverend Prelate talked about different religious leaders but, ultimately, it needs to be inclusive by ensuring that women play their rightful part at the table, in a pivotal way, to ensure that peace can be first brought about and then sustained.

Machetes: Consultation

Statement

The following Statement was made in the House of Commons on Tuesday 18 April.

"With permission, Mr Speaker, I will make a Statement on legislative proposals to tackle the use of machetes and other large knives in crime.

Knife crime causes misery and fear in our communities, which is why over many years this Government have taken concerted action to tackle it. We are pursuing a twin-track approach, combining tough enforcement with prevention and intervention as we relentlessly bear down on violent crime, and we are supporting the police every step of the way in that effort. We have

given forces more powers and more resources to go after criminals and take knives and dangerous weapons off our streets, and we have legislated over time to tighten the law.

The results are clear to see. Since 2019, the police have removed over 90,000 knives and dangerous weapons through stop and search, surrender programmes and other targeted police action. Violence, as measured by the crime survey, is down by 38% since 2010, and hospital admissions as a result of injuries caused by a bladed article and where the victim is below the age of 25 are down by 24% since 2019. This is really important work: every knife or weapon taken off the streets has the potential to save lives. We have also invested significantly in violence reduction units to bring together agencies to tackle the drivers of serious violence at a local level. We have introduced Grip—hotspot policing to tackle enforcement in areas with particular problems—and have established the £200 million youth endowment fund to fund innovative diversionary activities.

The combination of violence reduction units and targeted hotspot policing has prevented an estimated 136,000 violent offences in the first three years of funded delivery, and tomorrow we will launch a pilot of serious violence reduction orders to give the police an automatic right to stop and search convicted knife offenders. Every offender issued with an SVRO will face an increased likelihood of being stopped by the police and, if they persist in carrying weapons, will be sent back to prison or brought before the courts. That follows the start of the offensive weapons homicide review pilot on 1 April, which will see local partners work together to review the circumstances of certain homicides where the death of a person aged over 18 is likely to have involved the use of an offensive weapon.

Through our police uplift programme, of course, we are recruiting thousands more officers—we will get the figures next week, but we confidently expect those to confirm that we have record numbers of police officers in England and Wales. That is something that I am sure Members across the House will welcome very strongly, along with the 38% reduction in violence since 2010.

However, as the public would expect, we keep our approach under constant review, and where improvements can be made, we will not hesitate to act. It is in that context that we have today launched a seven-week consultation on new proposals to go even further to tackle the use of certain machetes and other bladed articles in crime.

The UK already has some of the strictest knife legislation in the world, and the police already have broad powers to tackle knife crime. Our new proposals to go even further have been developed in co-operation with the National Police Chiefs' Council knife crime lead, but also in consultation with Members of this House who have brought forward constituency cases illustrating the need to go further.

I pay particular tribute to my honourable friend the Member for Southend West, Anna Firth, who brought forward an example of a knife that was legal that was used in an offence in Southend. That knife will be illegal once these changes are made. I also pay tribute to my honourable friend the Member for Walsall North, Eddie Hughes—I see him in his place—who also highlighted constituency cases of knife crime. Finally, my right honourable friend the Member for Chelsea and Fulham, Greg Hands, raised the case of one of his constituents, who was robbed using a machete in broad daylight on the streets of Chelsea. I thank those Members and others for bringing these issues to the attention of the Home Office, and it is in response to their constructive campaigning and to the police that we are taking even further action today.

We have identified certain types of machetes and large outdoor knives that do not appear to have a practical use and appear to be designed to look menacing and to be favoured by those who want to use knives as weapons. We intend to ban those weapons, going further than the weapons ban already introduced in the Offensive Weapons Act 2019, particularly under Section 47, with which I am sure Opposition Members are familiar. That means it will be an offence to import, manufacture, sell or supply any of these weapons. We also believe that the criminal justice system should treat carrying prohibited knives and offensive weapons in public more seriously, to better reflect the severity of the offences, and we are consulting on that point.

In addition, we are proposing to toughen the current penalties for selling prohibited offensive weapons and for selling bladed articles to under-18s. Under our proposals, the maximum penalty for those offences would be increased to two years' imprisonment. We are also consulting on whether to provide the police with additional powers to enable them to seize, retain and destroy bladed articles of any length held in private where they are intended for criminal use, or whether the powers should be limited to articles of a certain length. We consider that to be a proportionate response. When discussing it this morning in Brixton police station with the National Police Chiefs' Council lead, they certainly strongly welcomed those additional powers.

Finally, we are consulting on whether it would be appropriate to mirror firearms legislation and introduce a separate offence of possessing a knife or offensive weapon with intent to injure or cause fear of violence, with a maximum penalty higher than the current offence of straight possession. In addition to publication on GOV.UK, I will place in the Library copies of the consultation document and the accompanying impact assessment, and I encourage Members on both sides to respond to that.

Knife crime is a menace that has no place in society. It can destroy families and leave lives devastated. We have shown time and again that this Government will always put the interests of the law-abiding majority and victims first. We have given our police forces more officers, we have given them more powers, and now we are seeking to go even further. We are relentlessly focused on driving down crime, and I trust that Members on both sides of the House will support these measures."

7.54 pm

Lord Coaker (Lab): My Lords, yet another Statement on what the Government propose to do on knife crime—a crime which, as we speak, is devastating lives and ripping families apart. Since 2015, knife crime has risen across the country by 70%, according to the

[Lord Coaker]
Office for National Statistics, with the whole country affected. It is just four years since the Offensive Weapons Act but here we go again: 173 youths have been fatally stabbed since 2016. The statistics that the Government always use—namely, those of the Office for National Statistics—tell us that last year, the number of people killed with a knife was the highest in 76 years. How does that fit with the Government telling us what it seemed they did in the other place: that there is no real problem and it is all good news?

In its brilliant feature today on knife crime, the *Daily Mirror* points out many of the problems and their scale. Can the Minister explain why this Statement proposes yet another consultation on banning zombie knives? This is the fifth such pledge about banning them. In 2016, a ban was pledged. What happened? It was followed in 2017 by the next Home Secretary pledging another ban. What happened? In 2018, the next Home Secretary pledged another ban on zombie knives. What happened? In 2021, the then Home Secretary pledged such a ban. What happened? Here we are again: the Government pledge action and have another consultation, so will we get action this time? Can the Minister confirm that we will, on the fifth occasion of pledging a ban on zombie knives, actually get one?

Can the Minister explain why we need a consultation to tell us that a sword of 49 centimetres in length, rather than 50 centimetres, should be banned? Why is a 16-inch "First Blood" Rambo knife not already banned? Why can a 40-inch samurai sword be bought? People are appalled that this type of weapon is available, notwithstanding everything the Government continue to say. The consultation talks about banning fantasy knives but what about swords that fall short of the 50-centimetre length?

Has the Minister seen what you can actually buy online? I went online today, just to check. With a couple of clicks saying that you are over 18, on many such websites—and no actual age verification—all sorts of swords and knives are available. How on earth can that carry on? With no proper regulation, dangerous weapons are openly sold on the internet to people of all ages. What is going to be done about it?

The serious violence strategy was launched in 2018 but has never been updated. When can we expect that? Does the Minister regret that only now are we seeing police officer numbers returning to their 2010 levels, after the catastrophic mistake that was made to cut thousands of them and take them off our streets? Can the Minister say anything about prevention and what measures the Government are introducing to support local authorities, police, communities and other groups, including churches and other faith organisations, to tackle this shocking problem?

Knife crime is a very real problem and further urgent action is required. There are loopholes in the current law which must be closed—and now. Zombie knives and machetes are currently the weapons most frequently used in knife attacks. They can be sold online if they do not feature words or images suggesting violence. They are illegal to carry in public but not to keep privately. Online purchasing is easy, even illegally for under-18s. It has got to stop, and stop now. It is not more consultation that is needed but action—action now to keep our streets safe and bring the level of knife crime down. The Government need to act not with more consultation but with action.

Baroness Suttie (LD): My Lords, I am grateful to the Minister for responding to this very important Statement. The measures in the consultation and the decision to ban machetes and certain types of large outdoor knives that serve no practical purpose are eminently sensible and broadly to be welcomed.

Far too many lives have been destroyed by serious knife crime violence and far too many families have been devastated as a result. However, I fear these measures alone will not be enough to reduce instances of violent knife crime. A visible police presence on our streets would make a very real difference. We also need to restore trust between the police and the communities they serve. Research from His Majesty's Inspectorate of Probation finds that many who carry knives do so because they believe

"the police and authorities will not protect them and so they must protect themselves".

Could the Minister indicate how the Home Office is attempting to restore trust between the police and their communities?

The Minister in the other place talked about the Government introducing legislation to ban machetes and zombie knives, but, as the noble Lord, Lord Coaker, has just said, the Government are actually announcing a seven-week consultation on the issue and not new legislation. Why are the Government not introducing urgent legislation to ban these dangerous weapons, rather than consulting on the issue?

What proportion of knife crime offences are carried out using the types of weapons covered by the Statement? What is to stop determined criminals or domestic abuse perpetrators reaching for equally deadly alternatives that fall outside the weapons covered in this consultation? What reduction in knife crime offences do the Government expect to see as a result of banning the weapons contained in this Statement?

Again, as referred to by the noble Lord, Lord Coaker, can the Government explain how they intend to crack down on the overseas websites where many of these knives are sourced? The Minister in the other place talked about coming down hard on retailers, but how do the Government intend to take enforcement action against retailers beyond their legislative reach? Can the Government explain how the proposed legislation will prevent determined criminals from purchasing such weapons online from overseas suppliers?

The Minister in the other place talked about the numbers of police officers. What is the number of community support officers currently in England and Wales compared with 2020? Police community support officers spend the majority of their time providing a visible and reassuring presence on the streets. What plans have the Government to replace the one-third of PCSOs lost since 2010?

I appreciate that this is rather a lot of questions. If it is not possible to respond to them all this evening, perhaps the Minister can write. We believe that this Statement is a step in the right direction, but the implementation and details will be absolutely key.

The Parliamentary Under-Secretary of State, Home Office (Lord Sharpe of Epsom) (Con): My Lords, I thank both noble Lords for their contributions. Before I answer the specific questions that have been asked of me, I would like to go back to the statistics, as the noble Lord, Lord Coaker, brought the subject up.

I will preface my remarks on statistics by saying that it is a very dry subject. It is uncomfortable, frankly, talking about statistics, because behind every single one there is a life lost, a life ruined, families ruined and all the rest of it. So I want to make it very clear that, while trends are improving—I am afraid I will contradict some of the noble Lord's statistics—none the less I recognise that lives have been ruined, and that is very much the case behind all these statistics.

The latest police recorded crime figures, published by the ONS in January for the year ending September 2022, show that knife-enabled crime recorded by the police in that year remained 8% lower than the pre-coronavirus pandemic levels for the year ending March 2020. Levels of knife-enabled crime fell to 45,595 offences in the year ending September 2021 because of government restrictions on social contact. Levels increased by 11% in the year ending September 2022 but were still below pre-coronavirus levels.

Police-recorded possession of an article with a blade or point offences were higher in the year ending September 2022 than the year ending March 2020. There was a 17% increase compared with the year ending September 2021. That was partly influenced by increases in targeted police action to tackle knife crime.

Of all recorded homicides in the year ending September 2022, the proportion of homicides where a knife or sharp instrument was the method of killing was 39%. That was similar to the year ending March 2020 and a slight decrease compared with the year ending September 2021. The current homicide level is 8% below the pre-pandemic level. The latest ONS crime statistics showed a 2% rise in homicide in the year ending September 2022.

My right honourable friend the Minister for Policing in the other place pointed out that perhaps some of the most pertinent data relates to provisional admissions to NHS hospitals in England and Wales for the year to September 2022. It shows that admissions for assault by a sharp object for under-25s were 11% lower than the year to September 2021. The number of admissions was 20% lower in the year ending September 2022. The latest provisional data shows that admissions for assault with a sharp object for all ages are 5% lower.

As I say, I appreciate that these are very dry statistics. My right honourable friend in the other place also reported that the Crime Survey for England and Wales pointed out that violent crime reduced by 38% from 2010 up to September 2022. So I would suggest that it is not quite the picture that was painted. That is not to say that there is not more to do; that is the point of this consultation.

I agree with both noble Lords that obviously something needs to be done about these types of knives. The police tell us that they are increasingly seeing machetes on the streets, in particular the types of machetes that we intend to ban. Obviously, when particularly large knives and machetes are used, this creates great distress and alarm, not only for the victim but for the wider community. The people wielding these weapons aim to terrorise their victims and onlookers and clearly that cannot go on.

We are taking action on several fronts. Banning these machetes and knives will remove the types of weapons which appeal to the criminals. At the same time, we are increasing the maximum penalty for the offence of importing, selling and manufacturing these items. We want to send a very clear message that the industry should behave more responsibly.

Of course, it is important to balance concerns about public safety with the right for individuals to own and use the tools that they need for their jobs and pastimes. The vast majority of people who own and use knives and machetes do so responsibly, so we believe that the ban should be targeted at those types of machetes and large knives which appear to have been designed to look intimidating and which, frankly, have no practical purpose. We will remove types of weapons which will appeal to criminals.

That is the background to the consultation, which, as noble Lords know, will be of relatively brief duration. It will last for seven weeks until 6 June.

On the other actions that the Government have taken, it is unfair to say that nothing has been done despite various former Home Secretaries' statements. I will go through a list of some of the things that are yielding very positive results. For example, we have talked previously in this House about violence reduction units and Grip; £170 million has been invested in violence reduction units since 2019, and it estimated that they have prevented 136,000 offences taking place in the 20 pilot areas. Noble Lords will be aware, I hope, that serious violence reduction orders are being piloted as of yesterday. The pilot for KCPOs—knife crime prevention orders—concluded at the end of March. The data is being evaluated by the Metropolitan Police and, I believe, University College London, and we expect to hear more fairly soon.

Both noble Lords raised the subject of police numbers. The official announcement on the police uplift programme will be made next week and I am not going to pre-empt it. What I can say, and my right honourable friend in the other place also mentioned this, is that, for example, the Metropolitan Police currently has 35,000 members and that is the largest number on record that it has ever had.

While we are on the subject of the Metropolitan Police, I appreciate the points that the noble Baroness raised about neighbourhood policing. They are perfectly pertinent. Of course, it remains an operational matter and something that should be determined between chief constables and their elected police and crime commissioners. My right honourable friend in the other place has had conversations with the commissioner, Sir Mark Rowley, about this, and he has said that he intends to place emphasis on neighbourhood policing. Again, my right honourable friend in the other place spent some time with a sergeant in Brixton, in Lambeth, and he confirmed that the number of neighbourhood policing units across the three wards he looked after

[Lord Sharpe of Epsom]
had gone up already. I hope that that trend continues across other forces, because clearly it makes a major difference.

As regards the retail of such things, as noble Lords have pointed out, currently there is a voluntary agreement with major retailers on the responsible sale of knives, and that has been in place since 2016. I will not go into more detail on that because it is reasonably well understood. I am reassured that the Online Safety Bill that was discussed in this House earlier today deals with some of the online issues. Again, I appreciate that, as it stands, some of these things are readily available online. But it is an offence to sell a prohibited article. That applies particularly to the age-verification and under-18s situation. I appreciate it is probably very difficult for retailers to reassure themselves about these matters, but it needs to happen.

With regard to other aspects of the Government's work, a significant amount of money is going into the youth endowment fund. Stop and search, a subject of some contention in your Lordships' House, has removed 90,000 knives since 2019. The Met reports that it is removing some 350 to 400 knives a month. We are starting the offensive weapons homicide reviews. I agree that there are loopholes and they need to be closed. That is the point of this consultation. We need to act reasonably swiftly, although in a proportionate way, to remove these things. That is why the consultation is taking place as it is and is only seven weeks in duration, and I hope that I will be able to return to your Lordships' House reasonably soon with some very good news on this subject.

House adjourned 8.12 pm.

Grand Committee

Wednesday 19 April 2023

Arrangement of Business

Announcement

4.15 pm

The Deputy Chairman of Committees (Baroness Pitkeathley) (Lab): My Lords, as your Lordships know, if there is a Division in the Chamber while we are sitting, this Committee will adjourn as soon as the Division Bells have rung and resume after 10 minutes.

Microchipping of Cats and Dogs (England) Regulations 2023

Considered in Grand Committee

4.15 pm

Moved by ***Lord Benyon***

That the Grand Committee do consider the Microchipping of Cats and Dogs (England) Regulations 2023.

Relevant document: 35th Report from the Secondary Legislation Scrutiny Committee

The Minister of State, Department for Environment, Food and Rural Affairs (Lord Benyon) (Con): My Lords, the purpose of this instrument is to introduce compulsory cat microchipping in England, delivering one of the Government's key manifesto pledges. This measure was supported by 99% of respondents to our public consultation, which received over 33,000 responses.

Microchipping improves animal welfare by increasing the traceability of pets, making it easier for lost, stray or stolen pets to be reunited with their keepers and returned home safely. Microchipping is a safe procedure involving the insertion of a chip, generally about the size of a grain of rice, under the skin of a pet. Once the microchip has been inserted, contact details are registered with a compliant database. The regulations also include provisions that relate to ensuring that microchips are inserted by competent people.

Since the Government introduced compulsory dog microchipping in England in 2016, around 90% of dogs are now microchipped. Evidence suggests that stray dogs that are microchipped and have up-to-date microchip records are more than twice as likely to be reunited with their keeper than stray dogs without a microchip.

There are over 9 million owned cats in England, but as many as 2.3 million are currently not microchipped. These measures are intended to address this. From 10 June 2024, any owned cat over the age of 20 weeks must be microchipped and the keeper's contact details registered on a compliant database. There is an exception to this, where a vet certifies that the procedure should not be carried out for animal health reasons. However, I reassure your Lordships that this exception is rarely used. These requirements apply only to owned cats; they do not apply to free-living cats that live with little or no human interaction or dependency, such as farm, feral or community cats.

As with the existing requirements for dogs, keepers found not to have microchipped their cat may be served with a notice by the enforcement body, which will usually be the local authority. If they do not comply, they may face a fine of up to £500, and the enforcement body may also arrange for the cat to be microchipped at the keeper's expense.

This instrument also repeals and replaces the Microchipping of Dogs (England) Regulations 2015, bringing all the measures into a new single instrument covering both dogs and cats. There are no substantive changes to the existing provisions covering the requirement to have your dog microchipped, although we have taken the opportunity to make technical drafting changes where we considered the existing text would benefit from further clarity. Animal welfare is a devolved issue and therefore these regulations apply to England only.

Noble Lords may be aware that, last year, the Government also consulted on wider pet microchipping reform designed to improve the operation of the existing regime. This includes plans to: make it easier for approved users to access microchip records; improve the accuracy of the records; and standardise database operator processes. We will be issuing our response to this consultation shortly. However, I can reassure noble Lords that we are planning to come forward with amending regulations in due course to implement these improvements. I beg to move.

Baroness McIntosh of Pickering (Con): My Lords, I welcome these regulations. I was chair of the Environment, Food and Rural Affairs Committee in the other place and, as my noble friend will recall, we took great interest in this.

My view is that this measure will be successful only if it is properly enforced. Given that that the penalties will, I presume, be similar to those imposed for a breach of the obligation to microchip dogs, how many fines have been imposed for failure to comply with the obligation to microchip dogs? Does my noble friend share my frustration that we are still 10% short of the magic 100% figure for dogs? It is hoped that the obligation to microchip cats will bring it up to that level. Is that the Government's ambition, or are they aiming even higher than that?

At the moment, there is the vexed issue of dangerous dogs doing damage. Often, they attack a person in a public place. I assume that these dogs will be microchipped. To what extent does my noble friend think that the Government's current obligation to microchip dogs is successful in identifying and tracing dogs that commit a grievous injury or fatality in a public place?

On the exemption, I presume that there will be potential for a feral cat to cross over and commit an injury such as biting or scratching a perfectly innocent bystander, which we know can have very significant effects. Obviously, they have no owner, so what happens in that situation, in terms of identifying the feral cat and bringing it to justice, as it were?

My final question is about the continuous issue of what I think are called boiler-house dogs: the breeding of multiple pups which, when they are not sold, are

[Baroness McIntosh of Pickering]
unlikely to be microchipped. For the sake of completeness, what is the Government's policy in that regard? I understand from press reports that these dogs are literally dumped on the streets and taken in by cats and dogs homes, such as Battersea Dogs & Cats Home, for whose work we are grateful. Is that occurring more than it was before and is there a similar problem with cats and kittens?

Lord Trees (CB): My Lords, I draw attention to my interests as declared in the register and as co-chair of the All-Party Parliamentary Group for Animal Welfare and as a veterinary surgeon.

I very much welcome this statutory instrument and the inclusion of cats. I also welcome the fact that there is no legal requirement in these regulations that vets must scan a dog prior to euthanasia. This matter has been of some considerable public interest, but the Government deserve credit for recognising that not only the veterinary profession but many of the dog and cat bodies—such as Cats Protection, Battersea Dogs & Cats Home, Dogs Trust, PDSA and others—have similarly opposed a legal requirement to scan prior to euthanasia. All these bodies have advocated that that should be a matter for professional codes of practice. Indeed, the Royal College of Veterinary Surgeons has done so and has incorporated in its code of practice appropriate advice but ultimately gives veterinary surgeons powers to use their discretion. The reason is that a legal requirement could adversely affect animal welfare. In certain circumstances, it could deter individuals from bringing sick or injured animals to a veterinary surgeon if they thought the veterinary surgeons were essentially policing this microchipping requirement. That would be adverse for animal welfare.

One regret I have, which I think I share with many in our profession and many who are required to scan animals, is that there has been no attempt to reduce or limit the number of databases holding microchip information. I understand that currently, there are 22 different databases for dogs, which are fulfilling the Government's current requirements to hold data. That creates an unnecessary and excessive burden, both on those required to put in chips and record the information and on those who need to recover the information from scanning. However, I note that there are now two portals to assist one in determining which database contains the relevant information for any particular animal. One is run by the Kennel Club and one by AVID, a manufacturer of microchips, but these are private initiatives. One hopes that they are maintained to facilitate the examination and identification of microchips.

I very much welcome this instrument, which makes a significant contribution to reuniting dogs and cats with their owners and, importantly, to the rapid identification and potential treatment of injured dogs and cats.

The Earl of Caithness (Con): My Lords, I welcome this long-overdue statutory instrument. I am grateful to my noble friend Lord Benyon for introducing it. I have one specific question for him, to which I really do not know the answer. Why has he chosen 20 weeks for a cat under Regulation 3(2)(a)? A cat must be older than 20 weeks, whereas a dog must be older than eight weeks. Why is there a difference?

We do not often talk about cats—it is a long time since we have had a debate on them. I am a great admirer of those lovely animals, because there is no better animal for putting a human being back in their place than a cat. However, as I have spoken about before, I am concerned by the damage they can do to wildlife in gardens, particularly birds. That problem has been exacerbated by avian flu and by humans in the way we feed birds. Research has shown that a lot of small garden birds are catching disease because, through our very best intentions, we put out a feeder and fill it up weekly but do not clean the feeder, which is what is spreading the disease to birds. Therefore, birds will be weaker and easier for cats to catch. A responsible owner will of course put a bell on their cat; excellent research has been done on this by SongBird Survival and the University of Exeter. Can my noble friend comment on whether the department is taking any more action on this or encouraging us humans to behave better? It is quite easy with domesticated cats; feral cats are a different problem. Is my noble friend taking a different attitude towards them?

Baroness Doocey (LD): My Lords, I too very much welcome this instrument, which is long overdue. I was quite shocked when I looked up the figures for how pet theft has rocketed: in my part of the world, south-west London, Metropolitan Police figures show that between 2016 and 2021 dog theft went up by 81% while cat theft went up by 325%, which I found extraordinary. Someone must be making quite a lot of money out of this.

I welcome most of the recommendations, which are very good, but I am concerned that the Government's review of dog microchipping found quite a few areas that needed to be addressed, which I wonder if the Minister will respond to. One is the fact that the database system is so complicated, particularly for vets. When they have a life-or-death situation where an injured animal is brought in, sometimes it is very difficult for them to contact the owner and they have to go to multiple places to find this out.

Owners also need to be made much more aware that it is not a question of just microchipping their cat or dog; they then have to update the information. The number of owners who think that, once they have microchipped the animal, they do not need to do anything else is amazing. There are huge numbers of cats and dogs and other animals that have been microchipped whose owners' information is about 10 years out of date, because they have moved house or changed their telephone number, and there is no way of getting hold of them.

In the USA, they have an annual Check the Chip Day, which sounds like a good idea. An even better idea, in Australia, is that you have your cat or dog chipped and then get an email reminder. It is very simple for one of the microchip companies just to email everyone on their database once a year just to remind them to update their details; I would have thought that that would be a good idea.

4.30 pm

Enforcement needs to be more effective—a point that has been made by all the charities. It is unlikely that, if somebody does not microchip their cat, it is going to be enforced. If it is, the chances of them being fined are, I think, quite slim. Maybe the Minister could reassure us on that. I am also concerned that, although £25 does not sound like a lot of money, for some elderly people, particularly in a single household, who are living on the state pension, finding £25 to microchip their cat might be quite difficult, and the cat might be the only companion they have. Could there be a discount for that group of people?

Finally, could the Minister give us an assurance that this will actually take place—that from 10 June it will happen—because a lot of the provisions agreed in SIs are not always immediately implemented?

Lord Black of Brentwood (Con): My Lords, I declare an interest as a patron of International Cat Care. I warmly welcome these regulations and the Government's action in this area. Over the years, I have had the pleasure of working with Cats Protection, which has campaigned vigorously on this issue and deserves great credit for sticking to it—and many other charities—to achieve this important change in the law.

I am the proud owner of a microchipped rescue cat but, as my noble friend said, 25% of owned cats in the UK are not microchipped, leading to huge problems with stray cats, many of which end up being rehomed needlessly when they get lost. It would also help, as the noble Lord, Lord Trees, said, with those tragic occasions when cats are run down or grievously injured in some other way, giving owners much anguish, as they worry about the fate of a beloved pet. Microchipping would help enormously with that.

One other point that I would like to make on that theme is that, as the noble Baroness said, there is a cost to microchipping, which may be an added burden for many struggling with bills at this time. I am delighted that, from this summer, Cats Protection will expand its subsidised scheme to assist people on low incomes to get their cats neutered and microchipped. That will go some way to dealing with some of the issues that the noble Baroness rightly raised.

In the world of animal welfare, there is always another challenge, and I agree with my noble friend that it is time that we had another debate on cats and dogs and other domestic animals—it has been a few years now. This important hurdle having been crossed, we still have the issue of pet smuggling and pet theft to deal with, as the noble Baroness said. I hope that it will not be too long before we see the return of the kept animals Bill, which will deal with some of those issues. I wonder whether my noble friend could very kindly give us an update on that.

Baroness Anderson of Stoke-on-Trent (Lab): My Lords, I thank the Minister for providing an overview of this very important statutory instrument and also thank his team for the helpful briefing that it provided.

The issue of microchipping cats has been widely consulted on, and these regulations are, of course, supported by His Majesty's Opposition. Let us be clear why we are here today: one-quarter of all owned cats are not currently microchipped, which compares unfavourably to their canine friends, as only 10% of dogs are not chipped. While that statistic is surprising enough, the scale of the problem is compounded by the fact that 59% of cats taken in by Battersea Dogs & Cats Home and 80% taken in by the Cats Protection adoption centres were not chipped. That can truly be heartbreaking for those pet owners who have lost their feline friends and cannot be reunited with them. As a proud nation of animal lovers, we must do better, which is why these regulations are so important. However, I would like to ask the Minister a couple of questions related to the implementation of the regulations.

Can the Minister confirm that the department is in discussions both with local authorities and with the relevant charities to ensure support for those who will struggle to meet the financial obligations associated with the implementation of the regulations, as has been highlighted?

On a further point, Rebecca Pow, the Minister in the other place, this week suggested that a further SI would follow regarding the microchipping database system and the need to have a standardised system in place for relevant parties to access. Can the Minister inform us as to when we should expect both the SI and sight of these plans to streamline the 22 current systems?

I would also be grateful if the Minister could provide your Lordships' Committee with the definition his department and relevant stakeholders will be expected to use to differentiate between owned, feral and community cats.

We all want nothing but the best for our pets and those animals which we see in and around our communities every day—or currently on the campaign trail—which is why the Labour Party supports this statutory instrument. I pay tribute to the animal welfare organisations which have campaigned on this issue for many years and brought it to our attention, most notably Battersea Dogs & Cats Home, Cats Protection and the RSPCA, whose work we recognise today.

Lord Benyon (Con): I am grateful to noble Lords for their important contributions to this debate and for the support for the compulsory cat microchipping provisions. I join the noble Baroness in paying tribute to Battersea Dogs & Cats Home, Cats Protection, the RSPCA and other organisations which have long campaigned for this. I hope that we will see this on the statute book in the very near future—I should just say to the noble Baroness, Lady Doocey, that it will kick in in June 2024.

Microchipping has established substantial benefits for the welfare of our pets and offers peace of mind for their keepers. I am delighted that we are delivering on the Government's manifesto commitment, which is so strongly supported by the public. I will address as many of the points as I can.

On enforcement, the maximum fine is £500. My noble friend Lady McIntosh asked about the implementation of this with regard to dogs: I think almost 500 people have been fined for not having had their dog microchipped.

My noble friend also asked what the definition of an "owned cat" is. Colloquially, the term refers to cats that are generally kept as pet cats; free-living cats such

[Lord Benyon]
as farm, feral or community cats that live with little or no human interaction or dependency are not regarded as owned cats. The statutory Code of Practice for the Welfare of Cats will be updated to include the new requirement for compulsory microchipping and provide further clarification that may be needed. We will consider issuing guidance on enforcement to local authorities. Of course it is difficult to define in government and legislative terms something so broad as the life of cats. We know that some move very short distances away from their owners, whereas others live virtually as wild animals.

Microchips are used to identify dangerous dogs. All prohibited dogs which receive an exemption under the Dangerous Dogs Act must be microchipped. It is mandatory to microchip your dog, and since 6 April 2016 it has been a requirement for dogs in England to be microchipped. Puppies over the age of eight weeks must be microchipped and their details recorded on one of the compliant databases. Scotland, Wales and Northern Ireland also have mandatory dog-chipping requirements in place.

We recognise how painful it is for an owner to lose a pet. When I was in the other place, dog theft was a major issue in the Berkshire/Oxfordshire area, and it struck me as a new MP that it was not being taken seriously, particularly by the police in those circumstances. Losing a pet in this way is a horrible crime that completely ruins people's lives, so it is important to be able to work locally and make sure that the profile of that is raised. I know that police and crime commissioners have gone a long way towards making this a much more seriously viewed crime among local police forces. Great work is happening, and we want to make sure that that continues.

On a point mentioned by the noble Lord, Lord Trees, compulsory microchipping will make it easier for deceased cats to be reunited with their owners and for their owners to be informed of the circumstances. Highways England and the majority of local authorities already have procedures in place to scan dead cats and dogs found by the roadside. In addition, we are committed to improving the operation of the microchip databases.

Further on my noble friend Lady McIntosh's point about fines, in fact 421 fines were issued for this offence; 1,126 various summary offences contrary to the Microchipping of Dogs (England) Regulations 2015 have been imposed, with an average of 84 fines per year, the average fine being £204.

Many noble Lords have raised the issue of the databases. The legal framework for database operators that store cat microchip records mirrors that currently in place for dogs. My noble friend is absolutely right: there are 22 separate databases that hold themselves compliant with the legislation, 21 of these also accept cat microchip records and a list can be found on GOV.UK. Our current consultation, to which the noble Baroness, Lady Anderson, referred, will address the point of access to the data on those databases. She is absolutely right: at the moment, you can access under which database it is listed, but then there is a further procedure. We are seeking to create one portal which will enable the veterinary surgeon or whoever is scanning the cat to identify the owner as quickly as possible. We think that is really important. The consultation on the microchip database system reforms closed on 20 May last year. We are currently analysing the responses with a view to introducing reformed measures this year, and we will be issuing a response to the consultation soon.

In response to my noble friend Lord Caithness, dog breeding is regulated under certain circumstances, but cat breeding is not. As puppies can be rehomed from eight weeks of age, the requirement for them to be microchipped by eight weeks ensures that the breeder is the first registered keeper—I am sorry: I cannot remember who raised this. The Government decided to raise the age at which a cat should be microchipped from the proposed 16 to 20 weeks due to responses in the public consultation. This is to allow the procedure to be carried out alongside neutering, which may be routinely carried out up to 20 weeks, so it fits with those specific requirements of cats, as opposed to dogs.

My noble friend Lord Caithness also raised the important issue of wildlife being killed by cats. It is very hard to legislate against this, but millions of birds are killed every year by domestic pets, many of them cats. We of course encourage responsible ownership. There are various things that a cat owner can do to make it harder for it to catch birds—where you put your bird feeder is but one of them—but he raises a very important point. The number of feral cats, although they can be very useful in farmyard settings for controlling vermin, is also part of the problem with killing birds, and we need to see a reversal in the decline of species in this country. We have a very firm commitment, and we are open to any suggestions which can help with responsible pet ownership. It is not just cats: if you watched "Springwatch" last year, you will have seen a dog destroying a redshank's nest on the North Norfolk coast. People must control their pets and be responsible. We recognise that the damage that can be done by irresponsible pet ownership can be devastating to rare species.

We agree with the point made by the noble Lord, Lord Trees, about scanning not being compulsory. We agree with his position and thank him and the royal college for their support on this matter.

4.45 pm

The noble Baroness, Lady Doocey, raised a point about informing the public of their responsibilities for microchipping. Our recent consultation on dog and cat microchipping in England sought views on making it a requirement on microchip database operators to send cat and dog keepers regular reminders to review their records. I am interested by what she says is happening in the United States and Australia, and we are open to all suggestions.

A number of noble Lords raised the issue of cost. The average cost of microchipping a cat and registering with a database is around £25. Although that is affordable for most people, I entirely understand that there are some people for whom it is a considerable burden. We have provided a transition period to allow owners to meet the necessary requirements: they will have until 10 June 2024 to microchip their cat. As my noble friend Lord Black suggested, from this summer Cats Protection will be offering a subsidised cat microchipping

and neutering service for people on low incomes in England—£10 covering both procedures—which will apply to older people on receipt of pension credit or otherwise on low incomes. We pay tribute to Cats Protection for doing this. Other animal charities may also offer free microchipping initiatives from time to time, and any cat adopted from a reputable charity has already been microchipped before it is rehomed.

In 2021, we worked closely with the veterinary profession to find an approach that works for all parties by incorporating the principle of scanning before euthanasia into the guidance that underpins the Code of Professional Conduct for Veterinary Surgeons. The code, which is owned by the Royal College of Veterinary Surgeons, applies to all veterinary surgeons practising in the UK. It requires veterinary surgeons to scan for a microchip in dogs prior to euthanasia, where, in their professional judgment, it is not necessary to put the dog down on animal health or welfare grounds.

The point made by my noble friend Lord Black about the kept animals Bill is very relevant. The Bill was introduced as a carry-over Bill last May. Both this parliamentary Session and the last have been extremely busy, and unforeseen global events, such as pandemics and wars, have resulted in legislation which has squeezed the programme. However, we recognise the importance of this piece of legislation; it is a desired across a number of different sectors of the community, and we support the measures in it.

I thank the noble Baroness from the Opposition Front Bench for her support for the regulations. I hope I have addressed all the points raised. To define precisely the difference between an owned, feral and community cat would test the skills of the parliamentary draftsmen beyond my ability to describe it in my speech. However, I think that there is an accepted view of what an owned animal is and who should have responsibility for it.

I conclude by thanking noble Lords again for their contributions, and I look forward to discussing these issues once more, when we bring forward our proposals for wider pet microchipping reform in due course. I regret that we have not done this in the 14 minutes that it took the other place, but your Lordships are always much more diligent in their questions, and I thank them for that.

Motion agreed.

Licensing Act 2003 (Coronation Licensing Hours) Order 2023

Considered in Grand Committee

4.49 pm

Moved by ***Lord Sharpe of Epsom***

That the Grand Committee do consider the Licensing Act 2003 (Coronation Licensing Hours) Order 2023.

The Parliamentary Under-Secretary of State, Home Office (Lord Sharpe of Epsom) (Con): My Lords, I am before the Committee today to propose the extension of licensing hours in recognition of His Majesty the King's Coronation. I ask your Lordships to support the order to extend licensing hours on Friday 5 May, Saturday 6 May and Sunday 7 May.

Section 172 of the Licensing Act 2003 allows the Secretary of State to make an order relaxing opening hours for licensed premises to mark occasions of "exceptional international, national, or local significance". The Government consider the Coronation to be such an occasion. This will be a period in which we celebrate our new monarch. I am sure many people will want to gather with their family and friends to raise a glass to His Majesty the King and wish him a long and successful reign.

The extension will apply to premises licences and club premises certificates in England and Wales, which license the sale of alcohol for consumption on the premises. These premises will be allowed to remain open until 1 am without having to notify the licensing authority via a temporary event notice, as would usually be the case. The order covers only sales for consumption on the premises after 11 pm. It does not cover premises which sell alcohol only for consumption off the premises, such as off-licences and supermarkets.

Premises that are licensed to provide regulated entertainment will be able to do so until 1 am on the nights covered by the order, even where those premises are not licensed to sell alcohol. This includes, for example, venues holding music events or dances as well as theatres and cinemas. Premises which provide late-night refreshment —the supply of hot food or hot drinks to the public—between 11 pm and 5 am but do not sell alcohol for consumption on the premises will not be covered by the order; such premises will be able to provide late-night refreshment until 1 am only if their existing licence already permits this.

The Home Office conducted a public consultation, which ran from 19 December 2022 to 23 January 2023. The majority of respondents agreed with the extension on the three proposed dates and that it should apply to England and Wales. The consultation also received responses from numerous trade organisations, which were supportive of the extension of licensing hours. The National Police Chiefs' Council and the Local Government Association were both in agreement with the proposed extension to licensing hours for His Majesty the King's Coronation.

I would therefore greatly welcome the Committee's support for this measure to help celebrate a special and historic moment in our national history. I commend the draft order to the Committee. Mine's a pint, God save the King and I beg to move.

Baroness McIntosh of Pickering (Con): My Lords, I warmly welcome this order. This is a very appropriate opportunity to raise a glass in the way that my noble friend suggested. We looked very closely at the issuing of licences under the original ad hoc committee on the Licensing Act 2003 and the follow-up inquiry and continue to take a close interest in that.

I am not suggesting that it should be extended, but what is the thinking behind applying the extension to three days only and not to the bank holiday Monday?

If I have understood correctly, the fee has been kept at £21. That is very welcome, as it is mindful of the constraints under which the licensed premises operate.

[Baroness McIntosh of Pickering]
One reason why this is an excellent idea is to recognise what a hard time our hospitality sector has had coming out of Covid.

I think all of us look forward to supporting the industry in this way to the best of our ability—within moderation, obviously.

Lord Rennard (LD): My Lords, I looked at the 2003 legislation, which permits such variation as proposed here, and noted, as the Minister did, that such relaxation is allowed to mark occasions of "exceptional national significance". Even the most ardent republican could hardly argue that the Coronation this year will not be an exceptional event or matter of national significance. In fact, no one in this country under the age of 70 has been alive while there has been a Coronation, so it must fulfil that criterion. I will raise a couple of questions about the consultation process and perhaps go a little wider than this immediate measure.

First, in relation to this measure, I query whether it remains sensible for things such as this to be considered as part of the brief of the alcohol policy team at the Home Office. Given concerns about alcohol misuse, would it not be more appropriate for it to be handled by the Department of Health and Social Care rather than the Home Office?

Of course, I recognise that a number of stakeholders are involved in such a consultation, but it seems to me that some sort of qualitative analysis is needed rather than a quantitative one. I noted that around 50 responses were received. We are told that 37 or so were in favour and 11 were against. You could say that this means that 75% support it, so we should too, but I do not think that is a very good way, in public policy terms, of handling a consultation. The consultation is rather smaller in scale than that for the previous subject we discussed, which was on the microchipping cats and dogs. For that, there were 33,000 responses, but for the issue of these licences there were 50. It seems to me that, in considering a consultation on such issues, we should look at where the various stakeholders may be coming from—for example, the hospitality industry, the police and security, and health services. The Government engaged a very good list of consultees, but to answer every point with "Yes" or "No", "For" or "Against", with only one open question, does not really deal with the nub of the issues.

It would, perhaps, make more sense to list the responses from the hospitality industry about whether it welcomes this as a boost after a particularly hard two or three years or whether it thinks that it would cause problems for its staff. We perhaps need to hear separately from the police and those involved with neighbourhood policing issues about whether they consider it appropriate. We would also like to hear from the Department of Health and Social Care, trade associations concerned with beer, pubs, wine and spirits, and groups such as the Institute of Alcohol Studies and Alcoholics Anonymous about any consequences that they might see. That might help us form a better approach to assessing whether this is an appropriate measure. However, I certainly think it is, and it has my full support.

Lord Coaker (Lab): My Lords, we too support these sensible measures. The Minister was right in his helpful opening comments to say that the Government are seeking to help people support a hugely significant national event. We warmly welcome the proposals that the Government have brought forward and thank the Minister for them.

On the consultation, I take the general point about health and alcohol, but on this specific occasion the key for me was to look at what the Local Government Association and the National Police Chiefs' Council said. My understanding, from looking at the Explanatory Memorandum, is that both those organisations were in favour. I take the more general point that the noble Lord made, but on this specific proposal for the weekend of celebration, this is one of those occasions when we can perhaps understand the health risks but allow people to celebrate.

I have a couple of points. First, can the Minister clarify the position of village halls? You can imagine a circumstance where, in a rural village, somebody decides that the village hall would be a good place to have a celebration. I know village halls that just apply to the local authority and off it goes. Are they covered, or will they need an alcohol licence to not be excluded? I am not sure that some of the village halls and community centres often used on special occasions would have the necessary licences, so can the Minister clarify that point?

Secondly, this applies to England and Wales, but can the Minister say something about Scotland and Northern Ireland, particularly with reference to the border? There are other points about that, but I will leave it to the Minister to comment on what has happened with that.

Having said that, we warmly welcome this very good thing to do to celebrate a significant and historic occasion.

Lord Sharpe of Epsom (Con): My Lords, I thank noble Lords very much for taking part in this brief debate. I am greatly reassured by the broad consensus that His Majesty the King's Coronation is an occasion of national significance for the purposes of Section 172 of the Licensing Act 2003.

I join my noble friend Lady McIntosh in welcoming a measure that ought to provide some relief to an industry which has been very hard-pressed over the last few years, and I hope that the industry is in a position to make the most of it.

On the points raised by the noble Lord, Lord Rennard, I do not have much input in the design of consultations. However, I have heard his points and I will certainly take them back with a view to come back to the issue in more detail in future consultations—there is not much point in raking over the dust on this one.

I think that the noble Lord, Lord Coaker, answered the question of why the order falls within the responsibility of the Home Office, as opposed to the Department of Health, rather better than I probably will. This is very much a subject of interest to the police and local government. It is obviously a relatively short extension and therefore the public order considerations are probably rather more paramount under these special circumstances

than the health ones—which is not in any way to diminish the longer-term health effects that we all know that alcohol can have.

On the question from the noble Lord, Lord Coaker, on village halls, I reiterate that the order allows regulated entertainment to continue from 11 pm on Friday, Saturday and Sunday until 1 am the following morning only where a premises licence is already in place.

My noble friend Lady McIntosh asked why Monday is not included. I expect that she will be out until 1 am on the Sunday, so I am amazed—and impressed, if I may say—by her resilience in wanting to get out back on the lash on the Monday. Of course, the following day is a workday, so I look forward to seeing her bright and breezy on the Tuesday morning.

I turn to Northern Ireland and Scotland. In the case of Northern Ireland, this is a devolved issue, and, as I understand it, the Northern Irish Government have chosen not to pursue it. In Scotland, this is matter for local councils to decide. In answer to the question as to whether police forces were consulted, I can say that individual forces were not, but the National Police Chiefs' Council was, and, as I stated in my opening remarks, it is content with the arrangements as they sit. I really cannot say whether or not the process with local councils in Scotland has concluded, but it is a local matter.

With that, I commend the order to the Committee.

Motion agreed.

Service Police (Complaints etc.) Regulations 2023

Considered in Grand Committee

5.02 pm

Moved by ***Baroness Goldie***

That the Grand Committee do consider the Service Police (Complaints etc.) Regulations 2023.

Relevant document: 32nd Report from the Secondary Legislation Scrutiny Committee

The Minister of State, Ministry of Defence (Baroness Goldie) (Con): My Lords, this statutory instrument contains the regulations required to establish the service police complaints system, which will be overseen by the newly appointed Service Police Complaints Commissioner. It also contains the regulations required to establish the super-complaints regime for the service police. These regulations, along with the establishment of the independent commissioner, will implement in full recommendation 44 of the service justice system review, carried out by His Honour Judge Shaun Lyons and supported by the former chief constable, Sir Jon Murphy.

The regulations are quite technical, complex and surprisingly bulky; they run to some 80-plus pages. As they largely mirror the legislation already in place for the Independent Office for Police Conduct—the IOPC—and the civilian police, I do not intend to go through each of the regulations in turn, which I am sure is a matter of huge relief to your Lordships. Instead, I will briefly set out what His Honour Judge Lyons said in relation to establishing independent oversight and how this helped to inform the approach taken by the MoD.

The Lyons review found that in the service police a degree of independent oversight was missing in comparison with civilian police forces, which have statutory complaints systems. His Honour Judge Lyons recommended that a new niche defence body be created to deliver this. The review suggested a small niche unit led by an appointed individual, possibly from a judicial background, operating to the same remit as the IOPC and its director-general.

Section 365BA of the Armed Forces Act 2006, as amended by the 2021 Act, established a new officeholder, the Service Police Complaints Commissioner. Last year, the MoD ran a recruitment campaign, in accordance with the 2016 public appointments governance code, for the post of commissioner. Ms Margaret Obi, a deputy High Court judge assigned to the King's Bench Division, was appointed as the new commissioner by His Majesty the King on the recommendation of the Secretary of State. This was announced on 20 February 2023, and she began her work in February.

In line with Recommendation 44, the commissioner will have functions similar to those conferred on the director-general of the IOPC. The five main responsibilities of the commissioner will be: to secure the confidence of persons subject to service law and service discipline, as well as the wider public, in the service police complaints system; to secure, maintain and review arrangements in respect of the procedures that deal with complaints, conduct matters and death and serious injury matters; to make recommendations and provide advice in relation to those arrangements—for example, training or procedures—where the commissioner believes this may improve policing practice; to act as the review body for certain cases, specified in the regulations; and, finally, to report annually to Parliament via the Secretary of State for Defence on the delivery of the commissioner's functions.

I would like to set out in a little more detail the responsibilities of the commissioner for deciding how the more serious complaints and other matters are to be investigated, if it is determined that an investigation is required. There are certain matters that must be referred to the commissioner, which are set out in the regulations. Where a referral has been made, the commissioner will first need to determine if there needs to be an investigation. If no investigation is required, the complaint can be referred back to the appropriate authority—in the majority of cases this would be an individual in the service police force—to be handled in a reasonable and proportionate way. If it is determined that an investigation is needed, the commissioner will have to decide on the type of investigation based on the seriousness of the case and what is in the public interest.

The different options for investigation are identical to the civilian system. They are: a local investigation where the service police force does the investigation itself; a directed investigation, where a member of a service police force is appointed as the investigator but the investigation is under the direction of the commissioner; and an independent investigation, where the commissioner carries out an investigation personally or can designate an investigator to carry it out.

In the case of the independent investigations—that is, investigations that are independent of the service police and the MoD—there will be a pool of experienced

[Baroness Goldie]
investigators, with appropriate skills, who can be called on as necessary, and they will have the relevant niche skills for particular cases. Investigators will be able to exercise service police powers in a similar way to investigators appointed by the director-general of the IOPC, who can also exercise police powers.

The Lyons review, interestingly, recognised that there would probably be very few independent investigations required. Our own analysis, based on service police data between 2018 and 2022, indicates that there could be an average of 62 formal complaints annually, with 18 cases meeting the mandatory criteria for referrals. However, it is important to note that not all referrals would lead to an independent investigation. By way of comparison, over 36,000 formal complaints were recorded in the year 2020-21 by civilian police forces across England and Wales.

As well as complaints, the new system will also cover conduct matters and death or serious injury matters, referred to as DSI matters. In lay man's terms, these are cases where no complaint has been made but misconduct is suspected, or a death or serious injury has occurred after contact with the service police. Service police forces will be required to ensure that they have processes in place to identify and refer conduct matters and DSI matters without delay. Again, we expect only a small number of conduct matters to be referred to the commissioner that will require investigation, and DSI matters are even more rare. Between 2018 and 2022, there were no DSI-type matters recorded. Although we expect relatively few independent investigations, an effective independent service police complaints system is still vital. Your Lordships will appreciate that the way in which complaints, conduct matters and DSI matters are dealt with has a huge impact on confidence in the service police and in the complaints system.

Finally, I say just a few words on the super-complaints system, which has been included as part of this statutory instrument. The civilian police super-complaints system, on which the service police super-complaints system is based, was established to address concerns about whether the police complaints system was able to identify systemic failures in policing. It is important to note that super-complaints are not an alternative way to raise an individual complaint; rather, super-complaints are intended to raise issues or concerns on behalf of the public about harmful patterns or trends in policing by the service police which are, or appear to be, significantly harming the interests of the public.

Only a body designated by the Secretary of State can make a super-complaint. To do that, the organisation must become a designated body. That organisation must demonstrate that it meets all the criteria set out in regulations. For example, it must be able to demonstrate that it is competent in, and has considerable experience of, representing the interests of the public. Prior to the regulations coming into force, the MoD will run a six-week application window for organisations wishing to become designated bodies under the service police super-complaints system.

The statutory instrument before us today is a key element of the wider MoD programme of work to deliver improvements to the service justice system. An independent service police complaints system will help to secure and maintain confidence in the service police, it will help to drive up standards in policing and it will certainly help to ensure accountability at both an individual and force level. I beg to move.

Baroness Smith of Newnham (LD): My Lords, I am grateful to the Minister for introducing the statutory instrument. As she pointed out, it is surprisingly weighty. I had expected the standard one-and-a-half page statutory instrument of the sort where we come to praise His Majesty's Armed Forces and all nod in agreement, but then I picked up this document and thought, even more than ever, "Why is my noble friend Lord Thomas of Gresford not taking this?", because I am used, on matters of service justice, to handing over to him, and he knows far more about the work of His Honour Judge Lyons than I do, so I will have to take on trust what the Minister said about this very much replicating what happens in police justice. However, I have a few specific questions, one of which was touched on in the Minister's overview of super-complaints. I have a couple of points, in part to demonstrate that I have read the document—or at least as much of it as I could make sense of.

Regulation 10 concerns the issue of former members of the service police force. Do any time limits apply to cases being brought against former members of the force? The reason I ask that is because, over the years, when we have debated the overseas operations Bill or, indeed, the Northern Ireland legacy Bill, there have been questions about whether there should be time limits on cases being brought. I am also double-checking that resignation will not be a way out of getting out of any investigation.

Regulation 12 refers to "exceptional circumstances". Is there a definition of what might constitute an exceptional circumstance?

Regulation 19 is on withdrawal of complaints. This may not apply in cases that might be brought against service police, but is there a danger of frivolous or vexatious cases being brought and the withdrawal of a complaint being potentially vexatious? If so, what might be done about that?

5.15 pm

On Regulation 21(4), on civil proceedings, and looking at a variety of other regulations, in particular Regulation 22, to what extent is there a read-across? It is clear that some of the cases that are being discussed might be subject to criminal investigation. Is there a danger of double jeopardy or is the possibility of the commissioner pausing the investigations a way to ensure that any concerns about conduct are dealt with appropriately and that somebody will not be investigated twice for the same offence?

The Minister's introductory remarks on super-complaints were very helpful, because the wording of the statutory instrument was a little unclear about their meaning. However, what opportunity is there for further scrutiny of this and of the role of the Secretary of State? Do we just assume that at a certain point the Secretary of State might decide to nominate a particular body as being appropriate—trade unions are referred to in the legislation—or is there an opportunity for wider scrutiny and accountability?

Lord Coaker (Lab): My Lords, I thank the Minister for outlining this important SI and for the detail that was included in her opening remarks. We welcome and support the regulations relating to service police and the complaints process and look forward to their introduction.

As the noble Baroness mentioned, we rightly hold our service personnel in high regard, but they need to feel confident and expect that they will, when necessary, be protected by service police and that high standards are maintained. However, if these standards are not met, service personnel need to know that a strong, independent system is in place to investigate service police officers and hold them to account if they have not performed their duties properly. We therefore welcome the appointment of Ms Margaret Obi as the new Service Police Complaints Commissioner.

I have a couple of questions for the Minister. The Minister in the other place said that the annual budget for this new, niche independent unit will be £250,000, that there will be three members of staff and that the new commissioner will work for two and a half days a week. How has that all been arrived at? Presumably, there has been some analysis of the amount of work, and we have heard about the department's analysis of the number of cases that there may be, but it would be interesting to hear about that. If it is clearly not enough, as it begins to operate, will the figures be reviewed on an ongoing basis or will we have to wait for the annual report to point out that it is not sufficient and that more may be needed?

The Minister will know that the new Defence Serious Crime Unit was launched earlier this year, which is also very welcome. Can she explain the relationship between the Service Police Complaints Commissioner, the new DSCU and the three investigators whom the new complaints commissioner will appoint? Who will these three investigators be and what training will they have and potentially provide to other service personnel?

Can the Minister confirm the relevance of the commencement date in Regulation 1, which talks of 19 June 2023? I think she said that the complaints commissioner is already in place and starting her work. If all these regulations will come into force on 19 June, will the new commissioner have the powers that she needs from that date? That is my understanding of it. Can the Minister confirm the relevance of 19 June?

As for the civilian police, we have just had the Casey review, which points to the cultural problems in the Metropolitan Police. Can we be assured that the super-complaints procedure, as outlined in the SI, would and should be used by the Service Police Complaints Commissioner? Could she initiate a super-complaints process herself? In other words, how is something brought to light for the commissioner to decide that there is a need to use the super-complaints process?

The Minister in the other place said,

"the service police complaints system will not, initially at least, deal with historical matters".

I am not quite clear on this. First, is that right? Secondly, are "historical matters" anything that is complained about before 19 June 2023? I think that was the point that the noble Baroness, Lady Smith, was getting at. I may have misunderstood, but the point of this Committee is to try to get clarifications. What did the Minister in the other place mean by "not initially"? Does it mean that any historical complaint, however serious, cannot be looked at if it happened before 19 June? If I understand what the Minister in the other place said, the answer is: "Not initially, but it may be that we do".

There needs to be clarity because this is really important. The credibility of the new Service Police Complaints Commissioner will be a little undermined if serious allegations are made but cannot be investigated because only matters from after 19 June can be investigated, and the answer is: "We can't look at it yet because the regulations won't allow us until they've been in place for 18 months, and then we can come back and have a look at it".

I want to know a bit more about the process, which the Minister outlined a little. Who starts a complaint and how does it reach the commissioner? How does the process work? The crucial issue, which, to be fair, was acknowledged by the Minister in the other place and I am sure the noble Baroness will also acknowledge it, is: will the withdrawal of complaints be monitored? There are concerns regarding the necessary hierarchy in the services. During our debate on the Armed Forces Bill, we recognised that, although that hierarchy is clearly necessary, it can and does create a situation in which pressure may be applied on somebody in a way which causes them to withdraw something, even if it is a complaint that really should be looked at. Can the Minister reassure us that the withdrawal of complaints, which is outlined in the regulations—the Government have included it—will be monitored in the annual report?

The Minister in the other place also said that the new system will cover conduct matters and death or serious injury. He said:

"In layman's terms, these are cases where no complaint has been made".—[*Official Report*, Commons, Delegated Legislation Committee, 21/3/23; cols. 5-6.]

I am not being funny but, for this layman, how is it brought to light if no complaint has been made? I am not trying to be pedantic but, usually, something comes to light because a complaint has been made. I think the Minister said that it is where something is suspected or is thought to be happening. Can the Minister tell us what that means? Is it rumour or innuendo, or somebody said something to someone? I want to be clear about how issues with respect to conduct, for example, can be brought to light if no complaint has been made. What is the process to bring that to light and be investigated, since no complaint is necessary? Can the Minister clarify that?

Finally, will the Minister lay out some of the differences between the civilian and service complaints systems, recognising the obvious difference between service and civilian life? The Explanatory Memorandum states that the key difference is

"the lack of accelerated procedures for members of the Armed Forces".

Can the Minister explain why? I think that I know the answer, but it would be interesting for it to be put on the record.

[Lord Coaker]

I finish by saying that the purpose of these questions is not to try in any way to cause the Government a problem—we are pleased to see the establishment of this system by these regulations. Indeed, the Minister made it clear during the passage of the Armed Forces Bill that she would bring forward these regulations as quickly as possible, and she has done that. We are pleased to see this new service police complaints procedure, but there are some questions, and I think it would be helpful for the Committee, and indeed those who read our proceedings, to have the Minister's answers.

As I say, our questions are not intended to oppose but to seek clarity. If this new process and new post are as successful as we all hope they will be, then real progress will have been made. Clearly issues have arisen that have eroded trust and confidence in service personnel, and I believe that the passage of these regulations will help to restore some of that trust and confidence.

Baroness Goldie (Con): My Lords, I thank noble Lords for their very helpful observations and the useful questions that have been posed. The noble Baroness, Lady Smith, was lamenting the absence of her colleague, the noble Lord, Lord Thomas of Gresford. I have to say, completely selfishly and wishing him no ill will, that I am delighted at his absence—I am sure that he would have pinned me to the wall with a multiplicity of technical points.

The noble Baroness raised a point about time limits for former members. The situation is that they cannot evade liability, even if they are former members of the service police force; they are still answerable and accountable, and it would still be competent under regulations to bring a complaint. Therefore, a resignation could not avoid that—I am looking to my officials for reassurance on that.

The noble Baroness also asked about special circumstances. There is no definition in the regulations, but the expression has its ordinary meaning. I know that that is not awfully helpful to your Lordships, but I think that we can take a common-sense view of this. If, by any normal assessment of the situation, it was thought that something unusual had occurred, that would constitute a special circumstance.

The noble Baroness was rightly concerned about frivolous complaints and whether they could frustrate the process. One of the tangible benefits—I hope—of having this clearly defined, legally constituted system is that frivolous complaints can probably be weeded out at a fairly early stage. I can offer to the noble Lord, Lord Coaker—I will also offer a copy to the noble Baroness, Lady Smith—a fascinating diagram that was given to me by my officials, who understand only too well my slowness in grasping these issues. I have in my hand a marvellous diagram that shows how the complaints start, where they go and what happens, including death and serious injury matters as well as conduct matters. This is a very helpful physical indicator and I am very happy to share that with noble Lords—I will get it handed over.

The noble Baroness also asked what happens if criminal matters arise. That is a very important question and is one that I posed to the officials when they were briefing me. The answer is that the commissioner has power to refer to the service prosecutor. It might be that, in the course of investigating something, behaviour emerged and the view was that it constituted criminal activity. If that is the case, it would be referred immediately to the service prosecutor. Of course, even without the protocols being in force, the service prosecutor already informally consults with the civilian prosecutor. They would work out what to do.

On super-complaints and designated bodies, I was interested to know how all this would work and what exactly a designated body would look like. My officials very helpfully provided me with information which may be of use to your Lordships. I have a list of designated bodies under the civilian super-complaints system, which may give a flavour of what we are talking about. There are numerous organisations on it, such as the Criminal Justice Alliance, the Women's Aid Federation of England, Welsh Women's Aid, Southall Black Sisters and Pathway Project. That is just an indication of the wide spectrum of organisational interest that I think there will be in this.

5.30 pm

It is not for me to pre-empt who might want to apply to the Defence Secretary to be a designated body, but I think we can anticipate that organisations such as Liberty and various charities and organisations that assist the Armed Forces community might want to apply for that designated status. To reassure noble Lords, we have introduced this initial window simply to try to encourage bodies to come forward so that we can get a cohort that, with the Secretary of State's approval, we can denote as designated bodies. That is without prejudice to bodies being designated at any time, if organisations want to be.

The noble Lord, Lord Coaker, raised a number of issues, including how the budget figure has been arrived at. With the benefit of the civilian system, we have simply looked at what we need to have and have worked out an operational budget that is sufficient for the commissioner to undertake the duties, which will become effective on 19 June. Although she is in place at the moment, she is doing a lot of preparatory work. The actual powers that will constitute her ability in law to act and set up the new structure will arrive only on 19 June. I hope that helps to clarify that issue. The budget will be susceptible to annual review. I reassure noble Lords that this is not some figure plucked out of the air that will never be looked at again; we will simply see how we go and what resource is needed, and will respond appropriately.

The noble Baroness, Lady Smith, raised an interesting question about whether other organisations can be involved with designated bodies. They can work with a designated body; an organisation might become aware of something that it is concerned about and go straight to an already designated body to work on it together. She also asked whether someone can be investigated more than once. I cannot give a categoric response to that; I imagine that, depending on what happened in the first investigation, it might be possible, but I do not think it would be acceptable to go over already investigated ground again. If she permits, I will write to her with greater clarification on that.

I think the noble Lord, Lord Coaker, mentioned three investigators. To clarify, there are not three investigators; there will be a pool of investigators whom the commissioner can deploy if necessary, but there are three support staff there to assist. There is a fairly extensive pool of contractors with investigative experience, such as former police officers. That resource is to hand.

The noble Lord also raised an interesting point about how conduct matters come to light without a complaint. I had jotted down that for a complaint to start, it needs a complainer. However, for a more systemic issue, it would be for a designated body to get involved. I think this whole new structure indicates to anyone who feels a dissatisfaction with the conduct of the service police that they can go to a designated body. It will not make an individual investigation complaint—it is not competent to do that; the super-complaints system is to look at systemic issues. However, if someone thought that there was a systemic issue, they could easily take it either directly as a complaint themselves or to a designated body if they thought that was the appropriate way of dealing with it.

I suppose that it is possible that, in either a criminal prosecution or civil litigation, behaviour might emerge indicating that all had not been well. That information would then be available to an individual—or, again, to a designated body—to consider taking forward.

The noble Lord, Lord Coaker, also asked about historical matters. We have certainly taken the view that the statutory procedures will apply only to matters that occur on or after the coming into force of the regulations. We have taken the decision that, initially, this new system should apply only to complaints about matters that occur on or after the coming into force of the regulations. That is simply to allow the new commissioner to embed the new system and to deal with current cases without any potential risk of being overwhelmed by historical matters. As your Lordships will be aware, there already are non-statutory arrangements for people to make complaints, and they have other avenues to follow if it is of a historical nature. We will keep this decision under review; I am merely stating the position as it is at the moment.

Lord Coaker (Lab): The Minister in the other place said that it will be reviewed after 18 months. He stated:

"We are going to let this run for a bit; we will review it internally after 18 months".—[*Official Report,* Commons, Fourth Delegated Legislation Committee, 21/3/23; cols. 11-12.]

Can the Minister here confirm that?

Baroness Goldie (Con): I can confirm that. I say to the noble Lord, Lord Coaker, that we already plan to conduct a review of the regime after the first 18 to 24 months of operation. It would no doubt be appropriate at that time to consider the issue of historical cases.

I have already covered the question of who starts the complaint. If the clerk would oblige, perhaps my beautifully multicoloured papers could be handed to the noble Lord, Lord Coaker, and I will get a set to the noble Baroness, Lady Smith.

I think that I have managed to cover the main points—

Lord Coaker (Lab): As I think the noble Baroness, Lady Smith, would agree, the Minister has made very helpful and informed responses to the number of questions raised, which will help to clarify the operation of the system. The only major issue for me is the monitoring of the withdrawal of complaints; it is really important and, again, was mentioned in the other place. I think that the Minister in the other place said that he would expect to see how well the system is operating in the annual report. The Minister here will know—I said this in my opening remarks, so will not repeat myself—that the withdrawal of complaints due to people feeling under pressure is quite a significant way of seeing whether something is working or not. Confidence in the system will show, as appropriate, that the levels of withdrawal would not be higher than you would expect.

Baroness Goldie (Con): I thank the noble Lord; that is a very important point. It is perhaps the other side of the coin that I raised with my officials. If a complaint is investigated, the commissioner makes a recommendation, so my question was: how will the recommendations be carried out? In fact, there is provision in the regulations for that.

That brings me to the important issue of the annual report. This is where we get the light of transparency and public accountability. The noble Lord is quite correct: I think that if parliamentarians felt that, in the presentation of the annual report, it was inadequate because it did not tell them very much, they would make clear their anxiety about it. That might include a lack of information about complaints withdrawn.

From what we have gathered—I gave some figures in the course of my remarks about the data that we have—I do not think that we are anticipating a terrific number of complaints. Of course, because a system is now established and people may have greater confidence, it is perfectly possible that we might see the number of complaints increasing. I have heard the point that the noble Lord raised, and we shall take it away; I agree that it is an important part of the overall picture, not just to know how many complaints and recommendations were made and what the outcomes were, but whether there was an element of withdrawal of complaints. I thank the noble Lord for raising that point and will take it away.

I think that I have managed to deal with most of the points that have been raised. If I have overlooked anything, I shall look at *Hansard* and undertake to come back to your Lordships. I thank noble Lords again for their contributions, as ever. It helps very much to improve our understanding of how these arrangements will work in practice. I commend this instrument to the Committee.

Motion agreed.

Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023

Considered in Grand Committee

5.42 pm

Moved by ***Baroness Penn***

That the Grand Committee do consider the Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023.

Relevant document: 35th Report from the Secondary Legislation Scrutiny Committee

The Parliamentary Secretary, HM Treasury (Baroness Penn) (Con): Noble Lords will be aware that Silicon Valley Bank UK Limited, or SVB UK, was sold on Monday 13 March to HSBC. Customers of SVB UK are now able to access their deposits and banking services as normal. This transaction was facilitated by the Bank of England, in consultation with the Treasury, using powers granted by the Banking Act 2009. In doing so, we limited risks to our tech and life sciences sector and safeguarded some of the UK's most promising companies, protecting customers, financial stability and the taxpayer. We were able to achieve this outcome—the best possible outcome—in short order, without any taxpayer money or government guarantees. There has been no bailout, with SVB UK instead sold to a private sector purchaser. This solution is a win for taxpayers, customers and the banking system.

SVB UK has become a subsidiary of HSBC's ring-fenced bank. Ring-fencing requires banking groups that hold over £25 billion of retail deposits to separate their retail banking from their investment banking activities. The regime provides a four-year transition period for an entity acquired as part of a resolution process before it becomes subject to the ring-fencing requirements. As a result of this existing provision in legislation, SVB UK is not currently subject to ring-fencing requirements. However, HSBC UK, SVB UK's parent company, remains subject to the ring-fencing regime.

To facilitate this transaction, the Economic Secretary to the Treasury laid in both Houses of Parliament on Monday 13 March a statutory instrument using the powers under the Banking Act 2009 to broaden an existing exemption in ring-fencing legislation with regard to HSBC's purchase of SVB UK. This is the first time that the Treasury was required to use these powers since the resolution of Dunfermline Building Society in 2009. I note that the Secondary Legislation Scrutiny Committee has raised this statutory instrument as an instrument of interest in its 35th report, published on 30 March.

This exemption allows HSBC's ring-fenced bank to provide below-market-rate intragroup funding to SVB UK. This was crucial for the success of HSBC's takeover of SVB UK, because it ensured that HSBC was able to provide the necessary funds to its new subsidiary. HSBC has since stated publicly that it has so far provided approximately £2 billion of liquidity to SVB UK, money that it needed to continue to meet the needs of its customers. The Bank of England and the Prudential Regulation Authority fully support this modification to the ring-fencing regime as a necessary step to facilitate the sale.

In view of the urgency, and given that this statutory instrument was crucial in enabling the sale, the Treasury determined that it was necessary to lay this instrument using the "made affirmative" procedure under the powers in the Banking Act 2009. Parliament provided the Treasury with these powers for exactly these situations: recognising that exceptional circumstances can arise where the Government must take emergency action in the interests of financial stability, depositors and taxpayers.

The statutory instrument also makes a number of modifications to the Financial Services and Markets Act 2000 in relation to the rule-making powers of the Prudential Regulation Authority and the Financial Conduct Authority. Specifically, these rule-making powers are modified to ensure that the regulators can exercise them effectively, where these powers relate to the Bank of England's transfer of SVB UK to HSBC and write-down of SVB UK's shareholders and certain bondholders. The statutory instrument also waives the requirement for the regulators to consult on certain rule changes related to the sale.

In addition to the statutory instrument we are debating today, the Government will also lay a further statutory instrument to make further changes to the ring-fencing regime with regard to HSBC's purchase of SVB UK. This is to permit SVB UK to remain exempt from the ring-fencing rules beyond the four-year transition period, subject to certain conditions. Unlike the legislation we are debating today, this second exemption is not required immediately and will be introduced in due course. The second exemption was also crucial to the success of the sale of SVB UK, as it ensures that it can remain a commercially viable stand-alone business as part of the HSBC Group.

A clear determination was made by the Bank of England and supported by the Government that these amendments were crucial to facilitating the purchase of SVB UK by HSBC. The UK has a world-leading tech sector with a dynamic start-up and scale-up ecosystem, and the Government are pleased that a private sector purchaser has been found. Therefore, I hope noble Lords will join me in supporting this legislation. I beg to move.

Baroness Noakes (Con): My Lords, I declare my interest as a shareholder in UK banks which are subject to the ring-fencing regime. My husband and I hold shares in HSBC, which will benefit from this order, and in both NatWest and Lloyds, which are subject to the ring-fencing rules but do not derive a benefit from this order. I think my registered interests in this case probably cancel each other out.

I should say that I have never been a big fan of ring-fencing. The triple whammy of an electrified ring-fence, elaborate resolution planning and higher capital and liquidity requirements have imposed a very high set of costs on UK banks which can in the long run result only in disbenefits for UK bank customers—that is, all of us. I do, however, believe passionately in fair competition and level playing fields, and my concern about this order—and, more so, the one that we are promised that will come later—is that it distorts competition and creates an unlevel playing field by creating unfair advantage for one particular bank in relation to the ring-fencing rules.

I completely understand that the Bank of England had to operate under pressure to achieve a sale of Silicon Valley Bank over a weekend and that avoided having to place it into an insolvency procedure, and we owe the Bank a debt of gratitude for what it achieved over that weekend. But there are some aspects of the transaction—and therefore this order—which I find mysterious. I am also, as I said, concerned that HSBC

has obtained an unfair competitive advantage compared with other UK banks, so I have some questions to put to my noble friend.

First, SVB UK is not a ring-fenced bank under UK legislation and it remains outside that legislation. Why did the Bank not agree to sell the bank to HSBC itself rather than to HSBC's UK ring-fenced subsidiary? Had it done that, I do not believe that any special legislation would have been necessary. HSBC operates a narrow definition of ring-fencing—unlike other UK ring-fenced banks—such that the majority of its commercial customers are serviced within the non-ring-fenced part of HSBC. Why was it decided to place Silicon Valley Bank UK into the ownership of the ring-fenced bank? Would it not have been more appropriate to have put it somewhere else within the HSBC Group along with other commercial customers?

Secondly, what activities of Silicon Valley Bank UK would disqualify it from being housed within a ring-fenced bank? Commercial banking business can be satisfactorily included within a ring-fenced bank provided that the business within the ring-fenced bank is in effect plain vanilla business—that is, conventional lending and very simple derivatives, which are allowed. What does Silicon Valley Bank UK do which would disqualify it from being placed properly within the UK ring-fence of HSBC, and what policy grounds make it necessary to allow the ring-fenced bank to own this kind of business when it cannot carry out that business itself?

Thirdly, the Minister has said that the order was necessary to allow HSBC's ring-fenced bank to provide funding out of the ring-fence at preferential rates to Silicon Valley Bank UK. Why was this funding not provided out of HSBC's other, non-ring-fenced resources? Of course, I can see the attraction to HSBC of using the cheap funds that it has from its ring-fenced depositors, but the ring-fence regime was set up precisely to stop such funds leaching out of the ring-fence. Related to that, is there any limit on the amount of funding that HSBC UK can provide from within the ring-fence to Silicon Valley Bank in breach of the ring-fencing philosophy, and if there is not a limit, why not? Are there any limits to the generosity with which the ring-fenced bank can provide the funds, since it is going to be providing at rates below market rates? Will there be any limit to that degree of discount that it will allow, and again, if not, why not?

Fourthly, can the Minister confirm that Silicon Valley Bank UK will not be allowed to form part of HSBC UK's Bank Domestic Liquidity Sub-group, or DoLSub, and that liquidity will be monitored separately for the ring-fenced and non-ring-fenced parts of HSBC UK? If that is not the case, can the Minister explain the position on how liquidity is to be managed and monitored within the ring-fenced bank and its new subsidiary?

Lastly, it is clear that the intention is to provide some long-term exemptions from the ring-fencing regime, and the Minister referred to this. I appreciate that the precise details may not yet be finalised, but will the Minister set out what exemptions are likely to involve? I believe that the Minister said that this would be in a separate statutory instrument and therefore Parliament would be able to look at that, but it would be good if she could confirm that. My main concern when we come to the second order is whether it will be fair and reasonable for ring-fencing exemptions to be provided on a long-term basis, which disadvantages other UK banks which have to operate completely within the ring-fence rules. Put another way, when considering the case for HSBC to be allowed special treatment, will the Government ensure that they consider the case for equivalent relaxations to be more generally available? I look forward to my noble friend the Minister's response.

Baroness Kramer (LD): My Lords, first, let me say that obviously we will support this order—although I cannot see any way in which one could not. In retrospect, it confirms the regulatory adjustments that were necessary or enabled the efficient rescue of Silicon Valley Bank UK and the transfer of ownership to HSBC, effectively protecting customers from the implications of the collapse of the US parent. We need to congratulate the Government, or the Treasury, the Bank of England and indeed the industry—Coadec, Tech London Advocates and BVCA—for acting together, co-operating and moving swiftly to make sure that a problem did not turn into a crisis or catastrophe.

That said, I have a whole series of questions. I am incredibly grateful to the noble Baroness, Lady Noakes, who in far more detail and far more effectively than me raised the relevant questions on ring-fencing. Where she and I slightly disagree is on her request that, if there is going to be a long-term exemption that gives a competitive advantage to HSBC, let us let everybody have it, whereas I am concerned about the undermining of ring-fencing in a fundamental way. I can understand that sometimes one has to act to undermine ring-fencing on a short-term basis, but this has pinned into it that second exemption, which effectively makes this a life-long exemption.

I will not repeat the points that the noble Baroness made. I have a lot of them down on the piece of paper in front of me, but she made those points so well that I think the Minister needs only to hear them once—they were so detailed and rightly crafted. We have to understand whether to some extent the Government are pre-running the changes that they anticipate making under the Edinburgh proposals. We saw that with previous financial services Bills, when powers were given to the regulator ahead of the consultation processes that would all be relevant to it, so the consultation process then led to a phase 2 or part 2 Bill that came in later. I am very anxious to understand whether this is reflective of the Government's approach to ring-fencing from now on—in other words, that they no longer intend to separate retail banking from investment banking.

I recommend to everybody the work that we did in the Parliamentary Commission on Banking Standards, in taking evidence for more than two years. The reasons for ring-fencing retail banking from investment banking were multiple and complex, and certainly included culture. Retail banking is essentially a utility and investment banking is very different in its risk profile. There is no question but that some of the misbehaviour that we saw in retail banks, PPI being just one of many examples, was inspired by that cross-cultural flow between the investment bank and the retail bank.

[Baroness Kramer]

It was also true that many risks that we saw banks take, which were entirely inappropriate and not well understood and which led to a crash, for which we all continue to suffer, were inspired by access to what was seen as very cheap and easy money—money sitting in retail deposits, checking accounts and saving accounts, and not protected to a certain degree by insurance, which took away any sense of responsibility to customers. Banks took on risks that they would not have been able to take on had they been financing themselves wholly in the financial markets, because the markets would have recognised those risks and demanded far higher returns if they were going to finance such activities. So that access to a pool of cheap money was absolutely critical to the structures that led to the financial crash of 2007-08. I am really concerned that we have changes here that foreshadow a much more extensive undermining of ring-fencing, and I hope that the Minister will respond to those broader issues, as well as to the detail that the noble Baroness, Lady Noakes, asked for.

6 pm

There is a substantial set of issues, and this might be the Minister's opportunity to provide a fuller response than she was able to do at the time of the Statement. I have never understood why SVB UK was not ring-fenced in any way from its US parent when it was playing such a critical role in the financing of the tech sector. Will the Government look at that issue, in particular cross-border ownership and potential cross-contamination as a consequence?

The Minister suggested that that was an issue for the Bank of England to deal with through stress tests, but it strikes me that it is a lot more than that. In the failures of not just Silicon Valley Bank but the two other banks that became troubled in the United States, we have really seen that systemic risk is extremely complex, crosses national boundaries and can be triggered by seemingly small events. I would like to hear whether the Minister anticipates an investigation of what happened on both sides of the Atlantic and a lessons-learned follow-up to all that. In this case, we saw such a rapid collapse. In the modern digital age, the collapse of banking institutions happens at a pace that we have never seen before, and I would love to know whether that is leading the Government to have a rethink.

The whole Silicon Valley experience, combined with that of Credit Suisse, which happened at virtually the same time, means that we have to look at and think again about resolution regimes as a mechanism for dealing with failing banks. I fully accept that Silicon Valley Bank in the US did not have an adequate resolution plan, largely thanks to a watering down of banking regulations in the US. Interestingly, a leading figure in lobbying to achieve that was Greg Becker—SVB's CEO. Those same dulcet tones have been very active at lobbying here in the UK for the watering down of banking regulation, and I wonder whether the Minister can tell us whether there is now a little more cynicism in the Treasury as it listens to those sweet notes.

It is also important that in the United States, Silicon Valley Bank did not have an adequate resolution plan and the Orderly Liquidation Authority in the US could have imposed a resolution but decided not to because it felt that that would be harmful to the broader interests of the financial sector and business in the United States. Resolution was deemed the wrong answer to manage a bank failure in that case. It is troubling that in the UK, we rely so heavily on resolution as the best—indeed, almost the only—answer for dealing with bank failures.

I referred to Credit Suisse—obviously a collapse—where a resolution plan was in place but the regulator, FINMA, chose not to impose it. Marlene Amstad, president of FINMA, declared that resolution of Credit Suisse would have triggered a widespread financial crisis. Sometimes I hear regulators in the UK brush that aside and say, "We understand how to do resolution in the UK", but Marlene Amstad is a senior, highly respected regulator and I am concerned that neither the Government nor the regulators here have taken her views seriously. They are the views, from the coalface, of someone who had to deal with a crisis in a real-life timeframe.

I raise the issue again, because, in presenting their Edinburgh reforms, the Government seem to regard resolution as so powerful and inviolable that it justifies removing other key protections, the most notable of which is the ring-fencing of retail banking from investment banking. I am concerned to hear from the Government something that indicates to me that they are not being naive, that they understand that resolution is not a universal answer to bank failures and that it may be a mechanism that can be applied only in fairly narrow circumstances. From what we have seen in the last month, one might begin to think that using resolution is really only possible both when the failing bank is insignificant in the role it plays and in the context of very stable, broader financial markets.

Finally, ahead of the return of the Financial Services and Markets Bill, I ask whether this whole experience is leading the Government to look again at the international competitiveness clauses. When I speak with bankers, there is a general acceptance that these clauses would have put the UK regulators under great pressure and, in essence, into a position where they would have felt unable to resist the demands of the industry to match the relaxation of rules enjoyed by Silicon Valley Bank in the USA. That would have been the case even when regarding the competitiveness objective as a secondary objective. Had we not had the experience of seeing what happened with Silicon Valley Bank, we would have found ourselves in precisely the same position, with key regulations stripped away. It really is only by luck and chance that we have not had the equivalent of Silicon Valley Bank here; if the timing had been different, we might well had faced that.

I hope that the Minister can give me some of those reassurances. However, if all she does is answer the detailed questions of the noble Baroness, Lady Noakes, she will help me very considerably.

Lord Tunnicliffe (Lab): My Lords, I am grateful to the Minister for introducing this order. I begin by reiterating the Labour Party's thanks to the officials at the Treasury, the Bank of England and the regulators to secure a rescue deal for the UK arm of Silicon Valley Bank. While there will be important lessons to learn from SVB's collapse, it was vital that swift action

was taken to preserve financing for the life sciences and tech companies that will play such an important role in our future economic growth.

I also thank the noble Baronesses, Lady Kramer and Lady Noakes, for bringing out areas of concern, which I certainly have not seen raised in the same sharp relief. I hope that the Minister will be able to give us some feel as to the extent to which this reach of the ring-fence will be of significance or not, and, if it is significant, why it is intended to be made perpetual by a subsequent order. Equally, when we are discussing lessons learned, the noble Baroness, Lady Kramer, shone a light on the issue of the speed of collapse. The physical queues outside Northern Rock created time; today, very little time need be created between an area of significant concern turning into total collapse. I hope that the regulators, when doing a proper lessons-learned exercise on this will ponder on that point, to see what, if anything, we need to do to be better able to manage the rate of collapse that is potentially available.

The collapse of SVB was the catalyst for several other major events in the global financial system, including the very serious difficulties faced by Credit Suisse. In many senses, the UK regulatory system has functioned as hoped, which we welcome. It certainly makes the many hours spent on previous legislation worthwhile. Financial institutions and regulators in other countries have taken their own steps in recent weeks to deal with issues with entities in their own jurisdictions. The collective action seems to have calmed the markets, which is important for us all. However, I hope that the Minister can assure us that the Treasury, the Bank and the regulators continue to monitor the situation very closely, and that they stand ready to act, should that be required. With inflation still in double digits, and with the implications that is likely to have on interest rates in the short to medium term, will the Treasury finally commission a review of the risks that this could present to the financial system?

On SVB itself, the Government have thus far been unable to provide a proper justification for exempting the bank from ring-fencing requirements, which makes the four-year transition period turning into a perpetual one all the more puzzling. In another place, the Minister sought to reassure colleagues that they need not worry about the potential implications of this exception, as the number of SVB UK customers is low, particularly as a percentage of HSBC's total client base. Is that really the most that the Treasury can say, or does the Minister have more to offer, given that this debate comes three and a half weeks after the Commons one?

Another question in that debate was on potential reform to ring-fencing requirements in this country. Andrew Griffith promised that

"there will not be any tinkering, but there might … be appropriate reforms".—[*Official Report*, Commons, First Delegated Legislation Committee, 27/3/23; col. 7.]

I am not sure that those words are particularly reassuring. We expect news on those reforms in advance of the Autumn Statement, but can the Minister be a little more specific about dates and processes? How swiftly would any reforms be implemented once announced, for example? Will changes require primary legislation? If so, could this come in the Financial Services and Markets Bill, or would the Government bring forward a further Bill?

The action taken to protect SVB UK worked because it provided certainty. Customers of that bank knew within days that they would be able to continue their relationship with it, because of the acquisition by HSBC. However, in other areas, certainty is in short supply. The Prime Minister says he has a plan to halve inflation and bring interest rates down, but inflation remains in double digits and the Monetary Policy Committee is expected to announce a 12th consecutive rate hike. Under this Government, our economy is weaker, prices are out of control and never have people paid so much to get so little in return.

Baroness Penn (Con): My Lords, I thank all noble Lords for their detailed questions on this statutory instrument. While everyone agreed that we reached a good resolution in this instance, it is absolutely right that we look at how it was delivered in detail and how we should reflect from this instance on the resolution regime in our wider regime. The noble Baroness, Lady Kramer, asked explicitly—but I think all noble Lords wanted to know—what the Government will do to ensure that we can learn lessons from the events around SVB UK. The Treasury and the Bank of England are working together to ensure that we properly reflect on these events and will consider how best to draw on the lessons learned and share them as needed in future.

The noble Lord, Lord Tunnicliffe, remarked on wider financial stability events, including Credit Suisse. I reassure him that the UK financial sector is fundamentally strong. The resolution of SVB UK on 13 March highlights how the resolution regime can be effectively used to protect UK financial stability. However, we continue to monitor the situation closely and remain in close contact with the Bank of England, the Prudential Regulation Authority, the Financial Conduct Authority and relevant foreign and international authorities. We are absolutely committed to protecting the stability of the UK banking sector, which is key for supporting economic growth and for the UK's world-leading financial sector.

The noble Lord, Lord Tunnicliffe, also asked whether we would commission a review of the risks that higher interest rates pose to the financial system. I reassure noble Lords that the Bank of England already has in place processes to monitor and assess risks to our financial sector and banking system. In particular, each year, the Bank of England carries out a stress test of the major UK banks, which incorporates a severe but plausible adverse economic scenario. The 2022 stress test scenario includes a rapid rise in interest rates, with the UK bank rate assumed to rise to 6% in early 2023, as well as higher global interest rates.

6.15 pm

The results of the test are expected to be published in summer 2023 and, based on the results of the stress test, the PRA will set firm, specific requirements for UK banks to cover unexpected losses arising from various risks, including the interest rate risk. I have also mentioned previously that, this year, the Bank

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will for the first time run an exploratory scenario exercise focused on non-bank financial institution risks to inform understanding of these risks and future policy approaches.

It is also worth noting that, while the Bank of England's Monetary and Financial Policy Committees are separate, they have regard to each other's actions to enhance co-ordination between monetary and macroprudential policy. The Chancellor, in his latest letter to the FPC setting out its remit and recommendations, highlighted the need for close co-ordination of macroprudential and monetary policy.

Moving from the bigger picture to the matter at hand, several noble Lords asked what the justification was for exempting SVB UK from ring-fencing requirements, not just for the four-year transition period but in perpetuity. That is a matter that will come before us in the SI to follow later this year. The exemption that we are debating today relates to the provision of preferential intragroup lending from HSBC to its new subsidiary. My noble friend Lady Noakes also asked about that. In relation to the intragroup lending provisions, it was crucial to the success of the sale of SVB to HSBC UK, as it has enabled it to provide around £2 billion of liquidity following the transaction.

Baroness Kramer (LD): I do not want to pre-empt the noble Baroness, Lady Noakes, in trying to press her question, but it seemed to me that she was asking why was the ring-fenced part of the bank used to make this purchase? HSBC presumably had a very wide range of options of pieces of corporate structure that it could have used. There may be a very good answer to that, such as "This was the only one we could do over a weekend", or something. However, the Minister also said that it was explicit in the agreement that the extended exemption would be a part of the package. That has not yet gone through a parliamentary process, and it will, but it is clear that the Government have taken a position that they will support that extended exemption. There is stuff going on here that we are trying to unpick, and I just wonder whether the Minister can help us to do that.

Baroness Penn (Con): I was only at the beginning of my attempt to answer my noble friend Lady Noakes's questions. I think that I will cover a fair amount of ground in dealing with them, but I am also very happy to follow up in writing.

I moved between the permanent exemption and the intrabank lending, so I will deal with the intrabank lending question first, then I will move on to the matter of a subsequent SI. As I say, the provisions in today's SI were essential for the sale and allowed for the provision of around £2 billion of liquidity. My noble friend asked whether this exemption was permanent and whether there was any limit to the funding that HSBC could provide through this route. This exemption is permanent to ensure that HSBC can continue to provide liquidity support, should that be needed at any point in the future. There is no limit to the amount of funding that can be provided through this route. The PRA has stated that it has the tools to effectively supervise HSBC, even with this exemption in place.

Baroness Noakes (Con): Before my noble friend leaves this point, I do not think she has addressed the question of why the ring-fence resources had to be used to do this. HSBC is very large and has very large UK operations that are not within the ring-fence, so I have been probing—and I know that the noble Baroness, Lady Kramer, is also interested in this—why the ring-fence has to be used. Why did the ring-fence exemption have to be used, because it is clearly not necessary in any absolute sense for HSBC to provide liquidity support to Silicon Valley Bank out of the ring-fence?

Lord Tunnicliffe (Lab): In bringing this back to us, as the Minister will have to do for the second SI, and responding to these questions, can we have some analysis of the competitive advantage that HSBC will get out of this transaction?

Baroness Penn (Con): That point was also raised by my noble friend, and I was hoping to come to it. Whether my answers mean that we will not have a further discussion on it either on the Bill or when the future SI comes forward remains to be seen. I shall try to address some of the points around the ring-fenced bank, the need to go down that route and whether SVB UK needed to be purchased by HSBC's ring-fenced bank. That was a commercial decision made by HSBC, and it would not be appropriate for me to comment further on it.

Baroness Kramer (LD): I am sorry to interrupt, but the only rationale I can think of is that from a ring-fenced bank you have that very cheap source of funding known as bank checking accounts and savings accounts. That precisely gives the commercial advantage to HSBC that the noble Baroness, Lady Noakes, is describing. Is that the only basis on which the Government were able to negotiate the deal: to make sure that the ownership of Silicon Valley Bank and the business it would pursue in future would be advantaged compared to similar activities by its rival banks? Is that what we are talking about here?

Baroness Penn (Con): I am afraid I have to disappoint noble Lords and say that I have no further comment to make on the decision to purchase it by the ring-fenced bank. It was a commercial decision for HSBC.

My noble friend had some other questions on the use of the ring-fenced bank. She asked what activities SVB UK undertakes that are not allowed under the ring-fence regime. SVB UK provides lending to certain types of financial institutions, such as venture capital funds, which is not allowed under the ring-fencing regime. It also provides certain equity-related products in relation to its lending, which is also not allowed under the ring-fence regime. She also asked whether I could confirm that SVB UK will not be added to HSBC's domestic liquidity subgroup. That is a matter for the regulator to decide.

All three noble Lords asked about the implications for competition and whether this move has given a competitive advantage to HSBC. The exemption is limited to the acquisition of SVB UK by HSBC, and was necessary to facilitate this acquisition—something

I think all noble Lords welcomed. As Sam Woods explained at the TSC recently, a necessary condition of HSBC moving forward was that it could keep the entirety of SVB UK as one business. The value was in the integrated nature of the business, and HSBC could make that work only if it had it as a subsidiary of HSBC UK, the ring-fenced bank.

It is also worth reiterating that SVB UK remains very small compared to HSBC. Its assets amount to around £9 billion compared to HSBC's $3 trillion group balance sheet.

To come on to the second statutory instrument and the permanent exemption from ring-fencing for SVB UK, the second exemption was also crucial, as it ensures that SVB UK can remain a commercially viable stand-alone business, as part of HSBC UK. It will be subject to conditions, which are intended to ensure that the exemption is limited to what was needed to facilitate the sale of SVB UK. We will set out details of those conditions alongside the second statutory instrument, which noble Lords will have the opportunity to debate. Alongside that, as I said earlier, the PRA outlined in its response to the Treasury Select Committee that it has a range of tools that it can and will draw on to ensure the effective supervision of HSBC and the protection of retail deposits.

Baroness Noakes (Con): Can I just clarify something with my noble friend? I can just about understand why, for the transaction to happen over the weekend, HSBC was allowed to bully the other participants into breaking the ring-fence rules to allow it to be set up. However, allowing a permanent change means that the ring-fenced bank will be allowed to provide liquidity, and presumably capital as well, on advantageous terms to a bank which can be used as a growth vehicle within HSBC, thereby increasing the risk to ring-fenced funds. I understand why you might have to do that initially, to get the deal through, but I do not understand whether there are any limits at all on what can happen after the acquisition has happened. These permissions have been set up in a way, and are likely to continue in a way, that will allow Silicon Valley Bank to continue to operate in a way that is completely antithetical to the ring-fenced banking regime. As I have said, I am not a fan of it, but I have a strong objection to one bank being allowed to operate in a distinctly different way from other banks.

Baroness Kramer (LD): I shall just add something, so that the Minister does not have to repeat herself constantly. The Minister was very clear that the flow of funds out of the ring-fenced HSBC would go into the hands of a body that will then use it to fund venture capitalists. That is not normally permitted under the ring-fence because it is a very high-risk speculative activity. The whole purpose of ring-fencing is to split activity like that away from the utility role of retail banks. Since there is, apparently, no constraint on the amount of money that can be moved, it has just opened up a massive chasm in the separation, and a massive advantage for one particular high street bank versus the others. I think that the Minister said that the amount of money that could be moved was limitless —so it is really a big issue.

Baroness Penn (Con): In relation to the provision in this statutory instrument, my understanding is that the exemption to this aspect of the ring-fencing regime is on a permanent basis. The subsequent SI that we will debate will have conditions applied to it, and we will set out those conditions at the time.

I refer my noble friend and the noble Baroness to the comments from the regulators when they were asked about this issue. The PRA was confident that it "has a range of tools that it can and will draw on to ensure the effective supervision of HSBC and protection of retail deposits". As the noble Baroness mentioned, that is one of the aims of the ring-fencing regime.

6.30 pm

Perhaps it would be helpful if I come on to the wider implications for the ring-fencing regime, which were at the forefront of the remarks from the noble Baroness, Lady Kramer, and the noble Lord, Lord Tunnicliffe. The changes that we have made in relation to the sale of SVB UK are not a forerunner for further changes that the Government plan to make to the ring-fencing regime. The Government announced and undertook an independent review of ring-fencing, led by Sir Keith Skeoch, and we have set out our response to that review. That response remains the approach that we will take, but it would be helpful to set out some more detail.

Last December, we announced that we intended to broadly take forward the recommendations from Sir Keith Skeoch's review, first by publishing a call for evidence, on 2 March, to review the alignment between the ring-fencing and the resolution regime for banks. As noble Lords would expect with a call for evidence, the Government are not indicating any preferred way forward at this stage. We remain open-minded, and that call for evidence will help to inform next steps. The call for evidence closes on 7 May and then we will work closely with the Bank and the PRA, through the ring-fencing task force, to analyse received responses and respond in due course. There are no plans to amend the Financial Services and Markets Bill in relation to ring-fencing, and any fundamental change to the provision of the ring-fencing regime would require changes to primary legislation.

Secondly, in addition to that, the Government have announced their intention to consult in the middle of this year on a series of near-term reforms to the ring-fencing regime to implement the Skeoch review's near-term recommendations. They aim to make the regime more flexible and proportionate while addressing some of its unintended consequences. For example, we intend to take banks that do not conduct major investment banking activity out of the regime completely, to relook at the activities that ring-fenced banks are prohibited from undertaking and to give them the flexibility to set up subsidiaries outside the EEA—a restriction that is a relic of our EU membership. Those near-term reforms would require secondary legislation, I believe under the Financial Services and Markets Bill once it has been passed and enacted. Our aim is to introduce that secondary legislation by the end of this year.

I reiterate that the changes made in response to dealing with SVB UK were specific to the conditions needed to allow that sale to go ahead and are not an

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indicator of the Government's wider policy approach here. We do have a wider policy approach, but that pathway has been set out clearly and is the response to both the independent review and further consultation or, in the case of more fundamental reforms, a call for evidence even before any consultation. We will work with the regulators to understand the response to those calls for evidence and then look at the appropriate way forward.

Lord Tunnicliffe (Lab): Can the Minister confirm whether I have understood this correctly? My understanding was that we are assured that any impact on the ring-fence regime will be brought about through primary legislation.

Baroness Penn (Con): It is important to distinguish between the near-term reforms that the Skeoch review recommended—I listed some examples of what can be taken forward through secondary legislation—and any more fundamental changes, which are the subject of the questions in the call for evidence, which would need primary legislation to be amended to take forward. So it is possible to make alterations to the ring-fence regime through secondary legislation; in fact, the Government have been quite clear about their intention to do so. We will consult on that before we do so, and we will set it out then. However, the call for evidence sets out more fundamental options, and that would require primary legislation. So there is a mix, but anything such as abolishing the ring-fencing regime, or other more fundamental changes, will be set out in primary legislation. I hope that provides sufficient clarity on that point.

The noble Baroness, Lady Kramer, asked about the interaction between SVB UK and its parent in the US. I will write to her on that subject. It was a UK subsidiary, was subject to UK regulation, and had its own requirements under that regulation. However, to provide absolute clarity on that point, I will write to her. I will also look back on this debate because it has been detailed and technical—as well as very important—and will endeavour, where I can, to improve on my answers to noble Lords in writing. However, there may be areas where there is nothing further to add, even if that is not to the satisfaction of noble Lords.

It is worth concluding on the more positive note that most noble Lords started with: that the outcome of the Government's action, together with the Bank of England, to facilitate the sale of SVB UK protected its customers and UK taxpayers. It was a good result in that respect, but the Government will continue to monitor the financial system and consider ongoing events. The final note of reassurance I offer is that the Bank of England has confirmed that the UK banking system remains safe, sound and well capitalised. I beg to move.

Motion agreed.

Committee adjourned at 6.36 pm.