

Vol. 842
No. 71



Thursday
19 December 2024

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

Retirements of Members	
<i>Announcement</i>	377
Questions	
Windrush Compensation Scheme	377
E-scooters and E-bikes	380
National Insurance: GDP	383
Home Schooling	387
Financial Assistance to Ukraine Bill	
<i>First Reading</i>	390
Tributes	390
British Indian Ocean Territory: Sovereignty	
<i>Commons Urgent Question</i>	397
English Devolution	
<i>Statement</i>	401
Rural Economy	
<i>Motion to Take Note</i>	415
Provisional Local Government Finance Settlement	
<i>Statement</i>	446
Syria	
<i>Statement</i>	458
China: Human Rights and Security	
<i>Motion to Take Note</i>	469

Lords wishing to be supplied with these Daily Reports should give notice to this effect to the Printed Paper Office.

Corrections that Lords wish to suggest to the report of their speeches should be sent in an email, indicating the column numbers concerned, to holhansard@parliament.uk, or in a copy of the Daily Report, which, with the column numbers shown on the front cover, should be sent to the Editor of Debates, House of Lords, within 14 days of the date of the Daily Report.

*This issue of the Official Report is also available on the Internet at
<https://hansard.parliament.uk/lords/2024-12-19>*

The abbreviation [V] after a Member's name indicates that they contributed by video call.

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

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

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

© Parliamentary Copyright House of Lords 2024,
*this publication may be reproduced under the terms of the Open Parliament licence,
which is published at www.parliament.uk/site-information/copyright/.*

House of Lords

Thursday 19 December 2024

11 am

Prayers—read by the Lord Bishop of Guildford.

Retirements of Members

Announcement

11.06 am

The Lord Speaker (Lord McFall of Alcluth): My Lords, I should like to notify the House of the retirements, with effect from Thursday 19 December, of the noble Baronesses, Lady Cohen of Pimlico and Lady Quin, pursuant to Section 1 of the House of Lords Reform Act 2014. On behalf of the whole House, I thank the noble Baronesses for their much-valued service to the House.

Windrush Compensation Scheme

Question

11.06 am

Asked by Baroness Benjamin

To ask His Majesty's Government what progress has been made with the Windrush Compensation Scheme in settling unpaid claims.

The Minister of State, Home Office (Lord Hanson of Flint) (Lab): As of the end of October 2024, the amount paid to individuals was over £99 million over 2,826 claims. Over 96% of the 9,322 claims received have now received a final decision—roughly 8,500—or are less than six months old, as just over 500 are. On 8 July 2024 a new single named caseworker process was implemented. This change has streamlined the process, improved consistency, increased transparency and removed duplication that led to avoidable delay.

Baroness Benjamin (LD): My Lords, the current Windrush compensation scheme is still too slow, too difficult to access and unfair. At least 53 victims of the scandal, which I prefer to call the Home Office scandal, have died while waiting for their claims to be processed. The impact on those affected has been enormous and traumatic, with long-term consequences for their mental and physical health and financial security. The burden of proof for claimants needs to be reduced. A report by Justice found that providing funding for legal aid would result in savings for the Home Office and reduce caseworker time. Applying to the Home Office for compensation retraumatizes applicants; therefore, legal representation creates a buffer as the applicants would not have to deal directly with the Home Office. Has a cost-benefit analysis been carried out on the provision of legal aid for Windrush compensation scheme applicants and, if not, why not?

Lord Hanson of Flint (Lab): I pay tribute to the noble Baroness for the work that she has done in raising this consistently, before I came to this House and beyond. The type of campaigning she has undertaken is one of the reasons why the Labour Government put

a pledge in their manifesto to both introduce the Windrush commissioner and put some energy into the system, for the very reasons the noble Baroness has mentioned.

We have put in £1.5 million to support advocacy groups. The noble Baroness mentioned legal aid, and I know she is meeting Minister Malhotra in early January; I hope the matter can be discussed then. I want to reassure her and the House that there is real energy to make sure that Windrush victims get compensation early and speedily, for the very reasons that she has mentioned, and I will take that commitment back to the Home Office today.

Lord Davies of Brixton (Lab): Will my noble friend the Minister reconsider the decision to exclude loss of pension rights from Windrush compensation? The loss of employment and of employment opportunities means that the people affected by the policy have lost significant amounts of their pension rights. Will the Government reconsider that decision?

Lord Hanson of Flint (Lab): I am grateful to my noble friend for the question. We will examine the points that he has made, and I will write to him about the detail of the potential Home Office response on that. He needs to be reassured that the Windrush commissioner proposals that we are bringing forward, the £1.5 million we have put in to help with advocacy—as mentioned by the noble Baroness, Lady Benjamin—and the commitment to deliver this scheme quickly are for the whole purpose of recognising the hurt and suffering of Windrush victims, and giving them proper redress for that hurt and loss.

Baroness Berridge (Con): My Lords, the Minister mentioned that it had been significant that a single caseworker had been allocated, and that it had really improved the system. The Windrush compensation scheme is one of many that the Government are running at the moment, such as the Post Office and infected blood. Can the Minister please make sure that he shares the lessons learned across government, particularly with the Cabinet Office, to ensure that people are getting a speedy redress when they are owed compensation by the Government?

Lord Hanson of Flint (Lab): I will certainly do that and take that back to pass on to my Cabinet Office colleagues. One of the reasons why the new Government introduced the single named caseworker was in direct response to the type of criticism that the noble Baroness, Lady Benjamin, has brought forward. We hope that it will streamline the process, improve consistency, increase transparency and remove the duplication, because those are the factors that have led to delay. If there is good practice from the Post Office and infected blood compensation schemes, and/or vice versa from this, the Government should self-evidently adopt it and make sure that victims get the justice they deserve at the time they deserve it.

Baroness Brinton (LD): My Lords, I am very grateful that the Minister just referred to the two other schemes that are ongoing at the moment, but victims of those schemes are saying that it is not just about the speed

[BARONESS BRINTON]

but about the very intrusive and traumatic questions they are being asked, and delay is coming in. Can the Minister ensure that, following the Home Secretary's reintroduction of the Windrush unit in the Home Office, we will not again see cases like that of Dijoun Jhagroo-Bryan? He is the son of a Windrush victim and submitted paperwork, but the Home Office unit demanded that he also supply a DNA test to prove that he was his father's son. Some months later, that has now been rescinded, but will the Minister guarantee that this sort of behaviour will never happen again?

Lord Hanson of Flint (Lab): If the individual mentioned has had that level of distress, I will apologise from the Dispatch Box for the intrusion into their private life and for the justification for a scheme for which there should have been automatic qualification. The purpose of the Windrush unit—it was disbanded but has been re-established by this new Government—is to tackle the very issues that the noble Baronesses, Lady Benjamin, Lady Brinton and Lady Berridge, and my noble friend Lord Davies of Brixton mentioned. I will take those factors back and we will resolve them. I hope that this House can accept that this Government are committed to putting energy into the scheme, which we will deliver as quickly as possible, and that we will announce a Windrush commissioner shortly. That is a solid manifesto commitment, not just a whim from the Dispatch Box.

Lord Kamall (Con): My Lords, the Minister rightly said that this scandal has plagued Governments of all colours. Can he explain some of the difficulties that the Home Office's internal processes face when trying to identify the victims and prove that they are actually victims of this scandal? What is slowing down the process, and what are the Government doing about that?

Lord Hanson of Flint (Lab): We have received more than 9,300 claims, and decisions have been made on 8,448 of them. Some claims have been turned down, which means that it is a bureaucratic process by its very nature. People have to prove, difficult though it is, that the issues that have driven them to apply to the scheme are valid, because ultimately this is about using taxpayers' money for an injustice. There are a number of problems, but we are trying not to worry about what happened previously. We are trying to reset the relationship to ensure that—with the new Windrush scheme, with an independent commissioner and with energy from Ministers to get this driven through—we can resolve this issue in the interests of not only Windrush victims but wider society as a whole.

Lord Sahota (Lab): My Lords, before I ask my question, I wish all noble Lords a happy Christmas and a prosperous and peaceful new year.

I congratulate the Government on recognising the contribution that the Windrush generation have made over the years, because they helped to build Britain after the Second World War. The Government funded a commemorative statue at Waterloo station some years ago; I went to see it last year and was really

proud of it. Do the Government have any plans to give similar recognition to other minority communities who also played a significant role in helping to build Britain after the Second World War, such as the Sikh communities who helped to keep the West Midlands foundries going?

Lord Hanson of Flint (Lab): I second my noble friend's welcome for Christmas and new year—in fact, I third his welcome, because I think we are all ready for that break in due course.

He mentioned the contribution of many people who came to this country from our Commonwealth partners abroad, and who have contributed to building the Britain that I grew up in. It is important that we recognise their contribution. People from both the Sikh community and the Windrush community have helped make the Britain that I am proud of, and I wish them well. I cannot commit to a statue today, but I note his representations and will certainly reflect on them. We hope that, however it is done, the recognition will be made.

Lord Murray of Blidworth (Con): My Lords, when I was the Minister responsible for the Windrush compensation scheme, some of the best of the Home Office's staff worked for it. It is a very impressive team based in Sheffield, and I recommend that the Minister visits its office and sees its work. On that basis, I also welcome the decision to have a single point of contact; I was keen to try to achieve that, so I am very glad that they have managed to do it. What is the current average time for processing a new claim to the Windrush compensation scheme?

Lord Hanson of Flint (Lab): The noble Lord has got me there—if he allows me, I will reflect on that. Before I go on the welcome Christmas and new year break, I will make a telephone call to Sheffield and encourage the team to inform him, via me, of that delay in due course. I hope that, between us, we can have a very merry new year and resolve these issues for the noble Baroness, Lady Benjamin, and the others who deserve that recognition and resolution.

E-scooters and E-bikes

Question

11.18 am

Asked by **Baroness Pidgeon**

To ask His Majesty's Government what plans they have to revise legislation around the use of e-scooters and e-bikes.

The Minister of State, Department for Transport (Lord Hendy of Richmond Hill) (Lab): My Lords, resolving the long-standing problems and missed opportunities of micromobility, including e-scooters, is a priority for my department, and we will work with colleagues across government to tackle this as soon as possible. We recognise the need to ensure that dockless cycle rental schemes, including for e-cycles, work for the whole community. That is why on Monday we announced plans in the English devolution White Paper to empower local leaders to regulate these schemes.

Baroness Pidgeon (LD): My Lords, I welcome the White Paper, with the promise to allow local regulation of micromobility schemes. However, the public continue to buy e-scooters, which are illegal on public highways and which may not be built to the highest safety specifications. When will the Government bring forward urgent legislation on the use of personal e-scooters, covering safety issues, including batteries?

Lord Hendy of Richmond Hill (Lab): I absolutely respect the noble Baroness's view. As of December 2023, circa 1 million people aged 16 or over owned an e-scooter in England. In July 2020, e-scooter rental trials were set up to inform future regulation, and in May 2022, the last Government announced primary legislation to legalise and regulate them. This was not delivered, meaning that e-scooters are, as she implied, still illegal to use outside of the e-scooter trials, which are due to run until May 2026. That is why, as I said, it is a priority for my department. We will move to tackle this as soon as possible.

Viscount Colville of Culross (CB): My Lords, some agencies, such as the Safer Essex Roads Partnership, have two or three-week blitzes in which community volunteers and the police combine to stop illegal e-scooter drivers, but this enforcement is piecemeal and only partially effective. When will the Government spread this neighbourhood crackdown on illegal scooters across the country?

Lord Hendy of Richmond Hill (Lab): The Government are committed to a crime and policing Bill—I was discussing it with my noble friend Lord Hanson of Flint just before Questions—which will look at the plight of local communities being plagued by anti-social behaviour. That Bill is intended to give the police stronger powers to stop vehicles being used to bring misery to our neighbourhoods, with officers no longer required to issue a warning before seizing them. That will allow them to swiftly deal with off-road bike nuisance in public parks and dangerous e-scooters on pavements, as well as street racing and cruising.

Lord Watts (Lab): My Lords, Spain has started a scheme to identify those riding e-scooters who are driving too fast and are not wearing helmets, and a €100 on-the-spot fine has been introduced. Should we consider that?

Lord Hendy of Richmond Hill (Lab): I have with me a summary of the way in which 22 European countries have dealt with e-scooters. One of the most striking things is that there is no consistency across Europe or across the other countries surveyed about how to deal with this. One of the challenges of the legislation opportunity that we will take is to work out what is best for this country. There are all sorts of variations: minimum ages, whether you can ride them on pavements and whether you need mandatory helmets, and one or two countries have registration schemes—though that seems as hard for e-scooters as it might be for bicycles. We will have to work through what the best scheme is for this country in order to put forward the appropriate legislation.

Lord Moylan (Con): My Lords, the Minister referred to a trial conducted by the previous Government which has gone on rather a long time—rather too long, in my view. Would it not make sense for the Government to draw that trial now to an early conclusion and see what lessons could be learned from it before proceeding with legislation, so that it could be informed by the results of the trial? Will the Minister be able to give a commitment that that will be done? When he learns the lessons of that trial, and will he take a particular interest in the use of e-scooters in relation to crime which we see on the street, which is a cause of great concern—not least mobile phone theft?

Lord Hendy of Richmond Hill (Lab): Happy Christmas to the noble Lord, Lord Moylan.

Noble Lords: Oh!

Lord Hendy of Richmond Hill (Lab): Gosh, that is a distraction.

There is a criminal aspect to the use of e-scooters, particularly illegally, which is why legislation needs to be brought forward to regularise this. As regards the trials, it is implausible to suggest that we will curtail them, simply because they are the only e-scooters used on the public roads which are legal. However, I agree with the noble Lord that we should be learning the lessons of the trials that we have had as quickly as we can—they have been going on for five and a half years, as he recognises. Understanding what is going on in the rest of Europe and in developed countries will help us bring forward the right legislation for the United Kingdom.

The Lord Bishop of St Albans: My Lords, with reports of deaths on the pavements from e-bikes and e-scooters, there is a lot of worry about safety, particularly for those who are disabled or partially sighted. Can the Minister assure us that, when the consultations go ahead, charities working with people in such situations will be consulted, so that we can make sure we are offering them the maximum protection on our pavements and streets?

Lord Hendy of Richmond Hill (Lab): I absolutely recognise the risk to pedestrians from e-scooters and, for that matter, e-bikes and ordinary cycles on the footway. I can assure the right reverend Prelate that we will consider fully the needs of disabled, partially sighted and blind people in bringing forward the appropriate legislation. We want people to feel safe walking around our towns, cities and countryside; riding bikes too fast or riding e-scooters on the pavements is completely unsatisfactory for those people.

Lord Hogan-Howe (CB): My Lords—

Lord Robathan (Con): My Lords—

Lord Kennedy of Southwark (Lab Co-op): My Lords, we will hear from the noble Lord, Lord Hogan-Howe, then from the Lib Dem Benches, and then the Conservative Benches.

Lord Hogan-Howe (CB): My Lords, I thank the Minister for the recent meeting on the potential regulation of cyclists in the future. On the issue of e-bikes, scooters and cyclists, one of the things that none of them has is insurance, which means that they cannot compensate victims. Insurance could play the positive role of modifying human behaviour. The premiums reflect the risk; the higher the risk, the higher the premium. Can the Minister explain the argument against these people having insurance?

Lord Henty of Richmond Hill (Lab): The dialogue with the noble Lord continues. As he said, we had a very fruitful meeting recently, following the earlier debate in the autumn on the whole question of cycling. The practical difficulty of insurance is simply that clearly people do not need a licence for these things, and a requirement for insurance would itself need enforcement—on which he is better qualified to opine than I am. There is a real difficulty with some of the propositions around licensing and insurance, which we will have to fully consider. He is right that, in the absence of insurance, if there is an accident and people are injured or worse then there is a real problem, but we have to crack this in a practical manner.

Baroness Randerson (LD): My Lords, on average, the London Fire Brigade is called to an e-bike or e-scooter fire once every two days, some of which lead to loss of life. My noble friend Lord Redesdale has a Private Member's Bill, the Lithium-ion Battery Safety Bill, which is designed to tackle the issues of substandard battery design, unsafe battery chargers and dangerous conversion kits. Will the Minister undertake to examine that Bill in detail, with the intention of providing government support to get this legislation on to the statute book as soon as possible?

Lord Henty of Richmond Hill (Lab): I will certainly undertake to look at that in the way that the noble Baroness suggests. In October, the Department for Business and Trade launched the Buy Safe, Be Safe campaign to raise awareness of the dangers of buying faulty and unsafe e-bikes, e-scooters and components such as batteries for the very reasons she suggests. These fires, some of which are catastrophic and have caused fatal injuries, are completely unacceptable, and the people selling these things ought to be brought to order.

National Insurance: GDP

Question

11.28 am

Asked by **Lord Altrincham**

To ask His Majesty's Government what assessment they have made of the impact of the increase in National Insurance contributions for employers on gross domestic product growth.

The Financial Secretary to the Treasury (Lord Livermore) (Lab): My Lords, the £22 billion black hole left by the—

Noble Lords: Oh!

Lord Livermore (Lab): The £22 billion black hole left by the previous Government meant we had to make very difficult decisions to repair the public finances, rebuild public services and restore economic stability. Following the Budget, the Office for Budget Responsibility has revised up its growth forecasts for the next two years, as has the Bank of England. The OECD now expects the UK to be the fastest-growing European G7 economy. The OBR has also said that there will be significant increase in growth as a result of the Budget over the longer term.

Lord Altrincham (Con): I wish the Minister a happy Christmas, even with the reminder of the schwarzes Loch.

Memories of Christmas past and the story of *A Christmas Carol* remind us that extracting the most amount of money from a business can have surprising consequences. In this case, can the Minister comment on whether increasing employment costs will lead to an increase in prices or a reduction in jobs, and can he specifically comment for us on the impact on the hospice sector?

Lord Livermore (Lab): I wish the noble Lord a merry Christmas and a happy New Year in return. As I said, we did have to clear up the mess that we inherited, and that did mean taking some very difficult decisions. I of course understand and respect the legitimate concerns that have been raised, and we have consistently acknowledged that there will be wider impacts as a result of the decisions that we have taken. But I do genuinely say that not to act and not to repair the public finances and restore economic stability was simply not an option. As I have said, let us be clear: following the Budget, the OBR, the Bank of England and the OECD have all revised up their growth forecasts.

Baroness Kramer (LD): My Lords, a report in 2021 by Skills for Care calculated that adult social care alone contributed some £70 billion to the economy and that:

“Sustained growth in adult social care will boost local economies via the induced and indirect effects”—

and this was especially in northern and Midland regions. Does the Minister understand that the ongoing lack of investment in social care, combined with new burdens—notably the increase in employers' NICs—could put this growth into reverse? Will the Minister make to his Government the economic case for exempting the care sector from increased employer NICs?

Lord Livermore (Lab): I have the greatest respect for the noble Baroness's consistent focus on the importance of social care. The answer to her last question is no, but the Government are providing at least £600 million of new grant funding for social care in 2025-26, as part of the broader estimated real-terms uplift to core local government spending power of approximately 3.2%.

Lord Londesborough (CB): My Lords, does the Minister agree that the drop in job vacancies in November at the steepest rate since the pandemic is not only bad news for economic growth but reflects very poorly on both the run-up to the Budget and the Budget itself—in particular, raising employers' national insurance

contributions while increasing the minimum wage at three times the rate of inflation? Is this not a recipe for job destruction rather than job creation?

Lord Livermore (Lab): Well, no. The OBR has been very clear that the number of people in employment will increase by 1.2 million over the course of this Parliament. As I said before, we had to take some very difficult decisions to clear up the mess that we inherited. I would simply ask the noble Lord and other noble Lords what their alternative is to the course of action that we took? Are they seriously saying that we should not have repaired the public finances? Are they seriously saying that we should not have restored economic stability? Quite frankly, that is the path that the Liz Truss mini-Budget took. We saw what happened then: she crashed the economy and working people are still paying the price today.

Lord Blunkett (Lab): My Lords, can my noble friend the Minister confirm that, in the 12 months leading up to the general election, the previous Government, in reducing national insurance on employees by 4p, actually gave away £20 billion and that there has been no discernible improvement in economic activity as a result? Is not this entirely their fault and not ours?

Lord Livermore (Lab): My noble friend is absolutely right that the actions taken by the previous Government were consistent with the actions of a Government who had a total lack of regard to the stability of the public finances—which is exactly why we ended up with a £22 billion hole in those public finances because, although they willed the ends, they never willed the means.

Lord Popat (Con): My Lords—

Baroness Sugg (Con): My Lords—

Lord Kennedy of Southwark (Lab Co-op): I think it is the turn of the noble Baroness.

Baroness Sugg (Con): My Lords, can the Minister respond to the question from my noble friend on the Front Bench about the impact of national insurance contributions on the care sector, and specifically on hospices?

Lord Livermore (Lab): As I said to the noble Baroness, Lady Kramer, the Government are providing at least £600 million of new grant funding for social care in 2025-26.

Lord Wigley (PC): My Lords, colleagues in all parts of the House will have received representations on a scheme drawn up to help disabled children get to school, which is being undermined and will probably have to close down as a result of this increase in national insurance payments. Was that sort of scheme considered by the Government, or was it not considered at all before this decision was taken?

Lord Livermore (Lab): I am not aware of the specific scheme that the noble Lord raises, but I will happily look into it and I shall write to him on it.

Lord Brooke of Alverthorpe (Lab): Given the ever-increasing demands for more and more public expenditure which we listen to every day of the week in this House, will the Minister consider presenting a form of debate for the House whereby we can look to try to extend the area in which tax might be raised to meet those public expenditure demands? Could he also look at the possibility that we may increase national insurance contribution returns by extending national insurance contributions beyond the state retirement age, as we now have 1.5 million people working beyond that age?

Lord Livermore (Lab): The question of which debates the House has is not a matter for me—I think that is somewhat above my pay grade—but my noble friend is absolutely correct to say that we hear consistent demands from the party opposite for more and more spending, but they never seem to be willing to tell us exactly where the funds for that will come from. Of course, that is exactly why we ended up with a £22 billion black hole in the public finances: because they never took the difficult decisions to pay for any of their promises.

Lord Leigh of Hurley (Con): My Lords, I may only have an economics degree but, none the less, that makes me an economist in the way things are currently. As such, the OBR has made it clear there is no £22 billion black hole, which is why there is the same response from this side of the House. But what is clear is that £40 billion has been taken from the private sector to the public sector. Companies have to respond to that. Their only choices are either to increase prices, which they are, to reduce wage increases, which they are, or to reduce investment in jobs and other capital items. As a result, of course, the PMI is at its lowest level since 2009 and, within 24 hours of the Budget, the gilts went up 40 basis points. Can the Minister explain that and can he also please address the issue of care homes? I am involved in a charitable care home which has received a £1.5 million extra bill. We do not know how we are going to pay that bill. I will not name the care home, but I will take this opportunity to wish the Minister a happy Hanukkah.

Lord Livermore (Lab): I am very grateful to the noble Lord for his last comment and I obviously say the same to him. I am also grateful to him for raising the £22 billion black hole again. He is possibly the only Member of this House who mentions it more often than I do and he will be absolutely aware of the outcome of the OBR's review. It conducted a review into a meeting it had with the Treasury on 8 February, when the Government were obliged under the law to disclose all unfunded pressure against the reserve. The OBR's review has established that, at that point, the Government concealed £9.5 billion. The OBR made 10 recommendations to stop this ever happening again, which this Government have accepted in full. But, of course, the previous Government still had five more months left in office and they continued to amass unfunded commitment after unfunded commitment that they did not disclose. By July, records show that that had reached £22 billion. The noble Lord asked a number of subsequent questions and I simply ask him: is he seriously saying that we should not have

[LORD LIVERMORE]
 repaired the public finances? Is that his serious contention? That is absolutely what the Liz Truss mini-Budget did and we saw exactly how that ended up.

Home Schooling Question

11.39 am

Asked by The Lord Bishop of Guildford

To ask His Majesty's Government whether they plan to review the rules on home schooling in the light of the murder of Sara Sharif.

Baroness Anderson of Stoke-on-Trent (Lab): Before I address the Question, I beg your Lordships' indulgence as I would like to say a few words about Sara Sharif. On behalf of your Lordships' House, I pay tribute to a beautiful 10 year-old girl who loved to sing. I extend our condolences to those who knew her, who must be devastated by her loss in such circumstances. Sara's father, stepmother and uncle have rightly been brought to justice, and I hope that this serves as some comfort to those who love her. While the local child safeguarding practice review into Sara's death will identify any failings, we must also recognise that social workers, police officers, health workers, teachers and others, serving our country's most vulnerable children and families, strive every day to keep them safe.

Protecting children from harm could not be more important to the Government, and we are already taking swift action through our landmark reforms to children's social care, the biggest overhaul in a generation. The Children's Wellbeing and Schools Bill, introduced this week, brings forward a series of new safety measures, with a focus on a joined-up system to help prevent vulnerable children falling through the cracks. This Bill contains measures requiring parents to obtain local authority consent before they can home educate if their child is subject to a child protection inquiry or has a child protection plan. Local authorities will have powers to require any home-educated child to attend school if their home or learning environment is unsuitable.

The Lord Bishop of Guildford: I thank the Minister for her moving Answer to my Question. The death of Sara Sharif and the subsequent trial have, understandably, caused the deepest upset across the nation, especially in the diocese which I serve and the church school from which Sara was withdrawn by her father and stepmother. I welcome the proposals in the Children's Wellbeing and Schools Bill and the Prime Minister's strong stance during PMQs in the other place. Could I ask His Majesty's Government to go further than is currently envisaged and consider creating a new statutory duty on local authorities to visit home-schooling homes at least once a term to ensure that children's education and their welfare are properly monitored and protected?

Baroness Anderson of Stoke-on-Trent (Lab): My Lords, I put on record our thanks to the right reverend Prelate for the work that he will be doing in his diocese to support the communities which will be struggling, especially right now, and coming to terms with the

consequences of the trial. With regard to the proposals put forward by the right reverend Prelate, we are about to start consultation on the Children's Wellbeing and Schools Bill, which was introduced in the other place just this week. Consultations will continue in this place, and I look forward to discussing it with him. In advance of such discussions on the legislation, I have spoken to the Minister responsible in the other place, and she has offered to host a round table immediately after Christmas with noble Lords who are interested so that we can discuss these issues in detail in a more appropriate setting.

Baroness Barran (Con): My Lords, I echo the Minister's sentiments about the tragic death of Sara Sharif and thank her for starting her Answer in that way. On these Benches, we welcome very much the proposal in the new Bill that children who are subject to a plan or an investigation will not be allowed to be home educated. I wonder whether she could commit to going back and talking to her honourable friend the Minister for Children and Families, urging her to write to every director of children's services now to establish how many children who are home schooled currently are on the child protection register or subject to an investigation, and make sure that we check up on their safety.

Baroness Anderson of Stoke-on-Trent (Lab): My Lords, I thank the noble Baroness, who has great experience from her previous role in engaging with this. I reassure your Lordships' House that local authorities are already actively engaged in this area. On the safeguarding statistics related to home education, of the 111,700 children in home education, 1% were children in need, while less than 0.5% were recorded as having a child protection plan or being a looked-after child. This compares with 3% of children in need, 0.4% having a child protection plan and 0.7% being looked-after children among the wider child population. We have the statistics, but, obviously, all local authorities have an onus to make sure that children are safe.

Lord Storey (LD): My Lords, the MP for Woking, where this young girl Sara lived, was, interestingly, on the child protection register himself. He said:

"Sara's life cannot be brought back, but we owe it to her—and every vulnerable child—to ensure her suffering was not in vain. Change must happen, and I will not rest until it does".

Sadly, for many children, it will not be a happy Christmas this year. It is not just the issue of home education but of children in care: children in unregistered care homes and schools and those put in care homes miles away from their family and community. I am interested in what the Minister said about round-table discussions, and I hope and am sure that these issues will be picked up in the Bill that is due to come before us.

Baroness Anderson of Stoke-on-Trent (Lab): I thank the noble Lord for his question and for the work that he has done in this area. We look forward to working with your Lordships across the House to make sure that the Children's Wellbeing and Schools Bill delivers. This is not party political. This is genuinely about how we keep children safe from harm. While I have the opportunity, not only are there many children who

will not be having the Christmas—or the Hanukkah, for that matter—that we wish for everybody but there will be public servants who will be giving up time with their own families and will endeavour to keep others safe. We thank them for their service at this time of year, too.

Baroness Gohir (CB): My Lords, there is a disproportionately high number of minority-ethnic children in home elective education. If we look at the numbers where ethnicity is known, they amount to about 30%. What are the Government doing to look at the contributing factors, including that the local schools do not meet their educational needs, including special educational needs?

Baroness Anderson of Stoke-on-Trent (Lab): My Lords, there are many different parts to this. To answer the noble Baroness's question, reforming social care is critical to giving hundreds of thousands of children and young people the start in life they deserve, whichever ethnic minority they come from. The Children's Wellbeing and Schools Bill follows the publication of *Keeping Children Safe, Helping Families Thrive*, which sets out the Government's commitment to whole-system reform of children's social care. Additionally, the Budget announced £44 million to support kinship and foster carers. This includes the largest ever national investment in kinship care. We have also just announced half a billion pounds for the next financial year in direct preventive services, to help fund local authorities to fulfil this work. If the noble Baroness would like to have a specific discussion about how we can make sure that this is getting to every community and no one is excluded from it, I look forward to meeting her.

Baroness Walmsley (LD): My Lords, does not the case of poor Sara indicate the urgent need for removing the legal defence of reasonable chastisement of violence against a child? Surely doing so would send out a message that it is never reasonable to beat a child.

Baroness Anderson of Stoke-on-Trent (Lab): I personally agree very much with the noble Baroness but, in terms of what we are doing, this Government does not condone violence or abuse of children in any form, and there are laws in place to protect children from this. We are looking closely at what is happening in Wales and Scotland and will continue to build our evidence base but have no plans to legislate specifically for smacking at this stage, which I believe the noble Baroness was alluding to. We want to consider further evidence carefully ahead of deciding whether a change in law is required. We want to make sure that the voices of children, parents and trusted stakeholders are fundamentally at the heart of this discussion, and that will feed into any amendments to the Children's Wellbeing and Schools Bill.

Baroness Pitkeathley (Lab): My Lords, would the Minister agree that part of the difficulties of this tragic case were the inadequacies of the social work supervision? Would she therefore support much more emphasis on the recruitment of adequate numbers of social workers with sufficient experience and on support for them thereafter in the very difficult work that they do?

Baroness Anderson of Stoke-on-Trent (Lab): I thank my noble friend for her question. The reality is that we do not yet know the detail of the specifics related to Sara Sharif, because, on the advice of police, the local child safeguarding practice review was not to be undertaken until after the completion of the trial. I would be reluctant to put any blame on any individual. In terms of next steps, I would like to take this away from Sara Sharif, because this is about how we protect all children who are at risk of harm. This is about how we can deliver stronger, multi-agency working protections, which we are doing. Statutory guidance reinforces multi-agency working across the whole system of help, support and protection. Recently introduced national multi-agency child protection standards and our new child wellbeing Bill will build on this. I also raise the fact that, as part of the legislation, we are introducing the unique signifier information, which will make it easier for multi-agency working to work. Some 56% of cases failed, and children slipped through the net, because one agency could not link up with another, so we need to introduce the single unique child identifier.

Financial Assistance to Ukraine Bill

First Reading

11.49 am

The Bill was brought from the Commons, endorsed as a money Bill, and read a first time.

Tributes

11.50 am

Lord Kennedy of Southwark (Lab Co-op): My Lords, as we bring the last sitting week of 2024 to a close, it is not only traditional but important that I and my colleagues in the usual channels take this opportunity to pay tribute to individual members of staff who have recently departed or are soon to depart from your Lordships' House. This also includes taking a moment to reflect on and celebrate the lives of those colleagues who are sadly no longer with us. Many of the individuals mentioned today will be known to noble Lords, having provided many years of exemplary service to this place.

Before doing so, I acknowledge the work of the almost 600 individual currently serving staff members across the House. In many cases, these people are here first thing in the morning, during the day and working late into the night. This equally applies to staff in the Government Whips' Office and other usual channels offices, who have supported us and the whole House in managing our business. I extend a huge thanks to them all.

Sometimes, it is the things which are carried out quietly, inconspicuously and without fanfare that have the greatest impact on our ability to perform our duties well. These efforts are what enable this House and our work to operate seamlessly and without interruption. This collective effort could not have been demonstrated more expertly than in the moments immediately preceding this year's general election. One thing that is never in doubt is the reassuring feeling

[LORD KENNEDY OF SOUTHWARK]

that every team member in the House will always pull together and rise to the occasion, whatever the challenge may be.

Becoming Government Chief Whip in July, after three years as Opposition Chief Whip, was a huge privilege. I pay a particular tribute to the civil servants who work in the Government Whips' Office, led by Ayeesha Bhutta. Their professionalism in the transition and working with the new Government is a wonderful example of the Civil Service at its best.

I come to individual tributes, beginning with Parthe Ward, who passed away unexpectedly at home in June this year. After joining the House as an assistant librarian in 1990, Parthe was a familiar face at the Library information desk, sourcing and issuing books, answering questions and lifting the spirits of everyone who interacted with her. Answering Members' queries proved to be Parthe's forte. Her knowledge of the House, its work and the Library's collection, and her ability to track down obscure pieces of information were invaluable. More so, her kindness, sense of humour and willingness to help always shone through.

When the opportunity arose in 2016, the Library successfully applied for Parthe to receive an MBE. Modest as ever, when she received the letter she thought somebody was having a joke. She promptly telephoned the honours and appointments secretariat and was told that it was an actual fact and not a joke. Parthenope Lucy Ward had been awarded an MBE for parliamentary services—a true testament to her dedication and service to your Lordships' House. Parthe is greatly missed by colleagues and Members alike, and we pass on our deepest condolences to her family and friends.

I now come to Clare Treanor, managing editor in Lords Hansard, who is retiring this month. Clare came to the Lords Hansard office from the House of Commons in January 2006. Since 2013, she has been the linchpin of Hansard's Select Committee transcription work and has read an astonishing volume of Select Committee evidence, to which she has brought to bear her formidable work ethic, keen editorial eye and meticulous organisational skills. Her colleagues have hugely appreciated her steady and thoughtful guidance, and will greatly miss her warm presence in the office.

For her retirement, I understand that Clare is planning to move to Cornwall, an area of the country she knows well, to be closer to her sister and nephew, to whom she is devoted. She is looking forward to taking advantage of the potential for open-air swimming, visiting local galleries, and deploying her enthusiasm and flair for interior design in her new home. We wish Clare all the very best for her well-earned retirement.

The last individual on my list is Elaine Tarry, who retired from Black Rod's team of formidable doorkeepers in January this year. Elaine joined the House in January 2017, having previously worked as a station manager on the London Underground. A much-liked member of the team, Elaine was always willing to help others and pass on her knowledge. I hear she took to the role very well. I wonder whether that is because, I am told, Elaine is apparently in possession of an unclear number of cats. One of the unique but necessary skills possessed by many doorkeepers is unflappability in a difficult situation. Cats, commuters and Members

of your Lordships' House alike are notoriously difficult to herd. Elaine has now moved on to pursue part-time charity work in her local area and is much missed by the team. We wish her every success in her new role and all the very best for her retirement.

In my closing remarks, I pass on my personal thanks to all colleagues across the usual channels for the support they provide. I suspect we may have a few challenging times ahead but, with the usual courtesy and friendship displayed in our discussions, I am convinced we will continue to work together, and if we cannot agree we can at least disagree amicably.

Finally, as a small festive treat, I am delighted to be able to confirm the answer to a popular question—the Conference Recess dates for 2025. I have already announced recess dates up to that point, which, of course, remain subject to the progress of business. If business proceeds as currently planned, I can confirm that the House will rise for the Conference Recess on Thursday 18 September and return on Monday 13 October. I hope colleagues will find this useful in planning.

I wish colleagues from across the House and all noble Lords a very merry and restful Christmas, followed by a very happy new year.

Baroness Williams of Trafford (Con): My Lords, I start by completely endorsing the remarks made by the Government Chief Whip. I also personally thank the Government Whips' Office team for their sterling support and work during my time as Government Chief Whip. They are a great team and it was a real privilege to work with them. One of the things about a change of Government is that it does not give you a chance to thank people, so I am very glad that I can publicly do so now.

I also thank my team in the Opposition Whips' Office, who have provided support for our Front-Benchers and Conservative Peers. Again, they are a superb team and I am most grateful for the way they have hit the ground running—literally—in such a professional and enthusiastic fashion.

I am also grateful and thankful for the Government Chief Whip. Despite appearances sometimes, he and I work very well together, sometimes in more testing times than others, but I think we can say that we respect each other and our roles. I hope we can continue to bring the Christmas good cheer well into the new year.

It is my honour and duty to pay tribute to Justus Jerome Abrao. He was a cherished member of the catering and retail services team who passed away in April. He was a dedicated member of the waiting staff, playing a pivotal role in the banqueting team, and he occasionally lent his talents to the Peers' Dining Room. He joined the team in June 2023 and quickly became known for his exceptional work ethic, his warm personality and unwavering commitment to excellence. Very sadly, Justus passed away in a tragic accident in India in April. He has left a profound void in the team and in the lives of all who had the privilege of knowing him.

From all reports, Justus brought an unparalleled enthusiasm to his work. Whether attending to guests in the banqueting team or assisting in the Peers' Dining Room, he consistently went above and beyond,

embodying the true spirit of teamwork. His colleagues could always rely on him to offer a helping hand or take the initiative in tackling the next task. Even on the most demanding days, he faced every challenge with a genuine smile that lifted the spirits of everyone around him.

Justus's kindness, positivity and professionalism did not go unnoticed. He had a unique ability to make those around him feel valued and appreciated, be they colleagues or guests. His calm demeanour, coupled with his relentless dedication to his role, made him a standout member of our team. Though his time with us was tragically cut short, his impact was immense. He will be remembered not only for his contributions to our service but for the warmth and joy he brought to our workplace. May he rest in peace.

Noon

Neil Archibald retired from the House after 20 years' service. He started in the Attendants' Office and later moved to the Printed Paper Office as a senior clerical officer, where he would spend much of his time standing on a footstool clearing shelves or checking laying papers. He was friendly in the PPO and would often talk to Peers about "Strictly Come Dancing" due to his enthusiasm for ballroom dancing. In his spare time, he enjoyed cycling, although he must now be grateful to be able to avoid the dark commute home on a bike in winter. He was known to colleagues for his poetic abilities, as he would occasionally provide entertainment at team meetings by reciting his latest PPO-themed composition. As a tribute to this, his colleagues in the PPO have provided their own poem as an ode to Neil:

"There was a PPO staffer called Neil,
Who handed out papers with zeal.
He retired in May
But will read *Hansard* one day
And think, "Gosh, that's so surreal".

Pauline Mason was a long-standing member of the catering team. Her first job in the House was in March 1998, when she helped provide support in the Peers' Dining Room. Throughout her 26 years in the House, Pauline saw many changes in the catering team, including new kitchens being built, which entailed the team working out of a temporary retrofitted kitchen in the Long Room. She was always on hand to support her team, working extra hours so that Peers were looked after, particularly at teatime. If noble Lords have had a toasted teacake in the afternoon, it was probably prepared by Pauline. She was a wonderful lady, quiet and courteous and a pleasure to work with. On behalf of the House, we wish her a happy and well-deserved retirement.

On behalf of my noble friend the Leader of the Opposition and myself, I wish noble Lords and all the staff of this House a very happy and peaceful Christmas—with no black holes, just good will to all.

Baroness Thornhill (LD): My Lords, on behalf of these Benches, I express our most sincere condolences to Parthe Ward's colleagues in the Library and everyone who knew her. She was clearly a highly regarded person, and across the House we were all shocked and saddened to hear of her death. She is greatly missed.

I too echo the thanks to everyone who works to keep the House running smoothly. There are times when I suspect it is rather like the swan: all appears calm and serene, but I am sure there is lots going on underneath.

My first tribute is to Gordon Hunt. Gordon worked as head cashier for more than 25 years before retiring this May. He has a warm, approachable personality and was well respected by colleagues in the catering team and by staff across the administration. He was an exceptionally knowledgeable and diligent member of the team, with a keen eye for detail, which is useful in a cashier and in finance. He was often the first point of contact for many colleagues, helping to resolve many and various issues, and going above and beyond the call of duty to help his colleagues. Gordon was a well-liked member of the team and is missed by all his colleagues. He will, however, now have more time to watch football—he is a proud supporter of Fulham Football Club—follow the cricket and spend time with his grandchildren. Given Fulham's past fortunes, watching them will be more enjoyable now than previously.

Peter Linge's colleagues wrote an essay, which shows how popular he is. This is a shortened version. Peter was senior commercial manager in the Parliamentary Commercial Directorate. He had worked on parliamentary procurement projects since 1977 and moved over full time to the Parliamentary Estate on secondment in 1991. The House authorities obviously spotted a good thing, because they made him permanent 16 months later, and Peter worked here ever since. For the majority of the time between 1977 and 1991, he was involved with some of the procurements involving Parliament, including the first competitively tendered maintenance contract for the Great Clock and phases of the external stone cleaning and restoration project. For more than 17 years, Peter was the only procurement support for the then Parliamentary Works Directorate. He worked on a large number of procurement projects, including the cast-iron roofs, Operation Marquee and Millbank House. However, he was at pains to say that he was not involved at all in the procurement around Portcullis House.

Considering Peter's exceptional accomplishments and significant contributions to the commercial field within Parliament, he is highly deserving of this mention in the House. His tireless efforts have undoubtedly had a profound and lasting impact on Parliament as a whole. Beyond his official responsibilities, Peter consistently went above and beyond to actively mentor colleagues. His significant corporate memory has been invaluable to colleagues, and he will be missed. Outside work, Peter has a wide range of interests, in particular researching his ancestry. Associated with this activity, he is a member of the Society of Genealogists. He has recently taken to horology, and has an interest in working on historic clocks, servicing and repairing many grandfather clocks dating back to the 17th century. He loves pre-1960s films and old gramophone records and is a keen amateur discographer—yes, I had to look that up.

Mark Ogden started in the House of Lords in October 1993 and at the point of his retirement this year had completed more than 30 years' service. Initially, Mark was employed as a porter, but the following year he moved to the catering department as a kitchen

[BARONESS THORNHILL]

porter under the direction of the then executive chef Mark Thatcher. After some time in the kitchens, Mark moved to the catering stores as a storekeeper, ensuring the smooth handling and transition of all catering deliveries, and that they got to the right department of the right kitchen intact and on time. In 1998, Mark moved to the House of Lords Gift Shop as a senior sales assistant, where he remained until his retirement in 2024. In between filling the shelves and replenishing, Mark would be on hand to offer his exemplary standard of customer care, assisting Members, staff and visitors with purchases or inquiries. Mark was a very popular and respected member of the catering and retail team. This was also shown through his role as a trade union representative within that team. Members of staff were always happy to approach Mark for advice and support, and he was always ready and willing to provide it. The whole catering team wish Mark a happy and healthy retirement, as do we. It will provide him with the opportunity to spend more time following his beloved Millwall Football Club. Unlike the Millwall fans' chant, it is clear that everybody likes him, and they do care.

The Earl of Kinnoull (CB): My Lords, before I pay tribute to three most wonderful staff members, I fully associate myself with the thanks expressed by my fellow usual channels' colleagues in general to the whole House. I add two additional thanks. The first is for the many additional kindnesses that so many staff have shown to Members in doing things that are entirely outwith their job descriptions; with our slightly older Cross Benches, that is a special and helpful thing.

Secondly, I want to mention the security guards whose job it is to stand in the wintry cold of our current front door arrangements. They have the warmest of smiles and the quickest of witty remarks as one emerges from the pod.

James Cameron-Wood retires at the end of December after 12 years of dedicated service. Prior to the House of Lords, he had 29 years of exemplary service in the Royal Navy, rising to the rank of chief petty officer and specialising in electronic warfare and intelligence. He joined the House as a doorkeeper in January 2013 and became Deputy Principal Doorkeeper in July 2019. He has, with his much-medalled chest, had leading roles on numerous state occasions, particularly for the lying in state of Her late Majesty the Queen. I was on duty on a vigil guard and could see him for a number of the 20 minutes there, with often very distressed people, helping them along and keeping the whole thing flowing, and that gave us strength in doing what we were doing. He was, of course, also present for the Coronation.

In 2014 he received a commendation from the chief superintendent of the parliamentary police for outstanding professionalism and vigilance. This concerned preventing three protesters from disrupting the visit of the Canadian Prime Minister—and I am jolly sure that other chief petty officer skills were employed on that occasion.

James was instrumental in the design and development of the Peers' Guest Room booking system, a practical system that works very well and that I use every day.

He and his wife Alison have now moved to Scarborough, and I wish him on behalf of the House very well for a long and happy retirement.

Jane White started in the House of Lords in 2003 when she was appointed to the snappily named Merits of Statutory Instruments Committee as an adviser. This was rapidly renamed our very own Secondary Legislation Scrutiny Committee, and Jane worked for that committee from its inception in 2003 until her retirement. She played a critical role in developing the committee as the highly regarded mechanism for effective scrutiny of secondary legislation that it is today. She was instrumental in getting systemic improvements made within government departments for their treatment of secondary legislation—through, I know, force of logic and force of personality in equal measure.

The committee met great scrutiny challenges in Brexit and in the Covid pandemic, and a number of its members have commented to me what a tower of strength she was then and how inspirational she was in handling those issues. Over her career she became the institutional authority for all issues relating to secondary legislation and, unsurprisingly, in 2020 Jane received an OBE for services to Parliament. She has a joyful and wicked sense of humour and, as a number of colleagues whom she line-managed have said, their careers have flourished under her tutelage.

To celebrate her well-earned retirement, Jane and her husband went to Japan, although at that time they were without their two daughters and spaniel Indie. A lover of gardening and whisky—she should be Scottish—I wish her too on behalf of the House a very long and happy retirement.

Sarah Kerr, who is my private secretary, has worked in the Lords since March 2003. After roles across the House and in the Leader's office, Sarah became assistant private secretary to three successive Clerks of the Parliaments. They and their private secretaries relied on her calm and authoritative presence and organisational skill. When she took on that role, she focused on ensuring that services were resilient, and chose to cross-train her teams to cover each other's tasks. As Covid hit, that attention to colleagues and continuous process improvement proved utterly vital. Due in large part to Sarah's foresight, the Clerk's office was able to continue nearly seamlessly, including providing support to ensure that sittings of the House could carry on unimpeded.

In Sarah's role, her mix of kindness, tact and nous have enabled her to excel, having arrived at the Cross Benches, in the pastoral elements of supporting 180 or so Cross-Benchers and in the varied diet that is the convenor's work. She particularly shone following the sudden illness of Lord Judge. While as upset as all of us, she quickly made arrangements for an interim convenor, handled the many messages from members and staff and made arrangements for the election of the new convenor. In short, she single-handedly kept the show running. She is very highly regarded by each and every one of the Cross-Bench Peers, and in my 20 months I can say that I have become in awe of her capacity, skill and work ethic. As a manager, she has concentrated on coaching and developing those who reported to her, and time and again she has had vacancies in her team caused by the promotion of staff whom she had selflessly encouraged in their careers.

Sarah's favourite band, the Felice Brothers, specialising as they do in Americana—that blend of country, folk and rock—has a notably loyal following, and very much to the fore of that are Sarah and her husband Dougie. Her retirement will give Dougie and her even more time to stalk the Felice Brothers around the world, and I am sure that she will.

I have had quite a lot of people write to me about Sarah's retirement. Ed Ollard has put it better than I could, saying that she

“has an amazing skill and grace. The sort of person you want to have around & you will be confident that she will ensure any outcome will be as good as it could be”.

I can only agree.

I thank my fellow usual channels, who have been incredibly helpful to me and indeed to the Cross Benches this year. We have made a number of requests, and I am deeply grateful that they are almost always met in whole or in part. It is a lot of fun working with people whom I see regularly and share the odd Jaffa cake with. Having said that, I wish the whole House, every member of staff and every Member a happy Christmas.

British Indian Ocean Territory: Sovereignty *Commons Urgent Question*

The following Answer to an Urgent Question was given in the House of Commons on Wednesday 18 December.

“We welcome yesterday's reiteration by Prime Minister Ramgoolam of his willingness to conclude a deal with the UK. We are confident that the agreement is in both sides' shared interests, and we will continue working with the new Mauritian Government to finalise the deal. Prime Minister Ramgoolam's comments follow his commitment to completing the negotiations, following his election, in an exchange of letters with the Prime Minister.

As part of the usual government-to-government engagement, the Prime Minister's BIOT envoy, Jonathan Powell, met PM Ramgoolam in late November to start the process, and that was followed last week by a visit to Mauritius by the UK's chief negotiator, Harriet Mathews, and other officials for the talks. Those talks were productive, and it is completely understandable that the new Mauritian Government will want time to study the details.

It would not be appropriate or usual for me to give a running commentary on what was discussed during routine and private engagements, nor on any potential future engagements. I am confident, however, that we have agreed a good and fair deal that is in both sides' interests. It protects the base at proportionate cost; it has been supported across the national security architecture in the United States and by India for those very reasons. As I have said a number of times in this House, the treaty will contain clear commitments on robust security arrangements, including preventing the presence of foreign security forces on the outer islands and ensuring the base can continue to operate securely and effectively.

The agreement is subject to finalising a treaty. Following signature, the Government will bring forward a Bill to enable implementation of that treaty. Both Houses of Parliament will have the opportunity to scrutinise that treaty before ratification.”

12.16 pm

Lord Callanan (Con): My Lords, if this deal is not yet legally deceased then it certainly seems to be on end-of-life support. Can the Minister explain why the Government were in such a hurry to give away strategically important British sovereign territory to a country 1,500 miles away within weeks of taking office, just before important elections in both Mauritius and the US and without even having the courtesy of consulting the Chagossian community who in fact used to live there? We have had no detail on what is in the agreement or how much we are paying to lease back something that we already own. It has had the effect of destabilising the entire region and it is concerning some of our closest allies. Is it not time to scrap the entire thing and start again?

The Parliamentary Under-Secretary of State, Foreign, Commonwealth and Development Office (Baroness Chapman of Darlington) (Lab): My Lords, the negotiations with Mauritius are not destabilising the entire region, and we were not in a hurry to conclude them. As we have said before, these negotiations commenced two years ago and had gone through many rounds of negotiation under the previous Government. On the issue of scrutiny, I say that the treaty will be subject to the usual process in this House. There will also be primary legislation that will go before both Houses and be amendable in the usual way; I do not think we have explored that in our exchanges previously.

Lord Purvis of Tweed (LD): I thank the Minister for meeting me yesterday with my Commons colleagues to discuss this issue; I am grateful for that opportunity. Does she agree that this is, regrettably, turning into a bit of a political football, with the principal Opposition claiming discourtesy now, after having 11 rounds of negotiations without consulting the Chagossians or providing any details of the basis of those discussions? It was also regrettable, perhaps, that this Government released the announcement after the general election but before the Mauritian general election, and it was regrettable that the previous Government allowed the matter to drag on before our general election. However, there is an opportunity now for the involvement of the Chagossians and for there to be clarity with regard to what the treaty text might be. As the Minister has heard me say before, an enhanced parliamentary scrutiny procedure is now very important. We need to put in reassuring measures for the Chagossians that this political football will not be to their disbenefit again.

Baroness Chapman of Darlington (Lab): I could not agree more with the noble Lord's comments on his desire, which we share, that this should not be a political football. We should all tread carefully and respectfully in the way that we discuss this. The timing of the Mauritian election was not in our gift. The negotiations reached a conclusion that day, and our

[BARONESS CHAPMAN OF DARLINGTON]

Prime Minister thought that the right thing to do was to be open about that fact. Yes, there has since been an election in Mauritius and, quite rightly, the new Mauritian Government wish to cast their own eye over the treaty. We respect that; it is what any incoming Government would want to do. Having said all of that, I strongly agree with the noble Lord on the way we discuss these issues, because they matter so much to many people. They affect our security but, as he rightly points out, they matter most of all to the Chagossian community.

Baroness Blackstone (Lab): My Lords, can the Minister confirm that one of the benefits to the Chagossians is that they will be able, if they wish, to resettle some of the outer islands? Has this been agreed by the Government of Mauritius yet, and will it be in the treaty?

Baroness Chapman of Darlington (Lab): Yes, this was something we wanted to secure as part of the negotiations. It is intended that the Chagossians will have the right to resettlement on the outer islands, but not on Diego Garcia, because that is where the military base is sited, and the view is that that would not be feasible or in our national security interests. But the noble Baroness is quite right in what she says.

Baroness Foster of Aghadrumsee (Non-Aff): My Lords, I declare my interest as an adviser to the Friends of the British Overseas Territories charity. In the other place yesterday, the Minister repeatedly said that the interests of Chagossians were absolutely at the heart of this agreement. If that is so, why are so many Chagossians here campaigning against this deal? Will the noble Baroness respect the right to self-determination and grant the Chagossian people a referendum on the sovereignty of these islands?

Baroness Chapman of Darlington (Lab): No, we will not be granting one. Bluntly, there is no point in stringing people along on these issues; that just compounds the wrong that has been done to them. The Chagos Islands have never been self-governing and the view among the Chagossian populations varies quite considerably. While there is a view among Chagossians here, we should be humble enough to accept that the largest Chagossian community is not in the UK but in Mauritius. That Chagossian community has been clear that it supports the deal, I suspect largely because of the point made by my noble friend Lady Blackstone: that they would have that right to settle on the outer islands. The situation is not quite as straightforward as it is sometimes suggested.

Lord Kerr of Kinlochard (CB): Does the Minister agree that the House would do well to note how warmly our friends and allies in the Pentagon, the State Department and the NSC have welcomed the extended and improved security of tenure of the base?

Baroness Chapman of Darlington (Lab): The security of and continuation of legal certainty regarding the base on Diego Garcia has been our prime objective in

these negotiations. We would not have entered into any kind of agreement or deal that did not have the support of our closest allies, because if something might be acceptable to us but is unacceptable to them, the stability and security that we were trying to achieve would have been compromised, so the noble Lord is completely right.

Lord Ahmad of Wimbledon (Con): My Lords, one of the key reasons why previous Governments did not conclude these negotiations was the issue of security. That is why there are repeated requests to see how that has been aligned. My question, however, is about the United States, which is a key component. What representations have been made to and what conversations have been had with the incoming US Administration of President Trump regarding negotiations on Diego Garcia? I say to the Minister that their perspective will be markedly different from that of the current Administration.

Baroness Chapman of Darlington (Lab): As the noble Lord knows, we deal with the current Administration until they are no longer the current Administration. I note that as negotiations concluded, support was provided by our US allies not just at the political level, but throughout their Department of Defense and Department of State. This is seen as a desired outcome not just by leading politicians; those who are closely concerned with the security and stability of the base and its continued viability and legal certainty have very much been in support of this treaty.

Lord Grocott (Lab): I very much welcome my noble friend's assurances about the Chagossian people who, in all these discussions, must be central in view of the gross injustice inflicted upon them in the past. Can she give us some further assurance about the extent and form of the discussions going on with the Chagossian communities now? This is perhaps an impossible question to ask, but I will try it. We know that there are divided opinions among the Chagossians, but when there is division there comes a point at which one has to reach a conclusion about what the majority view is, in any set of circumstances. Has my noble friend formed that opinion? Do they support, broadly, what is happening, or oppose it?

Baroness Chapman of Darlington (Lab): It really depends on who you seek the opinion from. There undoubtedly will be Chagossian communities who are deeply unhappy about this—there is no point pretending otherwise—because what they have wanted and asked for since they were removed by this Government from Chagos in the 1960s is to be able to return and to continue their life as it was previously. Since that happened, that has never been possible. To make that possible, we would need to withdraw our base and our military activity, alongside the United States, from the islands. We have taken the view that we are not prepared to do that. That being the case, the next best thing, as one could describe it, is for those Chagossians to be allowed to visit and settle on the outer islands. That is what has been achieved, potentially, through this treaty.

English Devolution Statement

The following Statement was made in the House of Commons on Monday 16 December.

“With permission, I would like to make a Statement on the publication of the Government’s English devolution White Paper.

This Government were elected on the promise of change, and we are determined to transform our economy and our country through a decade of reform and national renewal that reverses the chaos and decline that we inherited. We will rebuild Britain from the ground up, so that it works for working people, through a mission-led plan for change that unlocks growth and raises living standards in every region. We will deliver new homes, jobs and opportunities for all by matching investment with reform to improve local services, and to maximise the impact of every penny we spend.

The British people deserve an economy that works for the whole country, and to have control over the things that matter to them. That is why we are moving power out of Westminster and putting it back into the hands of those who know their area best. The White Paper that we have published today sets out the means through which we want to achieve that, backed up by our landmark English devolution Bill, which will finally redress the imbalance of power between this place and communities up and down the country.

This change cannot be delivered soon enough, because for all the promises of levelling up, after 14 years, our nations remain economically divided, with living standards in many parts of the country stagnating. We have an economy that hoards potential and a politics that hoards power. As a former councillor and council leader, I have seen the immediate and tangible difference that local leadership can make. However, I also recognise the frustration that local leaders face in delivering the change that their areas need. In fact, it mirrors the frustration that local people feel when they cannot effect change in their neighbourhood or on their high street. That hits at the heart of what it means to live a decent life. Pride of place and security are rights too often denied in the places that need them the most. This Government are determined to end the top-down approach to decision-making in this country, and to replace it with a principle of partnership.

The last Labour Government began the process of change by creating the London Mayor, the Scottish Parliament, the Welsh Senedd and the Northern Ireland Assembly. I saw the transformational impact of empowered local leadership in Greater Manchester when in 2014, a decade ago, I was one of the local council leaders who worked in co-operation to agree the first English devolution agreement outside London—an agreement that created the combined authority, which has delivered genuine change under the leadership of an elected mayor, working hand in glove with local leaders.

Crucially, none of the now 12-strong mayors would claim that they act alone. Whether they are attracting investment in clean carbon and renewable energy, growing digital and creative industries, bringing buses back under public control, or tackling violence against

women and girls, all would point to solid local partnerships and the importance of local government in delivering change, but the truth in England is that the process of devolution remains unfinished. Today, we are introducing to the House the measures to finally get the job done.

At its core, this White Paper sets out how the Government will strengthen and widen the mayoral model of devolution across England, shifting power, decision-making and money away from Westminster in a completely new way of governing and driving growth. We are empowering more mayors by introducing integrated funding settlements, and by giving them a statutory role in the rail network, and greater control over strategic planning, housing funding and skills training, so that they can deliver change that local people can see and benefit from. Ultimately, our goal is mayoral devolution that means that powers can be used to shape local labour markets, integrated transport systems, clusters of businesses, and housing development. That is the sort of strategic decision-making that is not possible over a smaller geographic area. By creating strategic authorities—a new tier of local government—we will give our cities and regions a bigger voice in getting the resources and support that they need.

The Government will shortly set out their devolution priority programme for areas that stand ready to progress devolution on an accelerated timescale, and a plan for inaugural mayoral elections to take place in May 2026. Each of those areas will have an elected mayor sitting on the Council of the Nations and Regions. We will work with those areas that are already in discussions with the Government to confirm their position. To those areas that are ready to move at pace, we say: come forward now. Be part of this movement. Be part of this moment.

We understand that devolution is a journey, and that some areas will need time to decide what course to follow. We want to walk alongside all areas—areas defined locally, not from those at the centre with a map—as they take the first step to realising the potential of devolution, for instance through a foundation agreement to unlock new powers. Our ambition is clear; we will legislate for a new power of ministerial directive that allows the Government to create strategic authorities where absolutely necessary, if local agreement has not been possible, to achieve full coverage of devolution across England. We will deliver a new constitutional settlement for England that makes devolution the default setting, with an ambitious devolution framework secured in law, guaranteeing powers for each level of devolution. All that will be underpinned by improvements to accountability, including an outcomes framework for integrated settlements, so that the system remains fit for purpose as we devolve more powers and funding.

None of this reform can be achieved without strong local government. Councils are the bedrock of our state. They are critical to driving growth and delivering local public services that people can rely on, but they have been neglected for too long. That is why we are establishing a proper partnership with local leaders through multiyear funding settlements, and moving away from farcical bidding wars for limited ring-fenced funding pots. We will give councils the respect and powers that they deserve and need to deliver the

missions and the plan for change, so that change is keenly felt in every community. We said that we would reset the relationship between central and local government, and we meant it. We will give councils the certainty and stability that they need to plan ahead and prioritise their budgets, and to tackle local issues through public sector reform and prevention, rather than through more expensive crisis management, for which taxpayers are paying more and more, often for worsening outcomes. We have to tackle that head-on.

It is important that councils be the right size and shape to serve the people they represent, with simpler structures that people can better understand. Through our bold programme of unitarisation, as announced by my right honourable friend the Chancellor of the Exchequer in the Budget, we will ensure that local government reorganisation and devolution can be delivered in tandem as soon as possible. We look forward to areas coming forward with their own proposals. This Statement gives the clear direction that local governments have been asked for, and my door is always open for discussions with colleagues about how that will look and feel in their area. Although I recognise that this will be a challenging process for some, for many there is growing agreement that the time has come for change.

I am under no illusion about the scale of the task that we face in delivering more power into the hands of local leaders, but we are committed to resetting the relationship with local and regional government, and to working with local leaders to deliver the change that the country voted for; that is what the electorate will judge this Government on. Placed alongside the work that we are progressing on fixing the broken audit system, rebuilding the standards regime, and bringing forward plans for community power, this plan shows that the Government are determined to get our house in order and ensure a top-to-bottom redistribution of power in England, as we reset our economy, restore local government, and rebuild our country from the ground up, so that it works, finally, for working people. That is what it means to take back control, and that is what we will deliver. I commend this Statement to the House”.

12.27 pm

Baroness Scott of Bybrook (Con): My Lords, this White Paper will take away powers from local communities and risks making local government less responsive to the needs of local taxpayers. As my honourable friend in the other place rightly said:

“This is not bottom-up local leadership, but top-down templates for local government”.—[*Official Report*, Commons, 16/12/24; col. 38.]

In government, we supported joint working between local councils, which included some unitary restructuring as well as district mergers, but Conservative Ministers were clear that any unitary restructuring had to be locally led and have local support. It was not a condition of devolution deals.

If I may, I would like to raise some of the most pressing concerns of my noble friends on these Benches. Unitary restructuring does not necessarily result in better value for money for local residents, and alignment

of council taxes across different councils has generally been upwards. Creating an additional mayoral tier above local authorities also risks wasting any savings achieved through unitarisation.

This has been proven in Labour-run mayoral regions, where we have seen eye-watering mayoral precepts imposed on residents. Ken Livingstone and Sadiq Khan massively hiked their council tax precepts in London, now topping £471 per band D household in London under Sadiq Khan. Only Conservative mayors such as Boris Johnson have cut council tax precepts; Andy Street and Ben Houchen—now my noble friend Lord Houchen—charged nothing at all. Can the Minister give the House an assurance that the Government’s plans to change the structure of local government will deliver better services without imposing significantly higher council tax on local residents?

We expect Labour to invite proposals from councils for local government restructuring. The first wave of this restructuring would then result in county council elections in May 2025 in those chosen areas being cancelled. Does the Minister agree that no council should be bullied or blackmailed into local government restructuring?

The Government’s true attitude to devolution is clear from their approach to housing delivery. Their introduction of the concept of grey-belt land explicitly removes the green-belt requirement to safeguard the countryside from encroachment. When their assisting in urban regeneration by encouraging the recycling of derelict and other urban land is considered alongside the imposition of mandatory housing targets, it is increasingly clear that the Government intend to concrete over as much of the countryside as they can, while cutting building targets in cities.

Despite these changes to the planning rules and the Government’s intention to deliver 1.5 million homes, the Government have cut new housing needs targets in areas where new homes are needed—minus 11% in London, minus 38% in Birmingham and minus 55% in Coventry—while increasing the targets in areas where the housing need is clearly less acute: it is 106% in the New Forest, 199% in North Yorkshire and 487% in Westmorland and Furness. These mandatory targets are just one example of the Government’s centralisation of control over local authorities and reduction of the power of local leaders, who know their communities’ needs best. Can the Minister tell this House why a Labour Government have cut housing targets in Labour-run London, Birmingham and Coventry while imposing higher housing needs assessments on the Conservative-run councils in the New Forest and North Yorkshire, as well as in the Liberal Democrat-controlled Westmorland and Furness?

This announcement could have been so much more. It could have been a chance to rethink from scratch the duties, responsibilities and funding of local government, and to ensure that its form follows its function. Before I sit down, I have a few final questions. Can the Minister reassure this House that local authorities will be fully consulted and given time to consider the Government’s plans fully before making any decisions about their future? Can she confirm whether local authorities will have genuine choice on restructuring?

Most importantly, will local residents themselves be consulted directly before any decisions on restructuring are taken forward?

In order to ensure electoral equality across the country, will His Majesty's Government also look at the representation per capita in London and in some of the other metropolitan councils? That is really important to ensure that every person in this country gets equal representation.

Finally, I understand that local councils have been asked to submit their expressions of interest by 10 January. Can the Minister confirm that councils will then have more time—the time that they need—to consider their further steps?

Lord Wallace of Saltaire (LD): My Lords, I note that the Statement says:

“We will deliver a new constitutional settlement for England”.

That is a very ambitious claim. What we have in the White Paper is a great disappointment by comparison. There is a deep confusion between what is “local” and what is “regional”, which are used interchangeably and loosely throughout the White Paper. We are promised “regional Mayors” who will, we are told, also be “vital local leaders”. They will take part in the Council of the Nations and Regions alongside Scottish, Welsh and Northern Ireland Ministers; they will also sit on a separate Mayoral Council with the Deputy Prime Minister. There is no link with Parliament here, I note, nor any link to Gordon Brown's proposal to reform the Lords as a second Chamber to give us a role in representing the nations and regions in UK-wide debates. This looks to the Liberal Democrats like a plan designed in the Treasury both to save money, by shrinking local democratic institutions, and to convert elected mayors into agents of central government, spending funds that they hope to obtain by negotiations with the Treasury—the integrated settlements—without taking into account the importance of embedding democratic government in local and regional networks.

Chapter 4.1 of the White Paper begins:

“England is made up of thousands of communities—towns, cities and villages”.

It then proposes to squeeze those thousands of local communities into somewhere between 30 and 40 combined authorities, with fewer than 100 unitary authorities beneath them, each containing between 500,000 and 1 million people. That is not a unitary system; it is a new two-tier system in which strategic decisions will be taken by the upper mayoral tier—in effect, by one elected person. Local democracy rests on the relationship between voters in their communities and the councillors who represent them. It is the bedrock of democratic politics and of political parties, which draw their campaigners, their members and, often, their recruits into national politics from these local activities. But here is a proposal to cut further the number of elections and elected councillors and to remove them to a much greater distance from those they try to represent, with 15,000 voters or more in each ward.

England's voters tell pollsters that they deeply mistrust Westminster politics and trust their local representatives more. This measure risks deepening public mistrust of democracy further and weakening political parties; it

asks voters to identify with one elected mayor overseeing some millions of people and quite possibly elected on little over a quarter of the votes cast. I remind the Minister that, in July's election, five parties won more than 10% of the national vote in England. First past the post risks producing some remarkably unrepresentative mayors elected on perhaps 27% or 28% of the vote.

We will need to strengthen the really local tier—the town and parish councils—to compensate for this shift of power upward. I could not find any discussion of parish and town councils in the White Paper. Did I miss some passing references? No other democratic state in Europe, North America or Australasia has such a thin framework of local and regional government. England will remain the most highly centralised state in the democratic world.

Chapter 4 declares:

“There is clearly an appetite for reorganisation in parts of England”.

We are given no evidence of such an appetite among the public. We have had multiple reorganisations in the past 50 years. Now we are going to have another one, which will cost additional money—as all reorganisations do—and disrupt services during the transition. Has the Treasury budgeted for the costs of transition? It then goes on to propose that there should be new rules on remote attendance and proxy voting for councillors at meetings. This is not surprising, given the size of some of our new councils. In the new North Yorkshire Council, it takes some councillors 90 minutes or more to drive to council meetings, so remote attendance and proxy voting are necessary. That is not local government or local democracy, however.

Lastly, in chapter 5 we are told:

“Established Mayoral Strategic Authorities will be held to account for the outcomes associated with their Integrated Settlement” by “reporting to central government”. That is mayors acting as agents of central government, not responding to local and regional issues. The Government seem to want to rush through this reorganisation without waiting for local consultation or the agreement of other parties. This is not the best way to deliver a long-lasting constitutional settlement for England at a time when trust in our local democracy is lower than it has been for a very long time.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government (Baroness Taylor of Stevenage) (Lab): My Lords, I thank all noble Lords who attended the drop-in session on the White Paper yesterday.

The English devolution White Paper sets out what I will not apologise for being an ambitious new framework for English devolution, moving power out of Westminster and back to those who know their areas best as part of our plan for change. We want to see all of England access this devolved power by forming strategic authorities that can make the key decisions to drive economic growth, with a clear preference for mayors. We will do this with areas and will launch a devolution priority programme for those that want to be on the fast track to mayoral devolution. We will legislate for a ministerial directive for areas that are not able to agree, so that no part of England misses out on that programme.

[BARONESS TAYLOR OF STEVENAGE]

We have created a new devolution framework to be put into statute through the English devolution Bill, which will give areas a range of new powers across planning, infrastructure, transport, skills, business and energy, with consistent voting arrangements to allow effective decision-making.

We will also clearly set out the criteria by which all mayoral strategic authorities will be able to access further powers, including integrated settlements, to allow greater flexibility of funding by becoming established mayoral strategic authorities. This framework will grow over time, including through suggestions from strategic authorities to be discussed at the Mayoral Council.

We recognise that devolving power requires us to fix the foundations of local government so that we can empower communities at all levels. We will give communities a new community right to buy for valued community assets.

As councils are the foundation of our state, we will fix their foundations through fairer funding and multiyear financial settlements to give councils the certainty they need. We will also end the destructive “Whitehall knows best” mindset that micromanages their decisions and replace it with the principle of constitutional autonomy and partnership—so devolution by default.

It is important that councils are the right size and shape to serve the people they represent, with simpler structures that people can understand. That is why we will facilitate a bold programme of local government reorganisation for two-tier areas and for smaller, failing, unitary councils. We will invite proposals for reorganisation from all these areas and phase delivery—a point made by the noble Baroness and the noble Lord—taking into account where reorganisation can unlock devolution, where areas are keen to move quickly, or where it can help address wider failings. We will work closely with areas to deliver an ambitious first wave of reorganisation in Parliament.

Before I answer the specific questions, I would like to say that I am not going to take any lessons from the party opposite about the management of councils. When we came into power, many councils were going bust and issuing Section 114 notices, with a growing queue behind them of councils struggling with their finances. The lack of fiscal discipline in the audit regime left a backlog of 1,000 audits and £100 million that the previous Government could not account for. How has that helped democracy and local accountability? There was also a deepening crisis in adult social care. Parents were having to take their own councils to court to get the special needs provision their children were entitled to. There was a homelessness emergency that has seen the utter scandal of 150,000 children living in temporary accommodation, and councils having to use up to 40% of their net revenue budget to fund it. I am taking no lessons about the stewardship of public finances or efficiency of local service delivery.

I turn to the specific questions. It is not taking away local powers to give a range of new powers from Westminster to local areas so that decisions can be taken locally. I have already outlined what some of those areas will be. Making sure that decisions on

health, transport, skills, workforce and so on can be taken at a local level is an increase in local powers, not a reduction.

The noble Baroness asked about the mayoral tier and whether that would waste money. Of course, she spoke about Labour-run mayoral precepts. I suppose if your principle is to deliver worse services with more cost, we could look at the previous Government’s management of funding. In a Statement later today, I will make a number of announcements about local government funding, making sure that local government is funded properly to deliver the services it is charged with delivering.

The noble Baroness also said that no councils should be bullied or blackmailed into doing this. This programme has been driven by local government; the demands have come from local government ever since we started the devolution programme. It is local councils that will work together with partners in their areas to pull together the programmes. This is a locally driven programme.

The noble Baroness made some points about the green belt and the grey belt. I am afraid that the assumption she made is just wrong. There is a specific proposal to protect those areas of green belt that are nationally protected areas or have sites of special scientific interest. There is a specific proposal about brownfield first. A sequential approach to the use of land is set out in the National Planning Policy Framework.

The noble Baroness raised the new calculation on housing targets. When the previous Government withdrew the requirement for mandatory housing targets, we immediately saw a reduction in supply. We have made a new calculation based on affordability and housing need. Everywhere needs to contribute to the delivery of housing. It is really important that that happens. The new assessments are fairer from that point of view.

The noble Baroness asked about time to consider the proposals. The letter that went out—the noble Lord, Lord Jamieson, has asked some questions about this letter too—clearly set out the programme. Councils and areas that want to go faster can submit proposals, but there will be more time, for those who feel they need it, to take the time they need.

On consultation with residents, it will be a legal requirement to have a consultation and the department will undertake that consultation through MHCLG resources.

Turning to the noble Lord’s questions, I am not apologising for the ambition of this plan. I think it is an ambitious plan. It is certainly not a plan from the Treasury; it has come from local government. But it is true to say that it is the problems in local government funding that mean we have to consider more efficient and effective ways of delivering service.

I understand the noble Lord’s points about local representation. When surveyed, only 23% of people felt they could have any influence over decision-making in their local areas. That is not good enough. We need to improve that rate. Whatever the system is now, it is not giving people a feeling that they can influence decisions in their area.

When you look at some of the activity of our mayors, they can use their mandate for change to make difficult decisions and drive growth in their areas, as Oliver Coppard has done in taking the Supertram back into public ownership in South Yorkshire. Mayors provide coherent leadership for their place. We have seen this already, with mayors such as Tracy Brabin leading trade missions to drive growth in their region. We want every part of England to take its place on the Council of the Nations and Regions and to have strong, effective partnerships with councils and other partners to deliver the missions we have set out to transform the country.

There is some wording about town and parish councils in the White Paper. If the noble Lord wants to contribute more on that topic, we would be pleased to hear that. I have been talking to the National Association of Local Councils and its officers about how we use them in this new system, and how the parish and town councils respond. There will be a vital role for them. There will be a vital role for front-line councillors as conveners of their neighbourhood areas in order to drive this programme forward. Mayors will certainly not be agents of central government. I know some of them quite well and it is a long stretch to describe them as such. They work very hard for their local areas and deliver really well.

I thank noble Lords for their comments today. As the former Secretary of State for Wales, Ron Davies, said about devolution to another of the United Kingdom's countries, devolution is "a process, not an event".

We have a way to go yet. This devolution offer is the floor, not the ceiling, of the Government's ambition. We want to continue to deepen devolution across England, developing policy with regions, including through the Mayoral Council. The White Paper is very explicit about engaging with the sector, seeking proposals from areas for devolution and local government reorganisation in their area, and engaging with mayors and councils on policies for the English devolution Bill, which we intend to lay in this Session. We welcome your Lordships' input on how, but the aim is clear: a devolution revolution that helps us rebuild the country, deliver growth and change the politics of our country.

12.49 pm

Lord Berkeley (Lab): My Lords, I congratulate my noble friend on a really interesting document. I wish her well, because the pressure has come from the mayors for devolution—rightly, in my opinion—and what they have come up with is a laudable solution to this. My noble friend's challenge is how to deal with the other parts of England that are not subject to the current mayors. A variety of solutions are in the White Paper, which we all have to look at, but she is still trying to get more devolution to the other parts of the UK, which they all want. I have one question. The smallest area with a council currently is probably the City of London. How will she fit that into this new structure? Clearly, it does a good job, but it needs some kind of structure within this overall requirement. I congratulate my noble friend.

Baroness Taylor of Stevenage (Lab): I thank my noble friend for his support for the overall programme. London already has a devolution arrangement, but I am assured by colleagues that we will look at the GLA and how it works. I am sure that we will take account of his comments about the City of London in that programme.

Lord Porter of Spalding (Con): I bring Members' attention to my registered interests, and I thank the Minister for the briefing yesterday. Can she confirm, now that we are in a public session, that the intention for 500,000 as a guide size for reorganisation is not a hard and fast rule but that some bids with a population under 500,000 will be allowed? Can she confirm that authorities already in the unitary system with populations of less than 500,000—all the councils in this country, bar 11, will be in scope—are also in scope for the reorganisation conversation? This is not an attack just on the Conservative-majority controlled two-tier areas; this is for the whole of the local government sector to be a representative size of approximately 500,000. That means that most of the boroughs of London are in scope and not excluded. Finally, I have a word of advice. If the Government are going to try to stick to a 500,000 unit, I tell them to forget about the number and the size of the council when they go to Rutland, because the Government have previously had some very bad experience of trying to remove Rutland.

Baroness Taylor of Stevenage (Lab): I am grateful to the noble Lord for his advice on Rutland. I am happy to confirm that. On the 500,000 number, it is very strange: ever since July, people have been saying repeatedly that we need a guideline number, but when we give a guideline number, they say, "No, not that number. That is not the right number". I hope that was not how the Conservatives did the accounting, because that would be a problem.

The 500,000 figure is intended as a guideline; it is what works best for local areas. I imagine that some sort of de minimis size will be incorporated in the Minister's thinking as we go through this programme. We feel that 500,000 is around the right size to get the effectiveness and efficiency of delivery and the scale of managing the strategic requirements in a local area; that is why we have said 500,000. We are looking for councils to come forward with their own proposals about how this works for their local areas. On the other question, this is intended to cover all areas of England, so they are all welcome to come forward with proposals—including Rutland.

Baroness Armstrong of Hill Top (Lab): My Lords, I am grateful to the Minister for this Statement and I congratulate her and the Government on entering what are very difficult areas, as I remember well. One thing that has happened in the last 14 years—I know some noble Lords on the other Benches approved of this—was the abolition of the Audit Commission. Whatever people's view about that, it has left nothing to give guidance and understanding to the combined authorities about audit. I hope that the Government will introduce something that gives clear guidance and authority to the audit process in these areas. Local people have the right to know that money invested

[BARONESS ARMSTRONG OF HILL TOP]

there is being spent well and according to best value. Had we had that, I believe that the mayoral authority in Tees Valley may not have had the real problems that it has had, where we have ended up with 90% of the money that is invested, or of the contracts that are given there, being invested in two men who now live in Dubai. That is not best value for the public or what anybody intended in setting these issues up. I hope the Government will take hold of how we audit combined authorities.

Baroness Taylor of Stevenage (Lab): My noble friend makes a good point. It is impossible to overstate the importance of having an accountable and transparent process for local government. I mentioned in my opening remarks that it is an absolute scandal that we have found ourselves in the position we have in relation to local government audit, with 1,000 audits outstanding—that is just not good enough. Accountability is absolutely vital. As well as a complete review of local government audit systems, and making sure that we have an audit service for all of local government that is fit for purpose, we will consult on something for mayoral combined areas. I do not know what it will be called, but it will be the equivalent of a local public accounts committee. We think that the work of the Public Accounts Committee in Parliament is helpful and useful, and we will consult with local government on whether a local public accounts committee, along similar lines, would be useful.

Lord Lansley (Con): My Lords, I remind the House of my declared interest as chair of the Cambridgeshire Development Forum. The Minister will know that I share her enthusiasm for strategic planning, but will she acknowledge that it may be some time before strategic authorities are established, or indeed before some strategic authorities have the necessary capability for strategic planning? In order to maintain momentum, will the Government issue guidance that will enable local planning authorities to go ahead with spatial strategies at a sub-regional level as quickly as possible?

Baroness Taylor of Stevenage (Lab): I thank the noble Lord for that comment. It is important that we get development moving as quickly as possible. The New Towns Taskforce will make recommendations to government on the best delivery approach when it reports in July next year. The appropriate delivery vehicle will always be place-specific, and we expect development corporations to be used in most cases. Mayors, local authorities and government can establish development corporations, and we look forward to engaging local partners to understand what will be the best delivery approach for them to support future growth. If these need to come forward sooner rather than later, we will work with local areas to make sure that we facilitate that as best as possible.

Lord Inglewood (Non-Aff): My Lords, if I understand the Minister right and the policy, there is to be no financial disincentive for authorities that do not wish to go in this direction. That being the case, will any other inducements and/or sweeteners be offered in

order to try to take this forward? If not, what incentive is there for an area that does not have a mayor to do this?

Baroness Taylor of Stevenage (Lab): My Lords, there are two absolutely key incentives to this programme of going forward with a mayor. Mayors will get new powers, devolved from Westminster, in a number of areas of competence. With the patience of the House, I will repeat those again: transport and local infrastructure; skills and employment support; housing and strategic planning; economic development and regeneration; environment and climate change; health, well-being and public service reform; and public safety. We are already setting out integrated budgets for the more established mayoral authorities to enable them to do that. There is a huge incentive to do that, as well as a seat around the table of the Council of the Nations and Regions. I hope local areas will see that as a positive opportunity. If they want to take more time to get there, that is fine, but it will be a great opportunity for our local regions.

Baroness Thornhill (LD): My Lords, I have the dubious distinction of holding a job as a directly elected mayor for 16 years, in the role that my party wished would never exist, so we have had an interesting debate. I absolutely understand some of the positives of the mayoral model—she would say that, wouldn't she?—but I also appreciate the issues about democratic deficit. When Tony Blair imagined and brought into being directly elected mayors, he saw that the democratic deficit and the electoral process worked against a mayor having a real broad consensus in an area to be the chosen person. So he rightly ditched first past the post and brought in what we would consider to be an inferior PR: the alternative vote system. As we know, that was abolished by the previous Government—and one can only think about the reasons they might have had to do that. Genuinely, if you want a super-mayor with superpowers to really command authority and respect over an area, people must feel that their vote counts. At least in an AV model, the vast majority of people actually get their first or second choice candidate to win. Under first past the post, the winner, as we all know, can actually receive fewer votes than the rest of the field put together, which cannot be right if you are devolving that amount of power.

Baroness Taylor of Stevenage (Lab): The noble Baroness provided a wonderful role model for mayors going forward. Some of the innovations that she introduced during her time as Mayor of Watford are legendary, so I thank her for that service.

Mayors can use their mandate for change to take the difficult decisions needed. As the noble Baroness will be aware, they have both standing and soft power to convene local partners and tackle shared problems directly, exercising devolved powers and attracting inward investment. They have a platform for tackling obstacles to growth that might need a regional approach. Mayors are accountable to their citizens, as she rightly points out, and have the profile to stand up for them on a national stage and to partner with and challenge central government where needed—and of course it is needed sometimes.

As for the electoral system for mayors, we are not proposing to change that just now.

Baroness Winterton of Doncaster (Lab): My Lords, my noble friend the Minister will be aware, I hope, that as a former Minister for Yorkshire and the Humber I am a huge supporter of devolution and I welcome the White Paper. However, I also know that, for devolution to work, it needs strong support through organisations such as the sadly abolished regional development agencies. To avoid what she called micromanagement, can she assure me that there will be proper support from the Civil Service, perhaps even by moving civil servants out of London to the regions to deliver the devolution settlement?

Baroness Taylor of Stevenage (Lab): I thank my noble friend and she is quite right. I remember very well the regional development agencies, back in the day. Some of the departments in government already have a regional presence. My own department has offices in each of the regions, and we intend to extend that and offer a widespread programme of secondments to regions. I think it will be of real benefit to the Civil Service to be working in our regions and then bringing that back to central government, or the other way round: working in central government and going out to the regions. I look forward to seeing how that programme develops. My noble friend is right to say that it will be very important to see that the offices in our regions are fit and well equipped to serve the mayors and combined authorities.

Lord Jamieson (Con): My Lords, we are the most centralised country in the OECD. Can the Minister enlighten the House on the real powers and fiscal devolution that this will lead to? In particular, what is the Government's target for the proportion of taxation that is devolved? Secondly, I appreciate the Minister's comment on the letter. However, it is causing confusion to a number of councils, which have been told that they need to submit a letter by 10 January. Many believe that, if they do not, they will miss out on devolution and it will be imposed on them. What is the deadline, what is expected of those who do submit and what does it mean for those who do not meet the deadline? Can this be clarified to councils?

Baroness Taylor of Stevenage (Lab): I am grateful to the noble Lord for his questions. This is about real devolution of powers and funding, and there are real benefits there to those who take up the offer. The earlier they start to get established, the more powers they will be able to take on. That is a really important step for councils to take.

In terms of the letter, I have looked closely at it and it is asking for expressions of interest only by 10 January. For those who want to move quickly, we will ask them to submit their proposals by May—that is, full proposals for reorganisation and devolution. For those who want to move more slowly, they can do that at their own pace. We would hope to get proposals across the board by autumn this year.

The Earl of Devon (CB): My Lords, as a feudal hereditary being thrown out of Westminster, I am quite excited at the prospect of devolution. I have been

Earl of Devon for 10 years and, in that role, have tried to understand how local government works across Devon. It is complicated and very difficult, with eight district councils, two unitaries, a county council, et cetera. I was with Exeter City Council on Monday as the announcement was being made, and people there were incredibly uncertain as to the implications for the city council and their plans going forward. Lots of people across the region are confused about the implications of this.

There is so much work to be done at local government level, not least the 1.5 million new homes—and later we are going to debate economic development. I am concerned that, with yet another change in local government, and another step in devolution, people simply will not understand where they have recourse and how it works. I still do not understand it, and I wonder what effort the Government will make to inform people, educate them and make sure that local people really feel that they understand what is happening.

Baroness Taylor of Stevenage (Lab): I thank the noble Earl. I have already started a series of meetings with councils in local areas to understand where they are with this programme. I am happy to meet with any of them, so, if he wants to encourage his colleagues in Devon to meet me, I would be more than happy to do so. I shall take back to the department the comments that the noble Lord, Lord Jamieson, and the noble Earl have made about the letter, and see whether we feel that any further clarification should be made.

Of course, there will be a programme of communication with the public, but the point about this is that it is a White Paper, so it is for consultation. If there are points in it that need clarification, I urge people to get in touch with the department, because we want to get people's responses to this and, if there are elements that need clarifying before people feel that they can respond, we are happy to do our best to clarify those—so I do urge people to contact myself or the department.

Lord Grantchester (Lab): My Lords, in this age of black holes, will mayors' offices be adequately resourced to fulfil their potential? The newly elected mayor for Warrington and Cheshire is warmly encouraged by business locally, ensuring greater accountability and focus from local leadership on local growth plans. Previously, mayors have been targeted mostly on urban areas. The ambition from Warrington and Cheshire, with a higher proportion of rural communities, is to reach out to market towns and include prosperity across the rural economy. Can my noble friend the Minister assure us that the wider concerns of subregions in the countryside will be adequately addressed by a well-funded devolution process? For example, transport solutions beyond town boundaries need to be integrated with rural areas, with planning powers suitable for the needs of rural communities.

Baroness Taylor of Stevenage (Lab): I thank my noble friend. I warmly welcome the extension of mayoral arrangements into parts of our country outside metropolitan areas. I thank my noble friend and all those in Cheshire and Warrington—I met some of them earlier this week and I met them with him a

[BARONESS TAYLOR OF STEVENAGE]
couple of weeks ago—for the spirit of co-operation that has got them where they are in this process. We believe that there are huge benefits to urban and rural areas in having more powers and funding devolved to enable decisions to be made locally about what will work best for their citizens and to drive their local economies.

I can confirm the Government's commitment to ensure that new powers are matched with real devolution of funding. On the proposed integrated settlements, we will start with Manchester, Liverpool, the north-east, South Yorkshire, the West Midlands and West Yorkshire combined authorities. All of them will receive consolidated budgets so that mayors do not have to slalom between the complex funding pots to deliver the right solutions for their communities. I look forward to this exciting programme of devolution and to continuing to work with noble Lords on the White Paper as we go forward.

Rural Economy

Motion to Take Note

1.10 pm

Moved by The Lord Bishop of St Albans

That this House takes note of the importance of growing the rural economy.

The Lord Bishop of St Albans: My Lords, I am grateful to all those who have signed up to speak in this debate on growing the rural economy, not least because of the breadth of experience and knowledge that is represented in your Lordships' House which we will be drawing on today. In doing so, I declare my interest as president of the Rural Coalition and as a vice-president of the Local Government Association.

Many people dream of moving into the countryside because of the quality of life that it can offer. I think of the strength of rural communities, the high levels of social capital and the way that people support one another—no wonder it is attractive. We in the Church of England are glad to play our part in that: we are at the heart of many of our rural communities across the country, wanting to contribute to their flourishing and thriving.

Very often in this House, we raise problems associated with living in the countryside, such as rural crime, fly-tipping and the lack of access to services. Today, however, I hope that we can frame our debate in terms of the untapped potential of the rural economy and on the prosperity that it can deliver for our nation—that is, if we can get the right policies and support in place. I note that His Majesty's Government have committed to making economic growth a top priority, to deliver on

“what matters most to working people in every corner of the UK”.

To start with, it is good to remember that there are many, many working people in rural communities: nearly 20% of the population of this country live in the countryside and over half a million businesses are registered in rural areas, employing 3.8 million people. The rural economy contributes over £315 billion a year to England alone. It is vital, then, that the

Government's missions not only deliver for rural communities but enable the rural economy to play its part in helping to deliver them.

Unlocking the pride and potential of every nation and region across the British Isles will not be possible if our strategies and policies are primarily focused on urban areas, on towns and cities. We need to be strategic and intentional about unlocking the potential of our rural areas too. For many people, the phrase “the rural economy” conjures up pictures of agriculture and tourism. Farming, for example, has been dominating the news lately, and the impact of the Budget on farming communities has been the subject of a great deal of controversy and debate. We need to be clear, however, that the rural economy is diverse and innovative. Farming, as important as it is—I am the son of a farmer—is not interchangeable with rural industry. There are many other aspects to the rural economy.

The recently published report *Reigniting Rural Futures*, commissioned by the Rural Coalition, of which I am president, shows that the biggest employer in rural authorities is the sector comprising public administration, education and health. It accounts for 30% of workers compared, incidentally, with 33% in urban areas for that same sector. It is significant that agriculture, mining, electricity, gas, water and waste as a sector employs just 2%. The Pragmatix report shows that, in the rural economy, productivity stands at just 82% of its non-rural counterpart, with a continuing downward trend in the future if we carry on with business as usual. However, if we could enable our rural economy to perform at a similar level to that of Scandinavian countries, for example, we could be looking at an additional £19 billion in tax revenue for the public purse, not to mention the associated benefits that such prosperity could bring to the communities themselves.

If we want the rural economy to grow, we need additional capacity. The Government need to recognise that there will be some additional costs associated with delivering services and projects in rural areas where sparsity of population poses so many additional challenges. There is often a lack of access to education and job opportunities, compounded by the lack of reliable and affordable public transport. When you talk to rural employers, one thing that they say is that people very often want the jobs but simply cannot get to them because of the transport difficulties. There is a desperate lack of affordable housing, exacerbated by the huge number of second homes, particularly in the south-west, driving up prices and driving out young people from their rural communities.

But there are some hugely positive aspects of our rural communities too. Over the years, I have been privileged to visit many rural businesses and farms in the diocese in which I serve, covering Hertfordshire and Bedfordshire. I think of my visit to an eco tomato-growing plant in East Hertfordshire, using an anaerobic digester that produces biofuel. The exhaust gases emitted by the engines are cleaned and then used in the greenhouses to support and enhance plant growth. I think also of the very innovative Groundswell festivals in Hertfordshire on regenerative farming systems—I know that some members of your Lordships' House have

been. We are absolutely at the forefront of horticultural and agricultural development across the world; we should celebrate and be proud of that.

Our rural areas also have a big part to play in the transition to net zero. There are already some outstanding examples of investment in renewable energy taking place in the countryside. In addition, some of the best examples of community ownership and co-operatives are to be found in rural communities, safeguarding a range of commercial services and with long-term survival rates. An excellent example of this is the Bathford village shop and café in Somerset, which won an award at the Plunkett's Rural Community Business Awards. I will not describe it, but noble Lords might want to look at it, as it is an extraordinary initiative.

I welcome the Government's commitment to doubling the size of the co-operative sector. Some village halls and even some parish churches have been opened up in rural areas, providing spaces for free wifi and offering hubs where people working from home—it sounds a great idea when you start, but after a few months it can be very isolating—can gather together perhaps once a week for half a day to network and build support and friendship. These are just some of the wonderful, innovative projects that are already going on in our rural communities. If we are to see more of these, however, there needs to be a little more early-stage capacity support for initiatives so that they can be self-supporting, robust and, in the long run, transformative. If the barriers are removed, all the signs point to rural communities being up for it—they will realise their potential.

Then there is tourism, which is a significant part of the rural economy, not least in areas such as Devon and Cornwall and in Cumbria in the north-west, which are able to compete with some of the most attractive areas across the whole of Europe. However, to attract tourists, we cannot just leave it to local tourist boards. We need a national strategy that can attract people to come.

With so many opportunities, what are the barriers that rural areas face? Let me just briefly mention three, if I may, although there are many more. The first is poor broadband. As the Pragmatix report shows, only 69% of rural premises have a 4G signal indoors, compared with 90% in urban areas. It hinders home working, home banking, the growth of online businesses, and indeed even tourism. This will probably need different solutions from the ones that work in urban areas. I have recently been involved in discussions, for example, where we are looking at installing 4G equipment in some of our remote village spires and towers in order to bounce signals up into areas that, at the moment, cannot get decent coverage.

A second barrier is access to banking services. The pandemic accelerated the movement away from cash and, with the industry keen to reduce operating costs, the way many start-up businesses and small charities use banking services no longer fits with the business drivers of today's banking industry. The transition to online banking is happening too fast for many small charities and businesses in rural areas, with little thought or support to aid the transition. Many are now operating in areas where local bank branches have disappeared. We need the convening power of central government to bring together the Department for Business and

Trade, possibly the FCA, UK banks, the Charity Commission and community sector organisations to find solutions. Power and co-ordination are the answer in this case, rather than large amounts of extra funding, to ensure equal access to financial services.

Thirdly—I am conscious that time is going on, so I will be very brief—rural public transport is obviously a huge issue for us if we want young people to be able to stay in rural areas and if we want to enable workers to come and work in them.

I will make a few comments on local government funding and access to services. Organisations representing rural communities have been calling for a long time for fair funding for rural local authorities that takes into account the additional costs of delivering key services in sparsely populated areas. I welcome the Government's announcement that they will be reviewing local government funding next autumn, although it is concerning that the rural services delivery grant has been withdrawn. I note the Government's commitment to repurposing the money from this grant, which will be going back out in the form of the recovery grant, although the details are unclear. I hope that the settlement will take into account the costs of service delivery in light of the withdrawal of the grant, as well as the factors of rural deprivation, which are often lost in the scale of geographical data that the Government use to calculate deprivation.

Sadly, when one turns to the national and regional level, one finds that the rural dimension of policy and funding is sometimes lost. If funding is targeted towards the largest areas of deprivation, it may well ignore the smaller pockets of rural deprivation that are often hidden in the statistics, or are in fact so small that they are not picked up at all. I remember that the previous rural advocate used to say that if you add up all the tiny pockets of rural deprivation in this country, you get a community the size of Birmingham. It is a significant issue but one that is often not identified.

Deprivation is not the only thing that places demands on services. There is a large ageing population in rural areas, which places demand on social care. Is the Minister able to commit His Majesty's Government to producing something that we have long asked for: a comprehensive rural strategy? Will the Government undertake to rural-proof all legislation in the meantime? Will they commit to consulting rural organisations and stakeholders when renewing the indices of deprivation next autumn, so that a better interpretation of rural deprivation can be produced?

I am aware that the Minister sits on the Child Poverty Taskforce as the Defra representative. Can she give us an assurance that the forthcoming child poverty strategy will focus on the particular challenges experienced by young people growing up in poverty in rural areas, to ensure that they can thrive?

I am hugely grateful for this opportunity to set out some of the many opportunities that we need to grasp and to highlight some of the barriers that we need to overcome, which I believe are not impossible at all to overcome, as we seek to grow the rural economy. I look forward very much to hearing Members of your Lordships' House bringing their considerable expertise and knowledge to bear, so that we can strengthen this important part of our national life.

1.23 pm

Baroness Shephard of Northwold (Con): My Lords, I congratulate the right reverend Prelate on calling this very important debate, and on bringing to it his great knowledge, his experience and his insight into the workings of the rural economy and rural people. Today's debate is timely. The new inheritance tax rules for family farms announced in the Budget have dealt a hammer blow to every rural community in the country. I very much fear that, if the Government do not modify their proposals, as suggested, for example, by the Institute for Fiscal Studies, they really will have damaged any prospect of growth in the rural economy for generations. Because growth in the rural economy depends heavily not only on the prosperity of the farming sector but on its stability. Nicholsons, a farm machinery business in Norfolk, is already facing increased wage costs from national insurance changes and says that the uncertain future for family farms will

“reduce investment in people, infrastructure and technology, if not wipe it out altogether”.

The very essence of the prerequisites for growth will be lost.

These issues were impressively rehearsed in the recent debate on family farms called by my noble friend Lord Leicester. From memory, there was only one speaker in favour of the Government's intentions. I am sorry to repeat myself from that debate, but I do feel that the Government have got this wrong: their plans may destroy and not grow the rural economy. Rural communities, as described by the right reverend Prelate, already face many challenges. I agree with him that one of the most vital is that of access, getting to work, getting to schools and colleges, getting to health service provision, and of course getting access to broadband internet and phone coverage.

I will give some examples of difficulties of access. Difficult or non-existent transport links can mean that almost all working households in rural areas, whether they can afford it or not, have to have a car, and sometimes two cars—certainly for part-time or shift work. Domiciliary care workers struggle to provide a reliable service to their clients. Travel at night can be difficult for many. Providing school travel, in particular for special needs pupils and for colleges, is an added cost for rural local authorities. A visit to the GP or out-patients' clinic can take the best part of a day.

There has been a slight improvement in access to internet and phone coverage for rural businesses in the year to September 2023, but it is still not as good as that in urban areas. And, of course, there is our old friend, the power cut. This is a regular occurrence where I live if there are gales, snow, frost or storms—or sometimes, one wonders, just for fun. Having been brought up without either electricity or running water, I obviously have an armoury of candles, torches and storm lights. But this is a serious problem for rural households and businesses.

As in all communities, we face potential conflicts: choices, for example, between providing the affordable housing which would prevent the closure of schools and the hollowing out of our villages, or catering for the thriving second-home and tourist market, with jobs for builders, craftsmen, designers and architects,

and in hospitality and retail. Then there is land use: for building, for solar power and wind farms, or for food production.

However, all communities face their own challenges, not just rural communities. We are nearing Christmas, it is the last day of term and I feel I should say that those of us who live in rural areas enjoy some of the most wonderful benefits: a beautiful environment; strong and self-reliant communities, supported by incredible volunteers in every sphere, from the car hospital service to lifeboats, to supporting those isolated by ill health, age or location; our rural schools, nearly a quarter of which in Norfolk are church schools, where teachers strive to nurture and to encourage ambition and aspiration; and our network of churches, a lifeline for many. I have a message of cheer for the Minister. We do not know whether the Treasury consulted Defra, of course, but, if she somehow has the feeling that the Treasury picks on Defra, I can tell her that all her predecessors—several in this House, including myself, whether at MAFF or Defra—felt the same. It goes with the territory—but happy Christmas.

1.30 pm

The Earl of Devon (CB): My Lords, it is a privilege to follow the noble Baroness, Lady Shephard of Northwold. I thank the right reverend Prelate the Bishop of St Albans, not only for calling this debate but for his tireless work on behalf of rural communities. At a time when the Bishops' Benches are somewhat under assault, it is notable how much work he does. The recently retired Bishop of Exeter similarly did an awful lot of work for rural communities, and the Bishops' voices are incredibly powerful.

I note my interests as a rural business owner in Devon and champion in this House of a very rural county which suffers from all the problems that have been identified. It suffers from being very beautiful and therefore a place that people imagine is very well-to-do; indeed, many well-to-do people own second homes there—this is Devon. It also has the largest road network in the country, and an ageing population, with all the implications of that. Due to its beauty, it has many crumbling coastal towns built in Victorian and Edwardian times, which cause all sorts of challenges and deprivations.

I also note that I am a supporter of the Great South West, which champions the interests of the rural south-west peninsula. It is focused on three themes: food security, energy security and defence security, which is a good indication of the broad range of services that the rural community provides to us nationally.

In the previous debate, I mentioned that I co-chair the Exeter Partnership. In that capacity, I see myself as a champion and a voice of the rural hinterland of Exeter, within the workings of the city. This brings me to the first point I want to make, which is that this debate and the way in which we look at rural England and the rural economy often seek to draw a line between our rural and our urban communities. I wonder whether that is really that sensible, because what I seek to do within the Exeter Partnership, and what we need to do, is to focus on how wholly dependent upon our rural hinterland is the entirety of our urban population.

Perhaps by focusing solely upon rural issues we forget that the urban and the national economy are entirely dependent upon the rural economy for their well-being.

A very wise Minister said recently that

“our biodiversity is in crisis. Without nature we have no economy, no food, no health and no society”.—[*Official Report*, 11/9/24; col. GC 121.]

The Minister may recognise her words. Our nation is entirely dependent upon the rural economy, so for us to sit here and focus solely upon the rural economy and forget about the rest of our economy is perhaps a false distinction.

I had the privilege recently of meeting Professor Partha Dasgupta, who famously wrote about the economics of biodiversity and reminded us all that there is a vast amount of economic work inherent in the natural capital that resides within our rural communities that we simply do not value and do not identify. Therefore, when we are talking about the contributions of the rural economy to our nation, we need to insist that the Government begin to look much more closely at that natural capital—what is the value of the fresh air and fresh water? Sewage and water companies are being much considered today, with Ofwat’s announcement, but that is all being provided by our rural natural capital—the water that comes into our urban centres and the sewage that departs from them. We really do not think about that nearly enough.

The right reverend Prelate mentioned rural deprivation. On Devon County Council’s behalf, I note that the ending of the rural service delivery grant removes some £10 million from its budget, which is a vast proportion of its budget. Of course, the Government are seeking, perhaps worthily, to redirect those funds to deprived areas but, as has been identified, it is very difficult to identify deprived areas within a potentially wealthy-looking rural county such as Devon. The idea of deprivation requiring a whole area to be deprived is a fallacy; there is deprivation in the most bucolic parts of the country—it is deprivation that is simply not caught or identified by the way that deprivation is currently measured. The county council notes services such as getting children to school, fixing the vast network of roads and simply getting people to doctor’s appointments, et cetera, are incredibly challenging.

I turn to housing and planning in the few minutes that I have left. I take note of the Devon Housing Commission, which reported back in July when we had the change in Government. The provision of affordable housing within our rural areas is in crisis. I know the Government have a plan for 1.5 million new homes, but the challenges of building new homes within variously protected landscapes, the complexity of the planning challenges, the lack of staff within planning departments in rural district councils and particularly the lack of SME builders in rural areas are real limitations, and I hope the Government will look at these.

1.36 pm

Lord Wigley (PC): My Lords, I draw attention to my registered interest. I thank the right reverend Prelate the Bishop of St Albans for introducing this timely

debate and I am delighted to follow the noble Earl, Lord Devon, and thank him for the leadership he has given in relation to so many agricultural issues.

I have lived for over 60 of the past 75 years in the same village in rural Gwynedd, since 1947, when my parents moved into a half a farmhouse. I had the huge benefit of living my formative years in close proximity to the next-door tenant farmer, who made a very modest living out of a 60-acre holding.

It may be timely to remember that it was the post-war Labour Government who largely rescued agriculture in Wales, which had suffered massively in the 1930s. Indeed, the Labour Minister of Agriculture, Tom Williams, was tagged “Feather Bed Williams” for giving the farmers too comfortable a time—an accusation which I do not think the present Labour Government are likely to suffer. Agriculture is still the backbone of our rural communities. Its well-being is essential if we believe in producing food from our own resources. I greatly enjoyed a period of 12 years as president of the South Caernarfon Creameries, a good example of agricultural self-help.

The confidence of the industry is vital to maintain the investment needed for our agriculture to work efficiently. The Autumn Budget’s proposed change to inheritance tax rules has undermined that confidence and I urge the Government to reconsider their proposals, so as to exempt modest family farms from a punitive tax regime which will drive small family farms out of business. This will trigger an inevitable outcome: such land will be bought up by rich corporations, pension funds and forestry interests. Ironically, such investment is often driven by tax avoidance strategies, but it inevitably heralds a withering of the food production capacity in rural Wales and elsewhere. Is this seriously what the Government want? There has surely rarely been such a blatant scenario of unintended consequences.

Life in rural Wales is immensely challenging at this time, without being further undermined by government action. Ordinary working families are being driven from rural Wales by a combination of factors. The most fundamental has been the failure of economic policy to deliver a reasonable range of well-paid jobs, leading to a situation where the average income per head in parts of rural Gwynedd is 40% below that of south-east England. This leads to the best of our young people moving away to seek better-paid work, and of those who wish to remain, living in their own communities where they have their roots, they find that they cannot compete in the housing market against those from distant cities with fat chequebooks, buying up local housing stock as second homes.

This is not just a problem for rural Wales; it is equally felt in rural counties such as Cornwall. The effect is to further erode rural life, often leaving villages as ghost communities through the winter. This is exacerbated by the run-down of local services, such as bus services, which makes it increasingly difficult for those on low incomes to travel from rural villages to nearby towns to seek work. Young families are forced out by such factors, leading to declining school numbers and accelerating school closures. We also see rural communities being hit by the loss of facilities, such as

[LORD WIGLEY]

banks and post offices, which hits local businesses and older people who are more reluctant to turn to internet banking.

The availability of fast broadband connectivity is very patchy in many rural areas. Surely the UK Government should make it a high priority to ensure that rural areas are not deprived of such an essential part of any modern commercial and social infrastructure.

Some people still believe that tourism offers the solution to the economic problems of rural areas. Of course it can make a contribution, but it is highly seasonal in rural Wales, and any economy which operates at 200% capacity for a few weeks in summer and at 20% capacity for most of the year is, by definition, economically inefficient.

Rural Wales desperately needs capital investment projects, such as the hydroelectric schemes and pump storage facilities which are being considered. The SMR projects at Wylfa and Trawsfynydd should be driven forward without delay, the latter linked to the medical radioisotope manufacturing unit proposed by the Welsh Government.

The loss of young people from rural areas, such as rural Gwynedd, and their replacement by people who move in after retiring has led to a disturbing report this week from Gwynedd council. It projects that, over the next 20 years, there will be an increase of 56% in demand for home help services from the Gwynedd social care department. This emanates from an absence of family living locally to help care for their elderly relatives, and because of an inward migration of retired people who do not have roots in the community into which they move, and in which they have to face the challenges that come with old age.

Unless there is an awakening to the crisis currently hitting rural communities, we shall find the fabric of rural life eroded beyond recovery. I urge the Government to address this issue without delay.

1.41 pm

The Earl of Caithness (Con): My Lords, in our short debate on the 15 October, I was struck by the positivity of most of the speakers for the rural economy and the potential that it offered. In today's debate, the right reverend Prelate, to whom we are all grateful for introducing this debate so well and so fully, picked up on those ideas of positivity. I so agreed with the phrase that he used: it is time for a strategy for the rural economy. That was the title of the report of this House in 2019, and I was privileged to serve on the committee.

There are undoubted opportunities. The right reverend Prelate reminded us of the gap in productivity between rural and urban areas. It is worth looking at the proportion of gross value added. In England, it is only 16%, whereas in Scotland it is 26% and in Wales it is 28%. Would the Minister get in touch with the devolved Administrations and find out whether there is any potential from up there and over west that could be used in England to improve the productivity and increase the percentage of GVA?

What has changed between now and the debate we had only two months ago? There has been a very significant change: we have had a Budget. The Budget was so beautifully described by Sir James Dyson as

“an egregious act of self-harm”.

The enthusiasm and potential that I thought the rural community had for this Government has been squashed. Small businesses, which the Minister in a recent letter to me described as the beating heart of the high street, were taxed with extra costs, burdens and bureaucracy—the very things that rural businesses do not want if they are going to thrive in the modern world.

A small but very important percentage of people in rural areas are farmers. In our debate on the Budget and small farms the other day, I listed all the extra taxes that the current Chancellor had imposed on farmers. The cumulation of that is the complete lack of confidence in the Government on the part of farmers, and a reduction of the incentives farmers have to plan for the future. It must be a very difficult time for farmers.

Combine that with the fact that climate change is making a third of our clay-based soils in lowland England unfarmable and it is going to have a very large effect on the productivity of farms and the ability to feed ourselves. Food security is one of the things that the Government thought was important before the election. How are the Government going to square the circle of making our food supply more secure, at the same time as berating those who are actually producing it?

In the debate two months ago, I mentioned Project Gigabit, and the right reverend Prelate picked that up earlier. I would add a different aspect to that: the download speed for internet. In rural areas, 5% of the community cannot get a download speed of 10 Mbps, whereas this is only 1% in urban areas. With so much having to be done on the computer now, unless you have a good download speed you are in serious trouble. Could the Minister address Project Gigabit and give us a bit more detail of how she plans to increase the availability of good broadband and social media supply in rural areas?

Another question I asked in our debate two months ago was about the size of Defra staff. Yesterday, I was emailed a written reply. As it is not in the Library, I will quote the first sentence. Our report in 2019 said that there were 60 staff. The reply says:

“It is complex to place a specific figure on the exact number of colleagues in DEFRA who work on Rural policy, given the wide-ranging nature of rural policy and that rural-proofing of Government policy is a cross-DEFRA and cross-Government effort”.

Sir Humphrey would be proud of that.

As the Minister takes her train home for Christmas—I hope she has a lovely, relaxing time—and looks out of the window at all the farms, will she consider that 50% of those farmers earn under £25,000 a year, yet her train driver probably earns three times as much? As she will be on an Avanti train, will she also think, as she looks at the stock farms and the farmers who are working 365 days a year, that these Avanti workers are about to go on strike over rest days?

1.48 pm

Lord Harlech (Con): My Lords, it is a pleasure to follow my noble friend Lord Caithness. I declare my farming and land management interests in Wales and

that I am a member of the CLA and the Conservative Environment Network. I congratulate the right reverend Prelate the Bishop of St Albans on securing this important and timely debate.

Much has rightly been made, including by me, on the impact of October's Budget on the rural economy and, in particular, family farms and rural businesses. However, today I will make my remarks on policies that I believe can grow the rural economy. A lack of housing and opportunities forces young people from rural communities and reduces demand for local services. This situation is only worsened by an urban-rural digital divide, which holds back rural businesses' ability to grow. The Government were elected with a mandate to grow the economy, and this must include rural areas.

I know from my own experience in Defra that the rural economy is hindered by poor cross-departmental working. Ministers and officials from other departments assume that Defra has sole responsibility for the rural economy. In reality, Defra does not have the economic levers to unlock the countryside's potential by itself. That power lies in other departments and, increasingly, local authorities, as we heard in the Statement earlier today. Much better cross-departmental working is necessary to ensure that economic policies are designed to generate growth in the rural economy. The Government have thus far failed to address this issue, which is most evident in the industrial strategy Green Paper's lack of focus on rural issues.

The poor delivery of the rural England prosperity fund by local authorities illustrates the effect of a lack of understanding of the rural economy on devolution and localism in rural areas. There have been breakdowns in communication and misunderstandings of the rules and guidelines of the REPF, and some local authorities have failed to engage with external stakeholders. A future REPF needs to encompass better engagement between central government, local authorities and external stakeholders, and better promotion of such funds to small businesses that could benefit from them.

As we have heard from several noble Lords, the primary barrier to rural economic development is the planning system. In its current state, it does not appreciate the improvements that small-scale development can make to the viability of rural villages. In planning terms, these villages are often deemed "unsustainable", creating a spiral of decline. In the plan and decision-making process, weight must be given to development that will improve the sustainability of a settlement, whether through the provision of new homes, services or facilities. The Government should follow the mantra of a small number of homes in a large number of villages.

To develop rural planning policy meaningfully, the Government must introduce permission in principle for rural economic development. This would encourage planning applications by reducing the risk of high financial input without the guarantee of consent. The Government should also enable the repurposing of redundant agricultural buildings and sites. Planning applications to repurpose these sites are often rejected, as they are not deemed to be "sustainable development". In many cases, the development of these sites would lead to economic growth and, through diversification, provide a much-needed boost to a farm's profitability.

As the right reverend Prelate, the noble Lord, Lord Wigley, and my noble friend Lord Caithness described, the lack of access to sufficient broadband connection is a massive barrier to rural productivity. Mobile connectivity in rural areas continues to be an issue, with the previous Government having allocated £500 million for the shared rural network to fix not-spots in mobile coverage. Will the Minister commit to publishing a road map to improve rural connectivity and provide transparency over how public funds have been allocated?

The proposed £100 million cut to the nature-friendly farming budget is estimated to reduce the amount of nature-friendly farmland by 240,000 hectares in England. This will present significant issues for farmers' finances, food security and the UK's ability to deliver its legally binding target to halt species decline by 2030. The Government must restore the nature-friendly farming budget to £2.8 billion in real terms and index it to increase with inflation over the Parliament. This would ensure that farmers have the confidence to adopt regenerative practices and help close some of the funding gaps to achieve our biodiversity goals.

The Government must change course, protect APR and BPR for all rural businesses, and extend them to farm businesses engaged in capital markets. This will ensure that farm businesses engaged in public and private agri-environment schemes can be passed between generations. It will also provide the necessary incentives to continue producing food while restoring farmland and naturally sequestering carbon.

I know how much the Minister cares for the rural economy and the countryside. I hope that she can champion it and stand up to other departments for what is right. I look forward to her reply.

1.54 pm

Lord de Clifford (CB): It is a privilege to follow the noble Lord, Lord Harlech, and I thank the right reverend Prelate the Bishop of St Albans for his passionate work for rural communities and for bringing the future of the rural economy to the attention of the House today. I declare my interests as set out in the register: I live in a rural village, work in a rural market town, and run a veterinary practice that relies on rural businesses and the community for its turnover.

So, what makes up the rural economy's Christmas list to the Government to enable it to grow and prosper in the coming years? The first item on my list is very similar to that of the noble Lord, Lord Harlech: government thinking to ensure that the rural minority is not forgotten when major decisions are made by government departments.

The farming community is the cornerstone of the rural economy, and is reeling from the recent Budget, as debated recently and mentioned today. This is an example of how the rural community suffers from the lack of joined-up government and policymaking. There appears to have been very little consultation between Defra and the Treasury on this decision. Will the Minister continue discussions with the Treasury, on behalf of the farming community, on the impact of this change to APR and BPR?

The Government can also support farming by monitoring and reviewing the dominance of food manufacturers and supermarkets in the food market.

[LORD DE CLIFFORD]

The price that food is sold to the consumer needs to reflect the cost of production for all businesses in the supply chain, and to ensure that farmers are not the ones squeezed to create profit for those dominant companies.

Joined-up thinking between local towns and local district councils would also be of benefit, ensuring that we can maintain and develop town high streets, which are essential for the rural community. In the town of Malmesbury we have a proactive town council that is looking to develop the town, but one of the frustrations of the local traders is parking charges. These are set by Wiltshire Council and are seen as a revenue generator. The result is a frustrated town council, as it wants to encourage the local community to come into the town to support local businesses and maintain a thriving town centre.

Number two on the Christmas list is planning reform, as mentioned by the noble Earl, Lord Devon, and other Peers. We welcome the review of the National Planning Policy Framework, and the delivery of new homes to address the affordable housing crisis in rural areas and the creation and development of rural businesses. The planning process is costly, bureaucratic and painfully slow, especially in rural areas. An example is Cirencester, in the Cotswolds, which has planning for a housing development of 2,350 houses. It initially went into planning in 2017 and building started in the summer of 2021, but as of today, only 65 have been built, 14 of which are affordable. For an area in need of homes and low-cost housing, building 65 houses in seven years is just too slow to meet demand. That begs the question: is the developer controlling the supply to maintain higher house prices? Would the Treasury consider charging large housebuilders a tax on developments that have not sold any property within five years of granting an outline or detailed plan, to encourage home building? Also, I hope that planning reform will optimise the development of brownfield sites in rural areas, especially redundant farm buildings.

Number three on the list is transport. Ours is a medium-sized business in a rural town, and 95% of our 125 employees drive to work; no one uses public transport. Bus services are difficult to run due to the large number of locations that need to be visited, and passenger numbers are relatively low. So again, we welcome the Government's review of bus services, but the rural economy needs better public transport to prosper. Future bus services must be more flexible to make them efficient for users, and economically viable for bus companies and local councils. There has to be innovation, such as technology that could request pick-ups and drop-offs in villages when required. I appreciate that these ideas present challenges, but my hope is that the Government can address them through innovation—trying new and risky ventures in public transport to resolve this long-standing problem.

Number 4 on the list is communication, which many Peers have mentioned. I have spoken in the past about communication in rural areas and the deterioration of mobile phone coverage with the turning off of 3G. I have read Ofcom's response to the Minister of State, and it is reassuring that it will continue to monitor 4G

and 5G coverage. The 4G network is essential in rural areas, as signal strength is much greater than with 5G. Project Gigabit continues to be rolled out, as the noble Earl, Lord Caithness, mentioned. As a beneficiary of broadband home fibre in a rural area, I know that it brings massive improvements that enable home working and less frustrating domestic internet use.

This sort of connectivity is essential to growing productivity through the use of current available technologies; it will allow a vast array of small businesses to grow and develop in rural areas. But not all rural properties can be connected economically, especially in Wales, by fibre to the home. Will the Government consider supporting extreme locations with subsidies for satellite broadband to enable businesses to develop in these remote areas?

The list of support could be endless, but the opportunities are great. With joined-up thinking between rural communities and the Government, and with innovation, we could reverse the tendency of rural businesses to decline.

2 pm

Lord Gascoigne (Con): I declare that I am a member of the Conservative Environment Network, the new Climate Tech APPG and Peers for the Planet.

First, I pay tribute to the right reverend Prelate the Bishop of St Albans, for whom I have great admiration. Alongside the right reverend Prelate the Bishop of Norwich, he adds immense value to discussion of the crucial issues of rural communities and the environment. Like their namesakes on a chessboard, when they are combined, they are formidable, and they bring important views to this Chamber.

I am a proud Lancastrian, born in the constituency of Pendle. The area has two former mill towns and three smaller towns surrounded by stunning fields, hills, reservoirs, forests and scattered villages, with Pendle Hill majestically looking on. Until recently, I was adamant that I am from a rural constituency. My friends and sister agreed with me. However, my good friend the temporary former MP informed me that Pendle is actually classed as urban. I was amazed. I swiftly discovered the rural/urban classification which defines areas. It is based on the census and purely on population.

I understand that funding has previously been available to those areas specifically classified as rural. While I am sure that that is well-intentioned, it can disqualify rural parts of urban-classified locations. For instance, in Pendle, a quarter of the population is still classified as rural. My plea to the Minister, if I may, is to be cautious about using that formula in future.

Obviously, farming is a key part of this debate. I will not repeat the many powerful arguments that have been made already concerning the Budget, but have any departments assessed the effects of these changes on nature, rural economies, food security, economic security and the appeal to young people to become farmers? Are there any steps that the Government will take domestically to promote locally produced food, and what more is being done on better trade deals? Farmers farm land; they know the land; they nurture it; us greenies need to bang the drum for them now more than ever.

I turn to the future and, first, the need for diverse job opportunities in rural areas, which I think has already been raised. Research has found that over a third of rural residents are likely to consider moving to a town or city within 12 months, with 30% citing a lack of jobs. How can we undo that? There is more to the countryside than farming, and rewilding can play its part. There are direct economic benefits of nature, such as through tourism, but also indirect ones, such as tackling flooding and pollution, as we discussed with the Water Bill.

Increasingly, companies and projects such as Nattergal are facilitating these efforts, not only through nature restoration and improving biodiversity, but by maintaining traditional jobs such as drystone walling, hedge growing and coppicing. Yet there is more. A fantastic study by Rewilding Britain found that rewilding projects created over 50% more jobs, with new roles in ecology and forestry and increased revenue from sources such as tourism, weddings and education; and they continue to produce food and support livestock. Yes, farming does not need to stop in the interests of nature. One in three mouthfuls of the food we eat is dependent on pollination. Nature's benefits are numerous, including economic, and it is essential for life.

Secondly, we need to promote rural life and local agricultural shows. While there are many large events such as the Royal Lancashire Agricultural Show—which I am sure my noble friend Lady McIntosh will agree is arguably the best—there are other smaller, local ones. In Pendle, some have not survived, but others have, such as the Trawden show, which started its life in 1925. My dad used to judge and show, and I remember being dragged along as a kid. Those packed tents would eventually be emptied, the entrances sealed shut. Then, like some strange ritual, my dad and others would meticulously study, cut into, sniff or even taste an assortment of produce that had been neatly laid out on tables, be it flowers, onions, or carrots. After a few mutters, they agreed the best, certificates and rosettes would be left behind, and I would be whisked off to sit in a tractor or see cows being paraded or dogs performing tricks. Not only are shows great family fun, but there you saw pride, love and a sense of community. People had spent all year preparing for that moment, lovingly nurturing whatever was on show. What more can be done to promote these events and rural life? They help tourism, unite communities, support local industry and educate.

This is my final point: my dad showed me much, so my education was not just at school. Across our land, we have amazing farms, and I visited loads when I was younger. I grew to love my surroundings—the countryside, fields, valleys and hills—and I came to respect them but only when they were gone, when I had moved to London; hence I bring up my daughters to do everything to love wildlife, nature and the countryside. This year's Children's People and Nature Survey for England showed that, in one week, 62% of children and young people visited a park or playing field and 27% visited woods, yet 15% visited fields and farmland in the countryside and 4% recorded no visits at all. What more can be done to encourage farm visits and outdoor learning, helping farms but also helping children understand where food comes from and the importance of nutritional quality?

In conclusion, as the Rural Coalition says, there are enormous challenges but also opportunities. To me, this is not nostalgia. It is a way of life, now. It is real. It is the food we eat, the walks we take and the breaks we make. Like all things, it needs nurturing and a chance to help it grow, not just for rural communities but for us all.

2.06 pm

Baroness McIntosh of Pickering (Con): My Lords, I congratulate the right reverend Prelate on calling this debate and for all his work on rural affairs. I am delighted to sit with him on the rural interest group of the Church of England Synod. I pay tribute to the role of the Church in rural areas in times of crisis, as I witnessed during the foot and mouth outbreak in the early 2000s. I declare my interests: I work with the rural doctors—my father and brother were dispensing doctors—of the Dispensing Doctors' Association. I am also a patron of Upper Teesdale Agricultural Support Services, honorary president of the Huby and Sutton agricultural show and vice-president of the Association of Drainage Authorities, which have a role to play in preventing flooding in low lying areas.

As a proud Yorkshire lass, I would say that there is lots to celebrate in the rural economy, not least farming, countryside and food—and the best show in town, the Great Yorkshire Show. There is also a role for auction marts, which set the price and have a presence in market towns. They have a role in the rural economy and the community, playing a specific social function. Farmers are fiercely proud and independent, often visiting the auction mart well into their retirement as well as during their active farming lives. When the auction marts closed during the foot and mouth outbreak, there was really nowhere for the farmers to gather and chat. Country shows show the best local farm produce and educate the next generation in the joys of the countryside and farming. The Great Yorkshire Show showed children livestock first hand, and I am delighted to say that I have attended since I was a schoolgirl in Harrogate.

What are the current barriers to the growth of the rural economy? As others have said, the whole rural economy has been impacted by the employers' national insurance contribution increase—doctor's surgeries, care homes, hospices and veterinary practices specifically, and every walk of life. The inheritance tax proposals and the revision of agricultural property relief, as well as the removal of capital grants, will severely impact on the farming community. There is also a shortage of farm workers as a result of a shrinking rural population, poor local transport and the cost of housing. All this could be remedied in part by increasing the number of seasonal workers on farms and the length of time they spend on the farms. Rural broadband and mobile phone coverage is still below par, making farm and rural businesses less efficient and competitive. There is less access to banking services, with bank branches and post offices having closed.

The Government should encourage productive farming. We should not build solar farms on grade 2 or grade 3 productive land, as in the test cases currently in Old Malton and east Yorkshire. Tenant farmers have a particular contribution to make, especially in the uplands.

[BARONESS McINTOSH OF PICKERING]

Some 48% of farms in North Yorkshire are tenanted, yet their future is bleak and uncertain, given the Government's Budget proposals.

I pay tribute to the charities supporting the farming community in rural areas; their role is valuable and, sadly, increasing. I am mindful of the mental ill-health and state of anxiety among farmers, which is now sadly also affecting their children. I am also mindful of the levels of farm vehicle theft and other rural crimes, the impact of marital breakdowns, and the fact that farmers are reluctant to visit their doctor and often neglect their own health.

Others have mentioned tourism, hospitality and leisure in the rural economy, and I support their impact. I am delighted to be the honorary president of the North Yorkshire Moors Railway. I hope all noble Peers will take the opportunity to visit it during one of the forthcoming recesses.

The UK is on average only 60% self-sufficient in food, yet only 16% in fruit and vegetables. The power of the supermarkets is great; that of growers and the supply chain is weak. The Groceries Code Adjudicator's role needs to be addressed to ensure that it can undertake reports on its own initiative and not identify those who seek to make a complaint.

What is the way forward? All government policies should be assessed and rural-proofed. That used to happen in the past; it should happen in the future. We should recognise that farmers are key to growing the rural economy, but they need help in meeting the current challenges, whether climate change, flooding on farmland or the increases in oil prices and in the cost of fertilisers and pesticides. Environmental land management schemes are rolling out at a slower pace than the reduction in basic farm payments, leaving farmers with a huge gap in their income.

I beg the Minister not to play Scrooge, as in *A Christmas Carol*, but to be as generous as the Government can possibly be to farmers. Farmers face an uncertain future. If you want something done, ask a farmer, but they are asking whether we want them to produce food for us anymore. The future of our food system, our rural communities and even our environment is in question. Their future—for the farmers and for growth of the rural economy—is in the Government's hands. We look to the Minister to provide answers today.

2.12 pm

Lord Rogan (UUP): My Lords, I also congratulate the right reverend Prelate the Bishop of St Albans on securing this timely debate. Given that it is a UK-wide debate, noble Lords will not be surprised to learn that I intend to concentrate my remarks on the contribution of rural areas to economic prosperity in Northern Ireland.

According to the most recent figures published by the Department of Agriculture, Environment and Rural Affairs, more than half of Northern Irish businesses—58%—are located in rural areas. People living in rural areas are more likely to be employed, with almost three-quarters—74%—in work. Workers living in rural areas are more likely to have high skills and report

greater job satisfaction than their urban counterparts; both those figures are at 84%. Finally, between 2001 and 2020, the population of rural areas rose by 20% compared with an increase of just 7% for urban areas. In short, Northern Ireland is highly dependent on a healthy and expanding rural economy for its prosperity. His Majesty's Government, in collaboration with the Northern Ireland Executive, must do everything they can to support and protect it.

One way the newly elected United Kingdom Government have acted positively was by finally signing off the remaining two growth deals for Northern Ireland. As the House may be aware, the previous Conservative Government announced four city and growth deals for the Province in the Belfast City region, Londonderry and Strabane, Mid South West, and Causeway Coast and Glens.

However, on taking power, the Labour Government chose to pause the growth deals designed for predominantly rural areas in the Mid South West and Causeway Coast, with Ministers resorting to the now familiar excuse of a hole in the public finances. That situation was rectified by the Chancellor in her Autumn Budget Statement, but the level of uncertainty, disappointment and worry felt in those rural areas was palpable and did nothing to build confidence that the new Government have either understanding of or empathy with those seeking to grow the rural economy in the Province.

As I made clear in my remarks in this House last week, the Government seem to have little understanding of the farming community in Northern Ireland, or indeed elsewhere in the United Kingdom. Agriculture provides £6 billion to the Northern Ireland economy. However, the Chancellor's decision to slap an inheritance tax on farms worth more than £1 million has placed the future of many farms, and indeed a way of rural life, under grave threat. According to analysis by the Department of Agriculture, around half of the 26,000 farms in Northern Ireland could be impacted by the tax changes. This will account for 80% of farmland across the Province, including 40% to 45% of cattle and sheep farms and 87% of dairy farms.

The Windsor Framework, which the current UK Government are fully behind, is making life for the people of Northern Ireland more difficult by the day, and it is having a particularly detrimental impact on local agriculture. A succession of Ministers in this House—I hope the Minister will not be the latest—have habitually fended off concerns about life in Northern Ireland by saying that any particular issue is a devolved matter. However, Budget decisions and responsibility for the disastrous Windsor Framework, agreed in partnership with the European Union, are not devolved. This Government have the power to fix them, thereby helping Northern Ireland's rural economy. I urge the Minister to heed what I say and act accordingly.

Finally—and I accept that this is a devolved matter—according to the Department of Justice in Northern Ireland, rural crime is costing the Province's economy £2 million every year. In an effort to combat this, the Rural Crime Partnership has been formed. It is made up of numerous organisations, including the Department of Justice, the PSNI, the Department of Agriculture,

the Ulster Farmers Union and the Federation of Small Businesses. The group is engaged in several initiatives to tackle this scourge on the local community, including Rural Crime Week, which runs each September.

As well as people falling victim to petty crime, a sad reality in many parts of society is that rural communities are regularly targeted by organised crime groups. This criminality takes various forms, including waste crime, animal and machinery theft, and illegal puppy breeding and smuggling, and the proceeds are funnelled back into further criminality. Given the organised nature of these activities, will the Minister say whether there is scope for police and security forces across the United Kingdom to work more closely together to tackle this rural crime? Our Prime Minister is fond of telling us about his previous role in taking down gangs. This might present an ideal opportunity to show the country what our Prime Minister is made of.

2.18 pm

Lord Inglewood (Non-Affl): My Lords, I begin by declaring my interests, which are financial, as set out in the register, and also personal, given my actual involvement in things. I congratulate the right reverend Prelate on calling this debate. It may disappoint him, but it seems to me that rural Britain is not really homogenous, and I am afraid I am not really interested in the Home Counties. Rather, my concern focuses on the shires and beyond—what I like to think of as *l'Angleterre profonde*. They are particularly important to us in this country as a whole, partly because they are part of our collective sense of Britishness and of a perception, from the outside, of what this country is. In their own way, they are as important as, for example, the building where we are this afternoon, or Canterbury Cathedral, or the National Gallery.

Rural Britain is experiencing two revolutions. The first is in town and country planning. The important thing for the countryside is that the underlying thinking behind the settlement of the post-war planning regime is now under challenge. Rural Britain is not only for farming and forestry. Particularly with the development of connectivity, all kinds of possibilities are opening up that are consistent in land-use terms with what was tried to have been protected. Of course, we all know that connectivity is pretty erratic in the countryside, but I hope the relationship between fibre and mobile, with the two—as I understand it—coming together, means it may be possible to achieve an adequate overall system quicker than perhaps was previously thought possible.

Secondly, now that we have left the common agricultural policy, there is a revolution in that area too. It is worth remembering in this context that agricultural policy has always been a distinct specialist phenomenon in politics, going back to the Middle Ages, for rather obvious reasons. Public money and the public goods that the public are going to receive for it are in a state of flux.

The questions that we need to ask are twofold. First, what is rural Britain for? Secondly, how is that aspiration going to be achieved? In my case, much of my thinking is derived from looking at the Lake District, which the Minister obviously knows well. It is 40 years ago that I became a member of the Lake

District special planning board and chaired its development control—that is, its planning committee. Subsequently, I have always watched what is going on very carefully. In many ways, it is completely unrecognisable from what it was then.

The point about the Lake District is that it is England's premier national park. It is the crucible of the Romantic movement, both here and abroad, and relatively recently has been inscribed as a UNESCO world heritage site, both for its landscape and for cultural reasons, and they are equally important. It is not just any old corner of contemporary Britain or just part of our nation's family silver; it is part of the world's patrimony. The point of that is that it is much more significant than simply a bean-counter's analysis of a profit and loss account.

Despite all that, productivity, as it is now measured in this country, means that the Lake District is below the national average. To a degree, that may be to do with the methodology employed. It has always interested me that water, which in very large quantities is exported into what used to be known as industrial Lancashire, does not play a proper part. It is not only that they cannot spend a penny in that area without our water; industry—and everything in society—would simply grind to a halt.

Equally, as a number of speakers have mentioned, housing policy is seriously flawed. There are plenty of houses in the Lake District, but the problem is that people who want to live there and need to work there cannot do so because housing has become a must-have asset for rich, moneyed southerners and international money. If you think about it, the houses are there. The place is a national park, so the solution is not building more houses; it is finding a way of moving the houses that are there into a category which means they will be restricted to people who live and work there. You have to think out of the box a bit, but it is far from impossible to see relatively easy ways as to how that might be done, given the political will.

The visitor economy has been mentioned. It is important, but it is beginning to cause problems along the very general lines of the problems that it is posing in places such as Venice and Barcelona. It requires considerable thought. I was a bit startled the other day when my son said to me, "You know, dad, I think the Lake District is now more famous for food and fine dining than it is for the landscape and what it's really all about".

Our economy is dysfunctional. Despite providing and contributing a lot to UK well-being, it still seems to be unable to generate enough money to look after itself. Its liquidity, taken across the piece, is haemorrhaging. That is why the ideas proposed in the Budget for taxing small businesses and farms are, frankly, cuckoo. You must not take working capital out of a series of activities that are losing money.

I suggest that the Minister looks at the system used for dealing with works of art in a similar context. There are all kinds of pointers that seem to suggest that there are ways of both taxing and collecting the money at the time when the asset's value is realised. That is a much more sensible way of doing it.

[LORD INGLEWOOD]

The world is changing. We are not yet in a world where the policies and systemic framework surrounding all this are stable. Until just the other day, I chaired the Cumbria Local Enterprise Partnership, which is 50% industrial and 50% rural. I believe that we managed to achieve a harmonious partnership between local authorities, the voluntary sector and industrialists. In particular, industrialists and businesspeople are important, because they are the people who know how things are done. It is very important that, as we go forward, we find a way of making sure that those who do the business take part in and drive the policy.

2.25 pm

Lord Carrington (CB): My Lords, I too thank the right reverend Prelate—or perhaps, in view of earlier remarks, I should say Primate—for tabling this timely debate. I draw attention to my farming and other rural interests as set out in the register.

As most economists and others would agree, if growth is the Government's priority then their Budget should incentivise businesses to grow, rather than raise taxes on them. This applies throughout the economy but is particularly relevant in the case of rural business, which is dominated by farming and small family businesses. I note, however, that the Government have moved from the growth that they were targeting in opposition to the less ambitious task of raising living standards in the recently announced six milestones. The rise of over 16% in the national living wage—a 40% rise in just five years—together with the increase in employers' national insurance to 15% will have a disproportionate impact on horticulture, tourism and the hospitality industry. This is not promoting economic growth and creating favourable conditions for investment.

On top of this, as we have heard, there are the changes to APR and BPR. I will not dwell on this, as it has been the subject of much debate already, but will repeat my remarks from a previous occasion. I pointed out that independently verified figures were required for those likely to be affected, in view of the significant differences in the estimates of the NFU, the CLA, Defra and the Treasury. At that point, a sensible government decision on tax could follow. This is particularly important in the light of the 2019 report by the Office of Tax Simplification, which said:

"It is generally understood that the main policy rationale for BPR and APR is to prevent the sale or break up of businesses or farms to finance Inheritance Tax payments following the death of the owner".

No doubt the Minister or her Treasury colleagues will tell us what has changed since then.

In this debate, I wish to highlight the effect of these tax changes on growth and productivity in the rural economy and how they undermine much-needed investment and innovation. Family businesses of all types will be quantifying their future tax liabilities and avoiding value-adding investments that would increase their tax burden. Long-term resilience, diversification, competitiveness and environmental care will all be affected. On the farming side, this is compounded by rising input prices, the unexpected cuts in BPR and APR, delays in some farming subsidies and poor profitability. This has resulted in farmers reducing

investment and not hiring staff. The Government's claim that they have committed £5 billion to farming rings particularly hollow when inflation is taken into account and after the inheritance tax hike.

Reduced investment affects productivity through new technology, buildings and IT systems. I am a member of the APPG on Science and Technology in Agriculture, where we have focused on the need to attract investment to support farm-level innovation, as the UK is a recognised powerhouse in plant science and agriscience. Robotic equipment, autonomous machinery and the use of AI to advance crop and livestock breeding, together with vertical farming, will improve productivity, efficiency and the environment.

I note that none of these technological advances is covered by the eight areas of focus—that is, the areas that will generate the most growth—identified in the recent announcement of the Government's industrial strategy. With the right investment climate, we might even be able to emulate the United States in trying to deliver a 40% increase in food production by 2050 and reducing farming's environmental footprint by 50%. Can the Minister tell us how the Government's industrial strategy and new tax regime will support this type of productivity investment?

Although noble Lords have mentioned many other important issues, the tax system is the most important factor in the growth of the rural economy and it is far from being fit for purpose. It inhibits growth, not just in farming but in horticulture, hospitality and tourism—I could go on—as well as in family businesses, from builders to butchers and garden centres to timber merchants. Contrast this with the support being given to so-called creative industries producing films, TV and video games. Tax credits for this industry are calculated to cost the Treasury £2 billion a year, compared to the new cap on BPR and APR which will generate the Treasury some £520 million a year. The Government have chosen fun over food security and family businesses.

2.31 pm

Lord Fuller (Con): My Lords, I rise to speak as a council member of the Royal Norfolk Show, which is much better than the other ones that have been mentioned. This is a debate about growing the rural economy. There is so much I want to say but, in the six minutes I have, I will focus on rural governance and show how the Government's actions are making the country cousins the even poorer relations.

Before we start, there is not even a firm definition of what constitutes "rural Britain". Yes, it is the rolling countryside, but are our county towns and market towns part of that scene? No one is really sure so, as part of my prep, I thought I would create a definition myself. It is that part of Britain where, at 4 am, you cannot get an Uber within half an hour after a particularly heavy bender or a night on the tiles: "Can't get an Uber late at night? Well, you're in the sticks. That's just how it is".

The confirmed city dweller looks down on these sorts of places. It is all rather provincial, you see. That is the problem: rural Britain is governed by metropolitan voices who ill serve 70% of the landmass. Even the

new mayors are to be called “metro mayors”. When the governance and rural voices are marginalised, it is harder to champion the rural economy.

There are more councillors within the M25 than in all the county councils of England. It is an extraordinary state of affairs. The metropolitan bias is structurally embedded in our nation. The shires are levelled down to London. It takes just 3,109 electors to elect a councillor in London but 15,000 in Essex and 18,000 in parts of Kent. Contrast this with the approach for parliamentary elections, where constituencies must, by law, be of the same value so that everyone has the same weight of voice. Somebody who lives in the shires has between a third and a fifth of the say of the townie. That is a problem for rural democracy, which is not addressed by the devolution White Paper.

As my noble friend Lord Gascoigne mentioned, the closest the Government have to a rural definition can be found in Defra’s local authority districts rural-urban classification 2021 dataset, which classifies local council areas as either predominantly rural, rural with some urban or just urban. It turns out that the Government will abolish all the 84 predominantly rural councils. Another 50 that are “urban with significant rural” are likely to be abolished, with their rurality subsumed into urbanised population units of half a million and their local distinctiveness decorated by the detritus of chicken shops.

Then, of course, there are 175 urban, city, London borough and metropolitan authorities, mostly controlled by Labour, untouched by abolition if they do not want to ask for it. I know it is Christmas, but I think we all know that turkeys do not vote for this kind of thing. Labour denies that there is a war on the countryside, but these announcements prove that there is a war on rural Britain and the lack of Members on the Government Benches rather proves this point. Labour always secretly wished we all lived in big cities and now it gets to pretend that we do.

Labour is slashing £110 million from the rural services delivery grant. I was grateful to the noble Earl, Lord Devon, who is not in his place. He identified that £10 million out of a £100 million will be taken from that county. Norfolk is not far behind and North Yorkshire will be £12 million short. We are being short-changed. Reorganisation will increase stealth taxes to mayors and a levelling-up of council tax where rural people used to live to pay for their urban neighbours. With no money, how can the countryside grow?

The White Paper promises a new fair funding settlement for what is left of local government, but we all know what that means: redirecting money from the countryside to their friends in the city, where social problems can be concentrated. It totally ignores rural areas, where poverty is diffuse. Being spread out does not make it any easier. In fact, isolation can make it worse. The additional cost of delivering services in areas where houses can be miles apart is ignored. I could go on. The point is that short-changing the countryside and diluting its say makes it harder for rural areas to grow in stature and make the economic contributions they should.

At least you can say that rural Britain has resilience—which it needs, with a Government characterised by townies hell-bent on fighting a class war that never really existed. Labour does not understand rural Britain, but rural Britain understands Labour. I almost feel sorry for the 90 Labour MPs representing the countryside. They have been abandoned and sacrificed by their party, unforgiven by those who lent them support. It is not too late to change tack. But, unless there is a change of tack, it will be difficult to grow the rural economy as part of a United Kingdom.

2.37 pm

Lord Roborough (Con): My Lords, this has been a well-informed and wide-ranging debate at a time when the core of the rural community, the farmers, are feeling betrayed by the reduction in inheritance tax relief, putting the long-term survival of up to 75% of working farms at risk. The right reverend Prelate the Bishop of St Albans, to whom we are all most grateful for securing this debate, addressed the importance of growing the rural economy and made many excellent suggestions, alongside other noble Lords. Before I address the rural economy, I will start with the wider economy.

The overall UK economy is challenged by this Labour Government, so how can the rural economy grow? It is deeply depressing that we in government had finally got the economy on an upward trajectory, with inflation falling, GDP growing and real wages expanding after the disasters of Covid and the Russian invasion of the Ukraine. This Government were elected with a commitment to kick-start economic growth, with the explicit statement:

“A new partnership with business to boost growth everywhere”.

Since winning the election, the Labour Government have talked down the economy, leading to two months of GDP shrinking, and then delivered a Budget that disincentivises investment in family businesses and employment. The S&P Global flash UK purchasing managers’ employment index now highlights shrinking employment and was the worst reading since 2009, excluding Covid, when Labour was last in power.

The Government plan to increase spending funded by tax increases, but also underpinned by economic growth assumptions that now look flawed. The UK 10-year gilt has sold off to 4.6%. The last time the yield was so high was also under the previous Labour Government in 2008. Given that we brought inflation down from its highs, this can only be as a result of reducing confidence in the Government’s economic management increasing the Government’s borrowing costs, putting further pressure on the Budget.

Economic growth has been undermined by this Government, whose spending plans look increasingly unfunded by available resources. The Chancellor of the Exchequer recently went on the record saying that there would not be further tax increases in the spring and that, if her fiscal rules are broken, she will cut spending to meet them. From the evidence we have seen of above-inflation public sector pay increases and increased spending, that would seem to be wishful thinking. I ask the Government: what spending will be cut to balance the books? Can the Minister reassure us that this will not impact on Defra budgets and existing spending commitments?

[LORD ROBOROUGH]

On the rural economy, I declare my interest as a dairy farmer, an owner of rural property and businesses, and an investor in a number of businesses that provide goods and services to farmers and land managers. I also declare my residential and industrial building interests and renewable development interests. The rural economy is reliant on farming and family businesses, where the reduction in IHT reliefs will reduce investment, as the noble Lord, Lord Carrington, amply demonstrated. Without needing to repeat the many arguments against this tax, I will just highlight that CBI Economics estimates that it will reduce economic output by nearly £10 billion, cost 125,000 jobs and lead to a net reduction in tax receipts of over £1.2 billion. I put it to the noble Lord, Lord Livermore—the Minister in the debate brought by the noble Earl, Lord Leicester—that, given the destructive impact of this tax and the misery it brings, it is either ideology or a mistake. I hope it is a mistake and that the Government are big enough to concede that and reverse or heavily revise it.

We left an unspent surplus in the Defra budget in the 2023-24 fiscal year, as farmers were slow in their take-up of ELMS and capital grants. That should have allowed the increased application rate for ELMS and capital grants to be easily accommodated in this year's budget. However, the Government have now stopped applications for new capital grants in the current year and delayed applications for the Countryside Stewardship higher tier until the middle of next year. The farming community does not believe that this Government really are interested in championing British farmers, no matter that the Minister sitting opposite me is clearly understanding, sympathetic and supportive.

As I have discussed in previous debates, the rural economy has a significant growth opportunity in being part of the solution to climate change and nature restoration. Changes in land management over decades, centuries and millennia are blamed for up to 30% of anthropomorphic carbon emissions in the pursuit of cheaper food. The process of cutting those emissions, restoring nature and turning land back into a carbon sink requires funding. ELMS is an important segue into introducing private capital into these markets, to which this Government have previously restated their commitment. On this point, I thank the Minister once again for listening to my noble friend Lord Gascoigne and other noble Lords and for including greater incentives for nature-based solutions in the Water (Special Measures) Bill. I hope this will be a catalyst for more private sector investment in natural capital.

Private capital will need high-integrity standards to govern its investment in carbon sequestration and nature restoration. Can the Minister update us on the likely timing of the woodland carbon code and peatland carbon code accreditation into the Integrity Council for the Voluntary Carbon Market's core carbon principles? Further to that, has there been any progress in the consultation around the entry of woodland carbon code units into the UK emissions trading scheme? Encouraging the development of these activities creates significant employment and new business opportunities. The right reverend Prelate mentioned the Groundswell festival and my noble friend Lord Gascoigne mentioned Nattergal, but I also highlight many other businesses

developing in this area, such as Forest Carbon and Agricarbon, in which I disclose a shareholding, as well as many others.

Joined-up thinking and policy delivery between the various parts of government, departments and local authorities will be critical for stimulating the rural economy. This was highlighted by the right reverend Prelate the Bishop of St Albans, my noble friend Lord Harlech and the noble Lord, Lord de Clifford. Defra does not have the power to address all the areas that have been mentioned in today's speeches, but it does seem as though responsibility has been devolved to it from other departments that do have the power. In that light, it is depressing that the over £100 million rural services delivery grant has been repurposed away from rural areas in the draft local government finance settlement, published today.

It is also concerning that the planning statements appear to dramatically increase the rate of housebuilding in rural areas, with urban centres under much less pressure. It seems in vain to ask the Minister how she can reassure the House that the rural economy will be given the support that it needs, when it seems that policies and funding are targeted at towns and urban centres—but I ask anyway.

The House continues to eagerly await the land use framework. Can the Minister update us on timing? The Government's various commitments will require more rural land to be developed for renewable energy, housing and infrastructure projects. Can the Minister reassure the House that the land use framework is not intended to be prescriptive but to be guidance for changes of land use that will streamline the planning process and help land managers to make good decisions with their land?

When we take together the reduction in IHT relief for family business, delayed capital grants, delayed Countryside Stewardship higher-tier schemes, repurposing the rural services delivery grant and dramatically increased rural housing targets, as well as the cuts in the nature-friendly farming budget, mentioned by my noble friend Lord Harlech, it is hard to dispute the claim of my noble friend Lord Fuller that this Government would appear to be at war with the countryside.

2.45 pm

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Baroness Hayman of Ullock) (Lab): I start by congratulating the right reverend Prelate the Bishop of St Albans on securing what has been an excellent debate. In the short time I have allocated, I shall do my very best to respond to the various questions and issues that have been raised—and there have been a lot, so I shall follow up any outstanding questions in a letter and write to anybody whose questions I have not answered.

First, I would like to say that the Government have been clear: sustained economic growth is the only route to improving the prosperity of our country and people's living standards, and this is equally true for those living and working in rural areas. Rural England makes up over 85% of the land mass and is home to 9.7 million people, equal to the number that live in the nation's capital. We recognise that rural areas offer

significant potential for growth and are absolutely central to our economy. The right reverend Prelate referred to untapped potential: over half a million businesses are registered in rural areas, with the rural economy contributing over £315 billion a year—and that is just in England.

The noble Earl, Lord Devon, mentioned the wide range of industries that work and support our rural communities. There is a good example in west Cumbria with Sellafield, a major industry that supports a much larger rural economy. I note that the Lord Bishop is the president of the Rural Coalition, which I have met with in the past, and I know that the Farming Minister, Daniel Zeichner MP, is going to attend a meeting in January. It is important that we work with organisations, and we are keen to do so in government. As we have heard, overall productivity in rural areas is just over 80% of the average for England. As noble Lords have said throughout this debate, there is significant potential to improve this.

The noble Earl, Lord Caithness, asked how we could do this, working with devolved Governments. That is a very good point. I assure him that I meet regularly with devolved Ministers, and this is one of the issues that we pick up and discuss. We are committed to improving the quality of life for all people living and working in rural areas, because we need to reach the full potential of rural business and our communities. While farming, forestry and other traditional land sectors are essential for delivering so much of what we value in our countryside, we know that businesses found in rural areas are just as diverse as those found in urban areas, with 86% operating outside agriculture and related sectors. In fact, the largest contributing sectors to the rural economy include education and health, distribution and hospitality, tourism, real estate, manufacturing and administrative services—and there is so much more. The Government are taking steps to support businesses right across every sector of the rural economy. To achieve this, we are ensuring that the needs of people and businesses are at the heart of our policymaking. As the right reverend Prelate rightly said, we need to be strategic about this, if we are to succeed.

Noble Lords are clearly aware of our growth mission, which includes announcing a series of planning reforms to get Britain building; removing the de facto ban on onshore wind; establishing the National Wealth Fund; announcing a pensions review to unlock growth, boost investment and deliver savings for pensioners; launching Skills England; announcing the *Get Britain Working* White Paper; and taking the first steps to create Great British Energy.

The industrial strategy will be a significant driver of national renewal and a central pillar of this growth mission. While the industrial strategy's focus will be on growth-driving sectors and places, it will include addressing cross-cutting challenges and supporting a pro-business environment. The noble Lord, Lord Carrington, made some really good points on that, on innovation in farming and rural businesses and on how that can be used within the industrial strategy; I will feed back those suggestions. All sectors can shape, and will benefit from, wider policy reform

through the broader growth mission. We believe that it will create the conditions for businesses to invest and employ and for consumers to spend with confidence.

The noble Earl, Lord Devon, mentioned the importance of natural capital, which is absolutely central to this. I am not sure if he has seen the recent report on that; it is quite big and I am slowly working my way through it. There is a lot of good information out there that we can refer to and use.

The Government have also recognised the specific challenges and opportunities that make rural economies distinctive, acknowledging the importance of direct support to the rural economy through programmes such as the rural England prosperity fund, which provides targeted support to rural businesses and communities. To those who mentioned co-operatives, I strongly support the benefits that can be brought through co-operatives; they have an important role to play in rural communities.

Small businesses are essential to our economic success; that is true not only for our urban centres but for every community up and down the country. In fact, more people are employed in micro-businesses in rural areas than in urban areas, as we have heard in today's debate. Our plan for small business will hardwire the voice of small businesses into everything we do in government. We will use the levers at our disposal to boost small business growth and productivity. This includes addressing barriers through prompt payment and regulatory reform to improve the business environment; creating opportunities for UK business to compete on our strengths, break into new markets through exporting and attract investment; and helping small business to access the skills and support that they need to grow. Community-owned businesses also play a vital role in rural areas, providing opportunities for communities to come together and access services. We recognise, however, that there are significant challenges facing rural community businesses, and that the Government can play their part in overcoming them.

Although the rural economy extends beyond agriculture—as many noble Lords have said—this Government recognise the vital role that farmers and growers play in national economic growth. Farmers are the backbone of Britain, and we recognise the strength of feeling expressed recently by farming and rural communities. We are steadfast in our commitment to Britain's farming industry, which is why we have announced that we are investing £5 billion into farming over the next two years. I remind noble Lords that this is the largest amount ever directed towards sustainable food production, rural economic growth and nature's recovery in our country's history.

We have already started to deliver on this commitment to restore stability for farmers by continuing the rollout of the Sustainable Farming Incentive. The noble Baroness, Lady McIntosh of Pickering, asked about the slow rollout. I am pleased to say that the uptake has increased in the last year. More than half of farmers now have an agreement, and we will continue to promote it. We need go further by optimising our schemes and grants, ensuring that they produce the right outcomes for all farmers—including small, grassland, upland and tenanted farms—while delivering food security and nature recovery in a just and equitable way.

[BARONESS HAYMAN OF ULLOCK]

The noble Lord, Lord Roborough, asked about the Countryside Stewardship higher-tier scheme, which, I am sure he is aware, is going to open next year—we recently made that announcement. The reason for that is that since the Government came in, in the summer, we have been prioritising the rolling out of the SFI and confirming the budget through the spending review, because these obviously affect the largest number of farmers and the largest-scale outcomes in the short term. Also, those with expiring agreements will be offered an extension to give them time to apply for the expanded scheme. Beyond this, the Government have also recently confirmed the intention to produce a long-term road map, *Farming 2050: Growing England's Future*, which is to provide a vision for our farming sector into the future. It will outline how the farming system will boost food security, deliver on our environmental objectives and drive innovation, unlocking delivery across our government priorities.

Rural transport is also key. The noble Baroness, Lady Shephard of Northwold, opened the discussion on this and many noble Lords mentioned it. We know that, for a prosperous rural economy, we need to improve rural transport as well as our digital infrastructure and the availability of affordable housing and energy, all of which came up in the debate. We know that people living and working in rural areas often travel further to access work, education and training and other essential services and that this can be not just more costly but more time consuming. We are determined to deliver better bus services and we have set out a plan to achieve this in the Bus Services (No.2) Bill. This is based on the idea of giving local leaders the tools they need to ensure that bus services reflect the needs of the communities they serve. I recognise the challenge in many areas and the need for innovation in this area.

A number of noble Lords mentioned digitisation. The noble Lord, Lord de Clifford, talked about Project Gigabit. That is designed to deliver gigabit-capable broadband to premises that will not be built by the market without subsidy, with the aim of ensuring nationwide gigabit connectivity by 2030. Most premises deemed uncommercial by the market are of course in rural areas, but there are also commercial not-spots in urban areas. The point is that we recognise that these areas will need government subsidy if we are to get the kind of broadband gigabit coverage that we need. We are also determined to ensure that businesses that are still reliant on 3G are not left behind as a result of the 2G/3G switch-off. 4G coverage is increasing, thanks to the Shared Rural Network, which the Government will continue to invest in.

Genuinely affordable homes were also mentioned and are essential to sustain our vibrant rural economy. We know that the housing shortage has been driving high rents and leaves some of the most vulnerable without access to a safe and secure home, so we are reforming our planning laws to build the homes that our rural communities desperately need. At the same time, we must protect our green spaces and our natural environment. As part of this, the Government recently ran a consultation to reform the National Planning Policy Framework. We need to look at how best to

build more homes. How we get more growth-focused interventions that will help us build the homes that people need in the places that they are needed is key.

Housing was mentioned by many noble Lords, including the noble Baroness, Lady Shephard, and the noble Lords, Lord Harlech and Lord de Clifford. I reassure noble Lords that the Government are committed to funding the rural housing enabler programme until the end of March next year. Funding allocations for individual programmes for the next financial year will be determined in the coming months through the department's business planning exercise and we will announce these in due course.

The noble Earl, Lord Devon, asked about affordable housing. We know that there are real issues with unmet demand for affordable housing in rural communities. The Government's aspiration is to ensure that in the first full financial year of this Parliament, 2025-26, the number of social rented homes is rising rather than falling. We have also asked Homes England to maximise the number of social rented homes in allocating the remaining affordable homes programme funding.

The noble Lord, Lord Inglewood, mentioned the huge challenge of second homes and their impact on places such as where he and I live, in the Lake District.

Permitted development rights were also mentioned, and we recognise the importance of improving and streamlining the planning system to underpin the growth of rural businesses. We are working with MHCLG as it reviews the planning system, to ensure that it supports farm diversification and the provision of affordable rural housing through mechanisms such as permitted development rights.

On energy, it is clear that rising energy costs present a challenge to rural businesses and communities, many of which, like mine, are off-grid—which has its own challenge when we are moving to a low-carbon energy system. We are clear that we want to lower bills, boost energy security and protect our environment, and are looking to do this through Great British Energy, which we are setting up. It is also designed to support local and combined authorities and community energy groups, which are an important part of rural communities, to roll out small- and medium-scale renewable energy projects. The idea is that we will increase local generation across the whole country by eight gigawatts of capacity by 2030.

Another significant requirement for a prosperous rural economy is a skilled workforce. We are planning to extend our childcare and early years system to drive up standards and modernise the school curriculum, and to boost rural and agricultural skills by reforming the apprenticeship levy into a growth and skills levy, to give businesses the freedom and flexibility to upskill their workforce. We also plan to open new specialist technical excellence colleges, to give rural communities the chance to fit the skills they need to their local economies and empower their local businesses to play a bigger role in this skills revolution.

The delivery of health services, such as GPs, dentistry and women's health services, faces particular challenges in rural areas. It takes longer to access services due to longer travel times, but also rural communities increasingly

tend to have living in them people who are going to need the services the most. We have ageing populations in many of our rural areas, so that is a challenge. Integrated care systems will have a key role to play in designing these services.

The issue of community assets was raised. Village halls, pubs, post offices, local shops and banks are all incredibly important, but we have been losing too many of them in recent years. Where they do remain, they often need repair or modernisation, so we are taking this very seriously and looking at how we can best tackle it.

The noble Lord, Lord Harlech, asked about cross-departmental working. I can confirm that Defra is committed to this. One example is the Child Poverty Taskforce, which the right reverend Prelate asked about. I am proud that I am part of that, and we want to ensure that our efforts cover all communities in all areas, because you do not tackle child poverty only in urban areas, but right across the countryside.

The right reverend Prelate asked about the index of multiple deprivation. We are working very closely with the MHCLG, which is responsible for the IMD, to ensure that it works more effectively in rural areas. Work has been commissioned which will specifically feed into the planned review. I also recognise the point concerning hidden deprivation in rural areas, which was raised by the noble Earl, Lord Devon. Noble Lords may not know this, but I used to work in rural Devon, doing outreach into particularly deprived communities in areas where people were very poor, although it was not obvious. I totally understand that point and am always very keen to ensure that colleagues appreciate it as well.

Crime was mentioned, and the National Rural Crime Unit helps people across the country tackle organised theft and disrupt organised crime groups. The neighbourhood policing guarantee is going to deliver thousands of additional neighbourhood police and community support officers.

The noble Lord, Lord Rogan, said that the Government do not understand farming in Northern Ireland. I am sure he would be pleased to know that two weeks ago I visited a dairy farm in County Armagh with the Ulster Farmers Union, which I have been meeting regularly so I can fully understand their specific concerns.

The noble Baroness, Lady McIntosh of Pickering, mentioned seasonal agricultural workers. To underline the Government's commitment to the horticulture and poultry sectors, on 21 October the seasonal workers' visitor rate was confirmed for 2025, with a total of 43,000 seasonal worker visas available for horticulture, and 2,000 for poultry.

The noble Lord, Lord Fuller, asked about local government. Yesterday, we launched a consultation on the principles of any reforms to local government funding, which will inform the development of a new local government funding assessment. The recovery grant is not an assessment of relative need and resource in itself. We are proposing this because we must act quickly, given the state of local authority finances, and start to fix the distribution of funding.

I am almost out of time, but the noble Lord, Lord Gascoigne, asked about access to visits. I recently went to the Yorkshire Dales and met children from a deprived area of Liverpool who had come to stay at the youth hostel there as part of Generation Green, a Defra-funded project which is absolutely fabulous. I recommend that everyone get to know about it.

I have to give a plug for the Cockermonth Show, as everyone else has mentioned their show.

I reassure noble Lords that we will continue to talk to the Treasury from Defra, and I will always stand up for the countryside and our rural communities. We recognise the importance of the rural economy and wider rural communities. I will continue to do everything in my power, through Defra, to ensure a prosperous future for them. I end by thanking everyone once again and wishing everyone a very happy Christmas.

3.05 pm

The Lord Bishop of St Albans: I thank the Minister for her very comprehensive reply. As the noble Baroness, Lady Shephard, said, we understand the difficulties that Defra has and that, as the noble Lord, Lord Fuller, said, much of what goes on in government is run by the metropolitan elites. I have been grateful for the extraordinary breadth of contributions. I noted, for example, that the noble Lord, Lord Inglewood, helped us understand the diversity of "rural", and it has been very good that today we have had references to Wales, Northern Ireland, Devon, Norfolk, Lancashire, Yorkshire and all different parts of our nation.

I have to say that I fear that, very often, government is rural-blind. Many of us, for many years now, have been asking for a comprehensive rural strategy and for proper rural-proofing, not because of special pleading but because we believe that this can make a huge difference to our nation.

I will not make any further comments—it is the last day of term and I suspect that we all need to go—but I thank all noble Lords for their contributions. We will be coming back with further debates as we move into 2025; we are not going to let go of this. I add my own best wishes for a very happy Christmas and new year to all Members of your Lordships' House.

Motion agreed.

Provisional Local Government Finance Settlement Statement

The following Statement was made in the House of Commons on Wednesday 18 December.

"The Government were elected on a mandate of change, to deliver a new era of economic growth and national renewal, and reverse the years of failure and decline that we inherited. Through the tough decisions that we took in the Budget, we prevented a return to austerity while protecting working people's paylips. The plan for change that the Prime Minister unveiled earlier this month is the next stage on the journey of reform—a plan to kick-start growth and get Britain

building again, putting more money in people's pockets and delivering 1.5 million new homes, good jobs and opportunities for all.

Just this week, we announced our plans to rebuild and reform local government, and to empower local leaders to deliver that change so that the benefits are felt in every community. We cannot do this alone. We need strong, empowered local government to work with us, as equal partners in a new relationship. Public service is our collective duty, but after a decade of cuts, fiscal mismanagement and the failure of the previous Government to fix the foundations, it is a fact that councils of all political stripes are in crisis. The broken local audit system in England and the scandal of the unacceptable backlog that led to the recent whole of Government accounts disclaimer further illustrate the dire straits of the system and the legacy that we must reconcile.

The Prime Minister gets this. As a former director of a critical public service, he knows that reform is vital, and so does the Deputy Prime Minister, having worked on the front line as a home care worker, seeing the human impact every single day. I am proud to have public service and local government in my blood too. That is why I take the responsibility to lead the Government's work to rebuild the sector with the seriousness that is due and the urgency that is required. The work has already begun, and today marks a major milestone in our mission to rebuild local government and put councils on a firmer financial footing, as we publish the provisional local government finance settlement for 2025-26 and launch our consultation on these proposals, alongside our consultation on wider funding reform.

In the Autumn Budget, the Government announced £4 billion of additional funding for local government services, of which £1.3 billion would come in the settlement presented today, but we know that we need to rally. That is why I am announcing over £700 million of additional grants. That includes over £200 million of extra funding for social care since the policy statement. I also confirm that the new funding includes £515 million that will be made available in the final settlement to support councils with the increase in employer national insurance contributions. The package in the provisional settlement will enable local government to invest in the vital services that people rely on, making £69 billion available—equivalent to a 3.5% real-terms increase in councils' core spending power when compared with 2024-25. I confirm that this will increase even further in the final settlement.

Today is the start, not the end. Taken together, the additional funding made available in this settlement and the Budget will deliver over £5 billion of new funding for local services over and above local council tax. Alongside that, every authority in England will receive a one-off share of £100 million currently held in the business rates levy account.

Together, we must ensure that public investment is used for long-term prevention and reform of local public services, rather than expensive short-term crisis responses, which often have much worse outcomes. We are determined to end the cycle of failure that we have seen for too long, and we will provide certainty by

ensuring that no authority will see a reduction in its core spending power after accounting for council tax flexibilities next year. We are also ensuring that taxpayers' money goes to where it is needed the most. That includes an immediate down payment: a highly targeted £600 million recovery grant, funded through repurposing the rural services delivery grant and the services grant, ahead of broader reforms to a fairer funding system later. Today, we are launching a consultation on local authority funding reform starting in 2026-27.

There will always be tough decisions to make, but we are determined to ensure that we fairly reflect the real drivers of cost, including demand, the need for public services, and importantly, the ability of councils to raise revenue locally. That is why we are making up to £3.7 billion of extra funding available through this settlement to help local authorities to meet the spiralling costs of social care. That includes an additional £200 million uplift to the social care grant, which I confirm today, taking the total increase to the grant for 2025-26 to £880 million. That includes the new children's social care prevention grant, first announced in the policy statement, which I today confirm will be uplifted in a further final settlement by £13 million, taking the total to £263 million. That is the first step in our national rollout of transformed family health services, as we double settlement investment in preventive children's social care services to over £500 million next year. I place on record my appreciation, and that of the Deputy Prime Minister, for the partnership and determination shown by the Treasury, the Education and Health Secretaries, and their Ministers and officials.

We will not do as the previous Government did and impoverish councils, and those who need support the most, then parade them around for public shaming. That helps no one. We must work together to get councils back on their feet financially. The principle stands that it is for local authorities to decide at what level they set their council tax, and they are accountable to local taxpayers; however, we are committed to keeping taxes on working people as low as possible, and we have to strike a balance, so we will maintain the previous Government's policy, as set out in the Office for Budget Responsibility forecast, of setting a 5% council tax referendum principle, made up of a 3% core principle and a 2% principle for the adult social care precept. That means that residents will have the final say over increases that go beyond that.

We have put in place a framework for 2025-26 to support those councils in the most financial difficulty. Similar to the approach taken by the previous Government, we will consider requests for bespoke referendum principles on a case-by-case basis. We expect the changes outlined today will give the respite needed and clarity on the direction of travel, but we also know that 14 years have hit hard and, for some, the recovery grant and the other measures will still mean that additional support is required. We will put taxpayers and the impact on working people at the forefront of our decisions, and we will look carefully at councils' individual circumstances—for instance, how much they charge in council tax and the strength of their plans to protect vulnerable people on low incomes.

To recognise the impact of council tax on households across all councils, we are consulting with the sector on changes to payment instalments, which will allow annual council tax bills that are spread over 10 months to move to a 12-month schedule by right, helping household budgeting, spreading the cost for working people and mirroring how most household bills are paid.

Ensuring local government can deliver for working people in the long term requires a root-and-branch reform of the way that councils are funded. That is why through the 2026-27 settlement—the first multiyear settlement in 10 years—we will introduce an up-to-date assessment of councils' needs and resources. Today we are launching a consultation on the objectives and principles of those changes. We will consider representations from all corners of the sector to develop our understanding of the drivers of need, including deprivation, and of the impact in rural areas on service delivery—fairness for all delivered once and for all. We will redouble our work to shift power away from Westminster into the hands of those communities who know their area best. We will reduce the myriad funding pots that councils have to contend with, giving them the flexibility they need to deliver local and national priorities.

That effort is underpinned by our strategy to streamline and simplify the local audit system in England. Local communities deserve transparency, accountability and the effective early warning system that local audits provide. We are taking immediate action by replacing the broken and dispersed system with a focused, proportionate and value-for-money local audit office, ensuring that the system is fit for purpose. This is a long-term challenge, and it will take hard work and dedication to achieve, which is why we are wasting no time in fixing the foundations, getting the audit backlog under control, overhauling the system for the long term, returning to secure multiyear settlements, and bringing forward ambitious plans for devolution, growth and reform of public services, while improving standards, accountability and efficiency. We are building for the long term to get local government fighting fit, legal and decent, and as equal partners to rebuild our country from the ground up, and ready to play its part in delivering the Government's missions through our plan for change. I commend the Statement to the House".

3.07 pm

Lord Jamieson (Con): My Lords, I declare my interest as a councillor on Central Bedfordshire Council. I thank the Minister for bringing this Statement to the House of Lords. While I welcome the additional funding announced in the spending review, it is unfortunately not keeping pace with the increases in costs and demands seen by councils, and it is dependent on an above-inflation 5% increase in council tax. Is this not yet another tax on hard-working people?

The Government are also imposing additional costs on local government, and while they are funding the £550 million of national insurance increases for directly employed staff, they are not funding the LGA's estimated £1.25 billion impact due to costs imposed on our suppliers. I might add that this ignores the impact on many of those local charities that do so much for our

communities. This will lead to cuts in local government services and a reduction in the support that those local charities provide. Will the Minister commit the Government to look again at this matter?

I remind the House that, in the Autumn Budget, the Chancellor pledged to raise the national living wage. It is set to increase by a further 6.7% in April 2025, with minimum wage rates for younger employees and apprentices set to increase by between 16% and 18%. This is welcome for those on some of the lowest wages. However, it will have a cost impact for local councils, where many social care services are provided by suppliers that pay close to the living wage. This is another cost that local authorities will have to absorb, unless the Government agree to fully fund the increase. Will the Government fully fund the impact of increases in the living wage?

As the Minister is well aware, the rapidly increasing costs of SEND services is crippling councils, and this desperately needs to be reformed, as we have often debated in this House. Continuing the statutory override for dedicated schools grant deficits will delay a number of councils going bust, but with the deficit set to increase by a further £3.2 billion in the coming year, this is just kicking the can down the road—again, this needs to be fixed.

The Government propose to look at the funding formula and, if I have interpreted them correctly, to focus on deprivation. While this may superficially seem appropriate, in practice the major cost driver of local government is social care, including SEND services, which represents around 70% of cost. This means that the focus should be on population demographics and where there will be the greatest need. Analysis by the County Councils Network and PwC demonstrates that rural areas will see the greatest increase in demand compared to metropolitan areas. We have just finished a debate in this House on rural areas. Can the Minister commit that the Government will look at and consult on the underlying cost drivers before any changes to funding formulae are made?

Furthermore, the Government are imposing a number of additional burdens on councils, including through their children's Bill, renters' reform Bill and planning measures Bill. Can the Minister confirm that these additional costs will be fully funded through the new burdens doctrine?

I turn now to the Government's changes to the funding formula, with the repurposing of the rural services delivery grant and the new recovery grant. The latter is heavily focused on metropolitan authorities, with only three county and rural unitary authorities receiving the grant. I reiterate that 70% of the cost of upper-tier authorities is for social care, which is largely driven by demography. Along with the pernicious impact of national insurance increases on social care providers and charities, this will inevitably lead to further cuts to services.

Finally, I turn to growth and fiscal incentives. There have been few fiscal incentives for growth, but the new homes bonus and the business rates retention scheme were genuine incentives for growth and gave some compensation to communities for the impact of this growth. I add that growth imposes significant additional capital costs on councils, and these incentives were

[LORD JAMIESON]
helpful there. The proposals to stop the new homes bonus and to reset business rates are deeply concerning, as they will have significant deleterious impacts on the councils that have done the right thing and supported growth, while benefiting those that have not taken the tough decisions to support growth. Given that the Prime Minister has said that growth is his number one mission, milestone, step and so forth, can the Minister assure the House that the councils and communities that have supported growth will not lose out?

I thank the Minister for sharing this Statement from the other place. I wish her, and the rest of the House, a very merry Christmas and a peaceful new year.

Baroness Pidgeon (LD): I thank the Minister for the opportunity to discuss the provisional local government finance settlement. It is always an early Christmas present for finance departments in councils up and down the country.

Local government was brought to its knees under the last Government, with funding cuts happening at the same time as further responsibilities were given to our hard-working local government workforce. From the Liberal Democrat Benches, we welcome the move set out in the Statement for multiyear settlements—something my party has long called for.

The Statement suggests that funding previously allocated to rural local authorities under the rural services delivery grant will be repurposed under a need and demand basis. This is despite the grant providing rural local authorities with £100 million for the rollout of essential public services, including emergency services and the provision of social care in the last year.

From these Benches, we are concerned that this new system of allocation will not recognise—as has just been discussed—that the sparse and isolated nature of rural areas drives higher costs for the delivery of essential services, creates challenges in the recruitment of staff for key services, and of course requires local authorities to provide a greater public subsidy for the provision of services such as public transport.

Deprivation in rural areas would also likely be hidden through the use of this measure because it occurs over a wider geographical area. Using deprivation as an indicator of demand for services also does not consider local authorities with a higher number of elderly or vulnerable residents and the additional demands these residents place on services, as the noble Lord just outlined in his response.

I urge the Government to provide rural councils with a funding settlement which reflects the impact of the rurality and sparsity of the areas they serve, through the application of the fair funding formula. With additional pressure on councils to deliver further scrutiny in planning decisions, deliver further housebuilding and accept additional NICs changes, it is essential that they are funded robustly to achieve these aims. Can the Minister say what plans the Government have to ensure that local authorities in rural areas have the support that they need? These authorities face unique challenges and their funding settlement needs to reflect this.

We are also concerned about the funding of certain services such as special educational needs and indeed special educational needs transport. What assurances can the Minister give that the new funding settlement will allow local authorities to deliver special educational needs services at the level needed, as well as child and adult social care?

From these Benches we welcome the consultation on wider local authority funding reform, but we urge the Government to move as fast as possible with this, as 2026-27 feels a long time away and, the more time passes, the more the contents of this Statement will feel rather like a sticking plaster. Can the Minister say anything more today about the timescale of the consultation and whether genuine fiscal devolution will be considered, so we are not looking just at how the government funding is divided up but at powers to enable local authorities to raise funding to invest in services and infrastructure for their local communities, rather than always being reliant on the Government of the day?

Finally, given that we are on the final sitting day before the Christmas break, I take this opportunity to wish the entire local government workforce a very happy Christmas, and of course I extend that to all noble Lords as well.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government (Baroness Taylor of Stevenage) (Lab): My Lords, I am very grateful to the noble Lord, Lord Jamieson, and the noble Baroness, Lady Pidgeon, for their questions and comments, and I really welcome this opportunity to update the House on our plans to get local government finances on to a surer footing, both next year and beyond.

Our Labour Government were elected to deliver real change, and this must include change for local government. Local government delivers over 800 services to local people every day. Councils are the front line of public services, from waste collection to adult care provision, economic growth and housing. Yet we know that they are facing challenges as demand increases for critical services such as homelessness, social care and SEND, as mentioned by the noble Baroness. The Government cannot deliver our priorities alone. We have to reset and rebuild the relationship with an empowered local government—we spoke about that earlier today.

Yesterday, Minister McMahon set out the Government's plans to get local Government back on track, both in 2025-26 and longer term, as the noble Baroness mentioned, to lay the foundations for long-overdue funding reform. We must move away from expensive acute crisis response and invest in the key longer-term preventive services, and the Government are committed to ensuring that taxpayers' money goes where it is needed most.

Taken together, the additional funding made available at the settlement and the Budget delivers over £5 billion of new funding for local services over and above the local council tax, and in the provisional local government finance settlement we have an additional £2 billion in grant funding—a £700-million increase from the £1.3 billion announced at the policy statement.

This £700 million increase includes over £200 million extra funding for social care. It also includes £515 million which will be made available at the final settlement to support councils with the increase in employer national insurance contributions. I will come back to that in a moment.

Financial year 2025-26 will also see a new one-off and highly targeted recovery grant, already mentioned by the noble Lord and the noble Baroness. That is for those authorities with high deprivation but a low council tax base. This will be funded in part through repurposing the rural services delivery grant and the services grant and laying the groundwork for broader reform in the future. I will come back to rural authorities. We will provide funding certainty. No authority will see a reduction in core spending power after accounting for council tax flexibilities.

The noble Lord, Lord Jamieson, spoke about funding not keeping pace with the demands in local government. We are very well aware of the difficulties in funding that local government has experienced. This Government have done more to help with that than any of the work that the party opposite did in the last few years; I know that from personal experience. If he wants to criticise the 5% increase in council tax, I point out that it is exactly in line with what his Government had in place before us. We know council tax is a burden for people—we properly understand that—but we have to help local government with funding, and not allowing it to increase council tax would not help at all.

In terms of national insurance charges and the Government's funding to help with them, we have chosen to make that £515 million of additional funding not ring-fenced, so the Government are enabling councils to choose how to distribute it, including how to meet the increased cost of externally commissioned services. We hope that the additional £3.7 billion funding available in the settlement for social care authorities will help with that. It will be clear to local authorities that specific funding for national insurance contributions being provided will not meet the overall cost to local government of the change to employer NICs, particularly given the expected increase in the cost of commissioned services, but that is why we have left that money un-ring-fenced: to try and help with the issue of funding. The overall increase in funding should help local authorities to meet the cost as they go forward.

The decision around national insurance contributions is a Treasury decision; it is not made in MHCLG, so I am afraid I cannot help the noble Lord on the responsibility for that. The national minimum wage increase is all part of the picture of making sure that no local authority has a reduction in cost funding, but it is really important that people who work in local government, as everywhere else, and particularly the brilliant teams that work in social care and across social care employment, have the right wages for the very valuable and important work that they do. The national minimum wage is the basic element of that. We welcome the opportunity to give them that increase, which they so much deserve.

The noble Lord mentioned kicking the can down the road on SEND. We have been in government for five months, so it is probably not us who have been doing that; it might have been somebody else. As part

of the 30 October Budget, the Government announced an additional £2.3 billion for mainstream schools and young people with high needs for 2025-26, compared to 2024-25. That means that overall core school funding will total almost £63.9 billion next year, after accounting for technical adjustments.

The children with special educational needs and disabilities have been failed, with poor outcomes and parents struggling to get their children the support they need and deserve. I mentioned this morning the absolute outrage of parents having to take their own councils to court to get services that those children were legally entitled to. That happened in my own county of Hertfordshire, which is why it had such a disastrous Ofsted report on SEND. This Government's ambition is that all children and young people with SEND or in alternative provision receive the right support to succeed in their education as they move into adult life. Any gap in SEND provision for children leaves a lasting effect on their life opportunities. The Government will strengthen accountability on mainstream settings to be inclusive, including through Ofsted, support the mainstream workforce to increase their SEND expertise and encourage schools to set up resourced provision or SEND units to increase capacity in mainstream schools. We are getting a grip on this, but it had been left—kicked as a can down the road—for a very long time, and it is going to take a while to get it back.

The noble Lord, Lord Jamieson, and the noble Baroness mentioned the issue of rural services. The Government really recognise the importance of our rural communities, and we want to support them. The funding reforms that we have announced are very much part of a comprehensive reform, and the Government are absolutely committed to tackling the issues that matter so much to those rural communities. Places with a significant rural population will, on average, receive around a 5% increase in their core spending power next year, which is a real-terms increase, and we are proposing to continue to apply area cost adjustment to account for relative cost differences between local authorities, including differences between rural and urban areas. The Government propose continuing to assess the same factors as the 2024 area cost adjustment, which seeks, for example, to account for increased costs as a result of travel times, and we will ensure the approach is informed by the latest data and evidence. We are inviting views from local government and the public on this approach and whether we should account for any other factors which could affect cost, as well as any evidence for including those. There will be an extensive consultation for this as we go into the spending review in the new year.

Part of the doctrine of new burdens is that they are funded. On the new homes bonus, mentioned by the noble Lord, Lord Jamieson, there will be a new round of payments in 2025-26. In line with recent years, these will not attract legacy payments. New homes bonus allocations will continue to be made in the usual way, applying the same calculation process.

I hope I covered all the noble Baroness's issues on rural and sparse populations. On the funding reform timescale that she mentioned, we have to do some

[BARONESS TAYLOR OF STEVENAGE]

consultation on this, but it is the intention to do that work in advance of the spending review in spring. Having waited several years now for fairer funding reform in local government, I am very pleased that we are able to bring that forward as quickly as we have. We must reform the way that councils are funded to ensure that local government can deliver for all people in the long term, including the most vulnerable. Fixing local government is a long-term challenge, and I hope that I have set out as clearly as possible the steps we have already taken to get local government back on its feet through this year's settlement and in the future.

On the announcement issue, it used to drive me mad when I was a council leader that this announcement comes out on 18 or 19 December, and your poor officers are struggling to get the work ready. We could not do much about it this year, but I hope we will do better next year. I thank noble Lords very much.

3.28 pm

Lord Fuller (Con): My Lords, I have sat on the Local Government Association's resources panel for at least the last dozen years—it might be more—so I am fairly well acquainted with some of these things. Local government already had a mountain to climb, but, if I may dwell for a moment on the national insurance increase, I regret to say that that has made it even worse. I am grateful to the Minister for identifying that the £515 million grant for NIC is not to be ring-fenced, but not making it ring-fenced does not make it go any further. The LGA has already calculated that the costs of the NIC will be £637 million and of contractors will be £1.13 billion. The shortfall is £1.3 billion. How does she account for that shortage, and what should be cut? The noble Baroness mentioned the new homes bonus. Does she agree that that will not say much about the incentives to build homes? Finally, the noble Baroness mentioned funding reform. Will she commit to the no-detriment principle in the previously envisaged transition methods, whereby no council will be worse off during the transition than it is today?

Baroness Taylor of Stevenage (Lab): I thank the noble Lord. One of the reasons why we have set up the English devolution programme is to get a more effective and efficient way of managing local government. We will not solve overnight the funding problems that have accumulated over 14 years. It will take a while to do that, but in this settlement we have ensured an increase for most local authorities and no local authority will get less funding than before. We will invite views on reforming the new homes bonus as part of the local authority funding reform consultation that will be published alongside the settlement. Although the Government proposed that next year will be the final year of the NHB, we will look at it so that councils can do their financial planning around it and we will consider it as part of the spending review. I cannot commit to no detriment at this stage because we have not even started the consultation on the spending review yet, but no authority received a worse settlement in this year's settlement than it had before.

Baroness Bennett of Manor Castle (GP): My Lords, we all know that 14 years of austerity have left local government on its knees and, in many cases, reduced local government to little more than an agent of the Westminster Government. Huge percentages—almost all spending—are forced to go on statutory measures: that is, what is decided here in Westminster, not what is decided in local communities. Can the Minister tell me, either as a percentage or as a figure, how much extra money will be available in this financial settlement to local councils to spend on the non-statutory elements of their duties, such as protecting local green spaces, supporting and funding local libraries and looking after the local public realm rather than having to make expensive bids for pots of money to be able to improve it? How much non-discretionary money will be in this settlement?

Baroness Taylor of Stevenage (Lab): The noble Baroness makes a very good point. I pay tribute to my colleagues in local government, who do an amazing job of continuing to deliver some non-statutory services in spite of the incredible financial pressures they have been under. For example, we still managed to keep a theatre open in my area. That happens all across the country, so all credit to local government for the work it does on this. The noble Baroness mentioned constant rounds of bidding for pots of funding. We think that is wasteful and unnecessary. It just sets authorities up against one another in competing for pots of funding. We will do our very best to get rid of that approach. As we develop the spending review proposals, we will build what local authorities need for the future into core funding.

Lord Jackson of Peterborough (Con): My Lords, because the Minister is a very experienced and knowledgeable former local authority leader, she will know, in all fairness, that Covid, inflation, energy costs and demographic change were also issues that the previous Government had to face. Her Government will have to face some of them as well. On the specific pots of money to be bid for, I ask her to alight on the issue of planners. Is there any possibility that the Government might look to provide bespoke funding to enable local authorities to recruit and retain planners so that they can build the houses that are necessary, particularly for young working people, and that they can take forward very important regeneration projects in their local areas?

Baroness Taylor of Stevenage (Lab): I thank the noble Lord for his kind comments. I do understand that a few issues arose in recent years, but an awful lot of money seemed to be wasted during Covid that might have been better spent delivering local services. On funding for planning, we announced alongside the NPPF announcement that additional funding is available to support local authorities' capacity for planners. We recognise that, with an absolutely key mission on growth, the planning capacity in local authorities needs to be strengthened. Our colleagues in the Department for Education are working on skills and repurposing the apprenticeship levy into a skills and growth levy, and there is some direct funding support for local authorities. We hope that will attract around 300 new planners. I know you cannot go and pick them off

trees, but that will help to support the planning that will need to be done to support the growth we need in our country.

Lord Sentamu (CB): I declare my interest as chair of the Living Wage Commission, which recommended, along with the Resolution Foundation, what a living wage should be in London and the rest of the country. As it was voluntary, a lot of companies in the FT 100 decided to pay it. Then one day, George Osborne called it the national living wage, but it was simply an enhancement of the minimum wage. In his first Budget, the right honourable Jeremy Hunt raised the minimum wage to a living wage, and this Government have also adopted that sort of living wage. When she was answering, the Minister called it the minimum wage. I suggest that we use the correct language. It is no longer the minimum wage because the living wage is compulsory. It is no longer voluntary.

Baroness Taylor of Stevenage (Lab): I thank the noble and right reverend Lord for the important work he has done on this. I hope the Government have demonstrated in these early days, by bringing forward a new Employment Rights Bill, that not just what people are paid but the way they are treated at work are of primary importance to us. I apologise if I said the national minimum wage; I should have said the national living wage. In local government, we have always welcomed it, and we celebrate the work our workforce does; they do an amazing job in difficult circumstances. The noble Lord, Lord Jackson, mentioned Covid. I want to reflect on that period and how comforting it was to residents across the country to see local government teams still going out and doing their job in spite of the very difficult circumstances they were in. They should be properly paid for what they do and have proper working conditions. I welcome the findings of the Living Wage Commission.

Lord Porter of Spalding (Con): I draw the attention of the House to my interest, as set out in the register, as a vice-president of the Local Government Association.

I have nothing but sympathy for the Minister. She is having to do a very difficult job in very difficult circumstances, and to put a shine on something that we know is not worthy of being shined at the moment. I wish her good luck in her attempt to resolve the local government funding settlement battles she will face over the next couple of years. The same Treasury people who made the decisions last year will almost certainly be making the decisions next year, so the reality is that she will not have a bigger cake to cut. If she is going to choose to divide that cake slightly differently, she will have to make sure that she at least says sorry to the people who are going to lose.

It is quite obvious that stopping the rural services delivery grant in this settlement is £110 million of essential money for a lot of councils. On the back of it, people will almost certainly be getting “at risk” notices in the new year, until the Government come up with some sort of compensation for taking that money away, if nothing else. When you go to the new homes bonus the year after next, a lot of people will be put at risk because many small, underpaid councils rely on that payment to pay staff wages.

Baroness Taylor of Stevenage (Lab): I thank the noble Lord, Lord Porter. He has a great deal of experience in this area, as I know only too well. The funding reforms are part of a comprehensive set of reforms for public services to fix the foundations of local government. We are working with the sector on that, and the principle of giving forward notice and certainty and allowing time for councils to plan for the future is now baked into the way we are doing this.

In 2025-26 we will begin targeting additional funding to places with the greatest need and demand for services. We have used deprivation as a proxy for that, for those areas that have less ability to raise income locally. That is the new recovery grant that I spoke of. Broader redistribution will follow from 2026-27 to provide long-term certainty and enable local government to focus on its priorities.

We are inviting views from the local government sector through the local authority funding reform objectives and principles consultation, which is open from today until 12 February. It seeks views on all aspects of local authority funding reform, including aspects of rurality, the new homes bonus and anything else that people want to send views in on. I hope people will contribute to that, because we will have a better spending review the more input we get.

I thank all noble Lords who have participated in this and all those who have spoken to me outside the Chamber about local government finance. It is always a pleasure to work with so many experienced noble Lords who have years of experience in local government, and local government finance in particular, so I welcome that. I extend my good wishes to all the officers and councillors across the country, as well as to all noble Peers. I wish them all a very happy Christmas. I am sure we will be back to do more arguing after a bit of rest at Christmas, but for now, a peaceful and happy Christmas to all.

Syria Statement

3.41 pm

The Parliamentary Under-Secretary of State, Foreign, Commonwealth and Development Office (Lord Collins of Highbury) (Lab): My Lords, with the leave of the House, I shall now repeat a Statement that was made fairly recently in the other place. The Statement is as follows:

“My Lords, 10 days have passed since Assad’s departure. This Government welcome the fall of his cruel and barbaric regime and the opportunity that this offers for the Syrians. However, while there is some cause for celebration, fighting and violence continue across the country.

The situation in Syria has developed rapidly over the last week. In the north-east, the US-brokered ceasefire between the SDF and the pro-Turkish SNA has been temporarily extended but the situation remains highly fragile. In Damascus, HTS has appointed a Prime Minister to lead an interim Government until March 2025 but has given very little detail on the shape and focus.

[LORD COLLINS OF HIGHBURY]

This Government remain committed to the people of Syria. We support a Syrian-led and Syrian-owned political transition process based on the principles of UN Security Council Resolution 2254 and leading to an inclusive, non-sectarian and representative Government. We are hopeful that anyone seeking a role in governing Syria will demonstrate a commitment to the protection of human rights, including for women and girls; unfettered access for humanitarian aid; the safe destruction of chemical weapons stockpiles; and combating terrorism and extremism. The United Kingdom urges the transitional Government to adhere to these principles and build a more hopeful, secure and peaceful Syria.

On Saturday, Jordan convened an Arab Foreign Ministers discussion, followed by a meeting with EU, French, UN, US and UK representatives. All involved, including the United Kingdom, reiterated their support for an inclusive political transition process. It is critical that the international community works together in a co-ordinated and complementary manner to ensure the best outcome for the Syrian people. Along with our partners, we want to see a new political process that is comprehensive, representative, inclusive and, more importantly, determined by the Syrian people themselves. We must also ensure that chemical weapons stockpiles are secured, not used, and that the transition to new governance is peaceful.

For all these reasons, it is right that the United Kingdom seeks to use all the channels available to deal with HTS, where we have to. To this end, senior officials from the Foreign, Commonwealth and Development Office travelled to Damascus. They have underlined the UK's support for the Syrian people and discussed the pathway to a more hopeful, representative and peaceful future for Syria with the new interim Syrian authorities and civil society.

During their visit, senior officials also discussed the importance of an inclusive transitional political process that protects the rights of all Syrians and prevents further instability. Of course, these words are important but they must be supported by actions. The humanitarian situation on the ground remains dire, with over 16 million Syrians in need of humanitarian assistance in Syria alone. That is why, on Saturday, the Government announced a new package of international aid to help the most vulnerable Syrians, including in Jordan and Lebanon, coming on top of that announced by the Prime Minister on 9 December. The United Kingdom's £61 million in aid will help to provide emergency healthcare and nutrition, and support displaced Syrian children. We call on more of our partners to join us in committing greater humanitarian support".

That ends the Statement. There has been a summary of developments since, but I think that is for my briefing, so I will leave it there.

3.46 pm

Lord Callanan (Con): My Lords, I understand the Minister's difficulty when the Statement was given so recently in the Commons. I used to have a similar problem repeating Statements during the Brexit years, particularly if the Secretary of State would ad lib on their feet. They often varied from the Written

Statements we were given to read out, so he has my sympathy. I thank him for repeating the Statement to the House.

There can be no doubt that the Syrian conflict has left a tragic and enduring scar on the region, displacing millions, destabilising neighbouring countries and drawing in international actors with competing interests. While I am sure that the whole House welcomes the end of the Assad regime, this moment must not be seen as the conclusion of our responsibility. The question now becomes one of ensuring that what follows is a stable, inclusive and prosperous future for all the Syrian people.

I note with particular interest, as mentioned in the Statement, the reports that Ann Snow, the UK's special representative for Syria, met the leader of HTS on 17 December. Given its somewhat controversial history, to say the least, and its designation as a proscribed terrorist organisation, this development raises significant questions about the scope and intent of these engagements. Can the Minister give the House a little further detail on the nature of these discussions? Specifically, what assurances, if any, were sought of or provided by HTS regarding its commitment to a peaceful and inclusive political transition in Syria? Furthermore, what safeguards have the Government put in place to ensure that this dialogue does not inadvertently confer legitimacy on an organisation whose past actions have been far from consistent with international norms and human rights?

In light of this engagement, I urge the Government to outline their overarching priorities when entering into diplomatic contact with HTS or any other non-state actors in Syria. Is the focus purely on counterterrorism and security concerns, or is there a broader strategy to integrate these groups into a framework that aligns with international law and the aspirations of the Syrian people? We also have to consider the implications of those talks on the UK's relationships with many of our key allies, particularly those in the region. How do the Government intend to navigate the sensitivities of such engagements, especially given the differing stances of international partners on the role of HTS in Syria's future?

Finally, I seek reassurances regarding the UK's unwavering support for UN Security Council Resolution 2254—the noble Lord mentioned this—as the framework for a political solution in Syria. This resolution, as the House will know, provides a road map for an inclusive political process, including the drafting of a new constitution, free and fair elections and a comprehensive ceasefire. Will the Government continue to prioritise this resolution as the cornerstone of their policy in Syria, and how does engagement with HTS and other actors fit into this wider strategy? Without a co-ordinated international effort to uphold the principles of that resolution, there is a grave risk that the Syrian people will remain trapped in an endless cycle of conflict and instability. I look forward to hearing what the Minister has to say.

Lord Purvis of Tweed (LD): My Lords, we normally thank the Minister for advance notice and sight of a Statement. I sympathise, as I do not think he had it himself today, but I am grateful for the text. I agree with its content and the Government's position that

the future of Syria should be for the Syrian people, that there should be territorial integrity and that there should be a political process.

The reporting on the prisons and mass graves draws attention, again, to the venal barbarity of the al-Assad regime. As he sits in his multimillion-dollar apartment in Moscow, he should know, as should other facilitators of grievous crimes against humanity, that there are many—including in this House on all Benches—who believe that there should be no impunity for his horrific crimes against humanity. However, the new appointment to replace the al-Assad regime appears to be from an extremist element in Syria. I would be grateful for His Majesty's Government's assessment of those taking positions in the potential new regime.

The terrible scenes of the mass graves reminded me of the situation that we saw in Mosul after ISIS's occupation. Are the Government willing to provide technical assistance around data capture and evidence building for those who fell victim to the previous regime, including what the UK did so well for those victims in Iraq—using DNA sampling to identify loved ones so that there can be decent burials, as well as evidence building for the potential prosecution of crimes?

We hope that there will be a move away from the levels of corruption of the previous regime. However, the early signs are that al-Jolani's brother, who has been appointed as Minister for Health, and his brother-in-law, who is now in charge of a major crossing with Turkey, will see these positions as a major source of personal income and from which they can siphon off potential humanitarian assistance. What measures are in place to ensure that the welcome additional humanitarian assistance will go to the people who need it most? Can the Minister indicate whether we are assessing what mechanisms there would be for the delivery of humanitarian assistance? One option that has been suggested is that aid is best provided to localities—to the municipal level directly and to NGO communities—rather than to some of the new regime factions in office.

On Syria's territorial integrity, can the Minister restate that it is government policy that both Turkey and Israel should respect its boundaries? There is a possibility of ongoing tension between Israel and Turkey and their seeking great territorial advantage from the recent internal situation in Syria. What is the Government's assessment of Russia's aims for strategic economic relations? There is a concern in my mind that we, along with the United States, may offer to open up the Syrian economy but, if it is to be filled only by Russian interests, we will not be helping the Syrian people.

On our domestic situation, a couple of weeks ago I asked what the Government's assessment of HTS was with regard to the 2017 proscription order and the 2020 Syria sanctions. Has our assessment of HTS changed? I acknowledge that, within our proscriptions, there are mechanisms for diplomatic contact. Will the Minister take on board the concern that, while contact is justified, it is important how it is done? With photographs and a degree of legitimisation to those who have not yet earned it—with regard to de facto control—and who are not progressive actors, we have to be very cautious that we are not legitimising those who will continue to be proscribed.

Finally, on the decision by the Government to pause asylum, I acknowledge that that has been done alongside our allies. But these Benches believe that asylum processes should be blind to the political situation on the ground. Those seeking refuge from persecution should find a home open in the United Kingdom. There is great uncertainty and a fear that automatic stability will not be guaranteed within Syria. We should maintain an open mind for those minorities who could still be vulnerable to persecution. While the persecution may not be on the scale of the al-Assad regime, the UK should not close all doors to those who potentially still need refuge. I hope the Minister can confirm that the pause is temporary and that there is ongoing work to ensure that we do not become closed to those who need security, safety and refuge.

Lord Collins of Highbury (Lab): I thank both noble Lords for their contributions and questions.

I reassure the noble Lord, Lord Callanan, that we are working very closely with all allies, not only the UN, US and EU but also all Arab Foreign Ministers, to ensure the stability and sovereignty of Syria. Of course, the situation remains incredibly fluid. We continue to monitor developments closely and we are co-ordinating that monitoring through our international partners. I reassure noble Lords about that. We remain, as the Statement said, committed to the people of Syria and to a Syrian-led, Syrian-owned political transition process based on UN Security Council Resolution 2254, leading to an inclusive, non-sectarian and representative Government. I reassure the noble Lord that that is what we will continue to do.

Both noble Lords addressed how we will judge that transition and the people involved in it. As the noble Lord, Lord Purvis, alluded to, the fact that HTS is a proscribed terrorist group does not prevent the UK engaging with it in our efforts to secure a political settlement; nor does it prevent engagement with any future transitional Government in Syria who include HTS. Its proscription will not inhibit the pursuit of our foreign policy objectives in Syria. We will be guided by a set of core principles in any diplomatic interaction with the interim Syrian authorities, with inclusion and protection of human rights being key considerations.

As I mentioned in the Statement, the information I have is that on 16 December senior officials travelled to Damascus to underline the UK's support for the Syrian people and discuss pathways towards a more helpful and representative peaceful future for Syria, involving Syrian authorities and civil society. They discussed the importance of an inclusive transitional political process, protecting rights, and will continue to stand for the people. One of the things we have consistently underlined is the importance of protecting all civilians, including religious and ethnic minorities. We have done this publicly and in our engagement with regional and international partners.

On sanctions, and particularly on the accountability of the Assad regime, I remind noble Lords that, since December 2024, the United Kingdom has listed 310 individuals and 74 entities, including Bashar al-Assad, his associates, those complicit in committing the atrocities and individuals who have supported or benefited from

[LORD COLLINS OF HIGHBURY]

the Assad regime's behaviour. On 9 December, the Foreign Secretary said that he will do everything in his power to ensure that no one from the Assad family finds a place in the United Kingdom.

The noble Lord, Lord Purvis, raised the position particularly in the north-east of Syria and Turkey. We have been in close contact with both Turkey and the Syrian Democratic Forces since the start of the escalation and we urge all sides to refrain from activity that will lead to further loss of civilian life or damage civilian infrastructure, further destabilising the region. We are absolutely on top of that.

On our humanitarian support, as noble Lords reminded the House when we last discussed this, the United Kingdom—both the previous Government and this Government—has to date committed over £4.3 billion in aid, which is our largest ever response to a single humanitarian crisis. The support has reached millions of Syrians across Syria, Jordan, Lebanon, Turkey, Iraq and Egypt, helping them to meet the urgent needs of those suffering. On 15 December, we announced the further £50 million to support vulnerable Syrians across those countries, and this funding will enable an urgent scale-up of humanitarian assistance where needs are at their highest—in particular, support to Lebanon and Jordan—and will reduce the likelihood of Syrians having to make perilous journeys to leave Syria and the region.

Within the £30 million of humanitarian aid, up to £24 million will be provided to the UN, including to UN OCHA-led Syria pooled funds for multisector emergency needs, and UNICEF—for education, health, nutrition, water, sanitation and child protection—as well as through UNFPA, particularly for the prevention of sexual violence. The remaining funds—up to £6 million—will be provided to UK-supported emergency health NGOs for healthcare and mobile clinics. I am trying to show that we are supporting a multiplicity of delivery vehicles and agents, which will minimise the risk of the corruption and leaking that the noble Lord was talking about.

The noble Lord, Lord Purvis, raised refugees and asylum. We agree with the UNHCR's recent assessment that large-scale forced returns are inappropriate at this time, due to the many challenges facing the Syrian population. Therefore, I repeat what I said last week: this is a temporary pause. The Home Office has temporarily paused decisions on Syrian asylum claims while we assess the current situation. That does not mean that claims cannot be made—they are and they are being processed—but decisions have been paused. So I repeat to the noble Lord that this is a temporary arrangement.

Can I just say, on a point that the noble Lord, Lord Purvis, made, that we are ensuring that we continue financing that critical work on ensuring accountability for the crimes? We have committed £1.15 million to accountability and documentation-related programmes this year alone, and we will continue that work, because it is important that we are able to show people that for such crimes they will not have impunity—so that will lead to more accountability work.

5.05 pm

Lord Alton of Liverpool (CB): I endorse particularly what the noble Lord, Lord Purvis, said about accountability, and thank the Minister for how he has just replied to that point. He will recall that, on the day after the fall of the Assad regime, when he spoke to your Lordships' House, I asked him specifically about the position of minorities and about the Kurds. Will he comment on the attack that was made yesterday, when several gunmen opened fire on an Orthodox church in Hama? On the situation of the Kurds themselves, as we have reached the point of maybe having negotiations and discussions and a possible settlement, will he particularly take into account that the Kurds should be fully included in any settlement? Will he comment on the role that they have played in ensuring that people who committed atrocity crimes in northern Iraq and northern Syria have been held in prisons that have been run by the Kurds? What will happen now to those prisoners? It is an issue that the Joint Committee on Human Rights raised with the previous Government and which it is returning to in this Session. I would be grateful, if the Minister cannot give a full reply to that today, if he would write to me.

Lord Collins of Highbury (Lab): I thank the noble Lord for his contributions. As I said in my opening responses, we are absolutely focused on protecting civilians, including religious and ethnic minorities. We have made that clear publicly but, more importantly, in all our conversations with groups. The noble Lord is absolutely right to draw attention particularly to the religious minorities, which have been focused on, and on which we have been keen to focus. By the way, I am sure that the noble Lord will be pleased that we have now appointed a Special Envoy on Freedom of Religion or Belief. I have met him, and we are working together now. This is a key area that we will be particularly focused on.

The noble Lord's other point came up in our last Statement, and I responded to the noble Baroness, Lady Helic, on it—but at the moment I cannot find it in my notes, so I shall write to noble Lords.

Lord Ahmad of Wimbledon (Con): My Lords, first, in recognising and welcoming the Statement, I think that the sentiments in the Statement are reflected in what we all think—but the importance is in actions. Syria is in a very fluid situation, as the Minister acknowledged. I welcome his update on which Minister attended the Aqaba meeting, which Geir Pedersen also attended, along with US Secretary of State Blinken. What were the outcomes from that meeting on specific responsibilities on who does what, and what process will be taken forward, bearing in mind the situation with warring factions and the instability in Syria, as well as the notable challenges that neighbouring countries are facing; for example, from the drugs trade in Captagon, a major challenge for neighbouring states?

Lord Collins of Highbury (Lab): On that last point, of course Captagon is a real challenge, and the Assad regime used it to fund many of its activities. Certainly, it has regional implications, and it has spread to countries in the region. Fortunately, there is no evidence

that it has spread to this country, but we are acutely aware of the dangers of it in countries in regional proximity, and we are giving what assistance we can in challenging that.

The noble Lord asked specific questions about the post process. As I said at the beginning, it is very fluid—and it is clear that we need to engage a range of partners, including specific neighbourhood countries but also international multilateral institutions, as we are doing. We are also acutely aware that there are changes ahead in the new year, and we need to ensure that we have consistency of approach. We are working closely with all our colleagues and allies and all countries in the region to ensure that stability, peace and security remain at the forefront of all our efforts.

Lord Wood of Anfield (Lab): My Lords, I thank my noble friend the Minister for the Statement. On sanctions, I understand the fluidity of the situation—we all recognise that—but there is a *prima facie* case that sanctions were imposed on a regime that has now been deposed. Syria is the third most sanctioned country in the world. Can my noble friend outline the process by which we are making decisions about when and how to ease the sanctions that we impose? Of course, another feature of Syria is the number of other countries that have not just an interest but a direct military presence, particularly Israel in the south and Turkey in the north. What representations are we making to Istanbul and Tel Aviv, and the Governments in those two countries, about limiting their military interference as Syria faces such a sensitive and febrile moment?

Lord Collins of Highbury (Lab): To answer my noble friend's latter point—again, we addressed this in the past week—we are of course aware of the presence of Israel across the Alpha line in the Golan Heights. The UN Disengagement Observer Force agreement of 1974 is important for the stability of the wider region. The Foreign Secretary discussed developments with his counterpart on 8 December, making sure that Israel honoured all those commitments under that agreement. As I said earlier in relation to north-east Syria, we have done the same with Turkey regarding honouring those commitments and sticking to the agreements.

In terms of sanctions, as I mentioned, there are 310 individuals whom this country has sanctioned who remain accountable for their crimes. We are certainly looking at ways that we can ensure that we follow them and make sure that they cannot use any assets that they get out of Syria. In fact, my objective would be to see just how those illicit funds could be followed. The important thing is that we have given, and will continue to give, aid and support to the people of Syria. When things become more stable, we will be in a position to review sanctions.

Lord Swire (Con): I thank the Minister for his earlier comments, which are reassuring, up to a point. I follow on from the comments of my noble friend Lord Ahmad. On Captagon, we are presented with a unique opportunity to interdict and to stop the spread of Captagon. The Minister said that it had not reached the UK, which is reassuring, but it has certainly reached

mainland Europe through some Italian ports. This is a \$57 billion a year industry funded by the Assad family and their wider relations, not least the Makhlouf family. Can the Minister assure us, first, that we will take a forward-leaning role in this? It has affected mainly countries in the Middle East, as he says, but the UK could play a serious part by bringing expertise to destroy this pernicious trade. Secondly, will he keep under review the sanctions list to ensure that all those involved in this trade are sanctioned?

Lord Collins of Highbury (Lab): I thank the noble Lord for his question. Let me be clear that, while we are unaware of Captagon reaching the streets of the UK, shipments have been seized in Europe, as he rightly points out. As I said before, it presents a wider threat in the region, which is why we are collaborating and working with our allies to ensure that this trade can be stopped. I hope that one positive result of the situation in Syria will be that it will be stopped. That is something to be positive about. I repeat, as I said to my noble friend, that we are committed to maintaining the sanctions that we have introduced to ensure that people are held to account for their crimes, including this illicit trade.

The Lord Bishop of Winchester: I am very grateful to the Minister for repeating the Statement. I particularly welcome what he said about the appointment of a Special Envoy on Freedom of Religion or Belief, and what he said about north-east Syria. Forgive me for returning to that subject, given the reassurances he has given, but the semi-autonomous region of north-east Syria is an oasis of plurality in the region, where freedom of religion or belief is respected and women take a leading role in governance. It provides an exemplar for the whole region, yet it is under significant pressure from repressive forces supported by our NATO ally, Turkey. I believe that this is an asymmetric aggression, so can the Minister please assure the House that the UK will continue, along with other NATO allies, to bring pressure to bear on Turkey to desist from its destabilising activities in the region?

Lord Collins of Highbury (Lab): I thank the right reverend Prelate for that question. I give him that reassurance: we are urging all sides to refrain from activity that will lead to further loss of civilian life or damage, and to avoid further destabilisation and damage in the region. Certainly, the Foreign Secretary has been talking to Turkey on this issue.

On the camps and detention centres in the area, raised by the noble Lord, Lord Alton, we continue to monitor conditions in those camps and will continue to promote security and stability and ensure that Daesh's territorial defeat continues and that it can never resurge. As the present situation unfolds, we are working closely with partners to monitor the threat, including through our work with the global coalition against Daesh. As the Border Security Minister has said, the intelligence services are looking closely at the risk posed by terrorism and we will take all necessary action to protect the UK's national security.

Lord Hogan-Howe (CB): My Lords, I pick up on that point about terrorism. I cannot profess to have the same expertise as many people around the Middle

[LORD HOGAN-HOWE]

East, but in 2011 to 2013, when the Syrian civil war started, we saw two immediate impacts. One was that around 1 million people left; they walked, sailed and swam across Europe. The second was that we saw a lot of those refugees based in the countries around Syria. We also saw an extremely large number of awful terrorist attacks. We particularly remember the Bataclan theatre attack. Many were instigated by ISIS within Syria and as it expanded its remit across Iraq.

Visiting Jordan at the time, we were all struck by the generosity of Jordan in looking after about 6 million refugees. It needs our support. I was told recently that about a third of the MPs in Jordan have now declared for the Muslim Brotherhood, which has a worrying and destabilising impact. What efforts are we making directly with Jordan? The Minister mentioned UN efforts, but what can we do with our friends in Jordan to help them stabilise and make sure that the children and young people who are growing up in these refugee camps have hope? Otherwise, other people will get their hope and direct them in a way that has an impact on our streets, as well as on the rest of Europe.

Lord Collins of Highbury (Lab): The noble Lord is absolutely right. We have known for a very long time the huge impact that the situation in Syria was having on neighbouring countries, particularly the influx of refugees. We have been focused on giving financial and humanitarian support, not least to ensure that that support is not simply limited to the refugees but that the local population can accommodate and support them. One of the areas we were looking at previously was education and other facilities, and ensuring that people could work and contribute to the local economy. Even the recent further £50 million was also focused on giving support to those refugees in Lebanon and Jordan, and we will continue to do that. The real focus has to be on the causes of this refugee migration crisis, and one of the biggest causes has been the situation in Syria.

Baroness Bennett of Manor Castle (GP): My Lords, I return to the situation in north-east Syria, which was raised by the right reverend Prelate and the noble Lords, Lord Alton and Lord Purvis. Al Jazeera and many others reported today that a Turkish official has denied yesterday's statement by the US that Turkey was talking to the SDF, the group headed by the YPG. I applaud the Minister's call for an end to military aggression in north-east Syria from the Turkish-backed forces and Turkey directly. What steps can the Government take to push Turkey to permit the Kurdish groups and the HTS-SNA alliance to talk to each other, and ensure that Kurdish interests are fully represented in the final destination for Syria?

Lord Collins of Highbury (Lab): I would not use the word "push". What we are doing, with all international allies, is trying to push for an inclusive process that ensures that everyone forms part of the solution that leads to a Government decided by, and supported by, the Syrian people. We will continue to do that multilaterally, but also bilaterally, with all supporting countries.

Lord Young of Norwood Green (Lab): My Lords, I welcome what the Government have done, but we seem to have forgotten that a regime that was seen to be so solidly entrenched that it was incapable of being removed was in fact removed very swiftly by groups of people who fought to ensure that there was a free Syria. It is bound to be an imperfect situation, but we ought to welcome what those people did. We have ensured that the threat of Captagon being used as a weapon, as Assad was doing, is no longer as valid as it previously was.

My plea is that we recognise that this Government are going to take a while to establish themselves. We want to ensure that the freedoms that have emerged can stay. When the prisons were opened, people who probably would have faced more torture or death were released, so my plea is that we recognise what those brave freedom fighters achieved and monitor the situation. The point was made that we ought to monitor how we apply the sanctions, and I think that is right.

Lord Collins of Highbury (Lab): I thank my noble friend for that contribution. He is absolutely right that we need to judge the situation by deeds, rather than simply words, and we will continue to do so. I am glad that the noble Lord, Lord Ahmad, is in his place because he was one of the longest-serving Ministers in the last Government, as Minister for Foreign Affairs. He and I had debates on Syria in which we supported his Government's position in not recognising Assad and not recognising that the situation was simple. We were as one in ensuring that we did not give support to Assad's criminal actions. Some people felt that was the wrong position, but events have proved that both the noble Lord, Lord Ahmad, and the then Opposition were absolutely right.

Lord Ahmad of Wimbledon (Con): I feel compelled to rise to my feet in the time left to thank the noble Lord. In the same way, we want to work constructively to ensure that the group that is HTS—Hay'at Tahrir al-Sham, the ideological base of this—should not be forgotten. The fact is that it is an extremist organisation with terrorism roots. Yes, they say a leopard does not change its spots—the jury is out. We want to work constructively to ensure that ideological base is challenged. As the noble Lord rightly said, actions speak louder than words.

Lord Collins of Highbury (Lab): I thank the noble Lord for that comment. I hope I can speak for the next six or seven seconds to ensure that I do not have to respond to any further questions.

Noble Lords: Oh!

Lord Collins of Highbury (Lab): It has been a very positive exchange. It is a very fluid situation, and one in which all parties in this House can work together to support the people of Syria and ensure they have a better future. With those remarks, I wish everyone a merry Christmas and a happy new year.

China: Human Rights and Security

Motion to Take Note

4.25 pm

Moved by Lord Alton of Liverpool

That this House takes note of government policy towards China especially in relation to human rights and security issues arising from China's actions in Hong Kong, Taiwan, Tibet, and the South China Sea, and against the Uyghurs in Xinjiang.

Lord Alton of Liverpool (CB): My Lords, in opening this last debate of the year, which will focus on human rights and security issues arising from China's actions in Hong Kong, Taiwan, Xinjiang, Tibet and the South China Sea, I begin by thanking everyone who will speak in the debate, along with the House of Lords Library for its excellent briefing note and the Inter-Parliamentary Alliance on China for its critical role and for its support and assistance. I declare interests as an officer of the all-party groups on Hong Kong, the Uighurs, and Freedom of Religion or Belief, and as a patron of Hong Kong Watch. I also note that today has symbolic significance, because on this day 40 years ago, the Sino-British treaty was signed by Margaret Thatcher and Zhao Ziyang.

China's human rights violations and the growing security challenges posed by Beijing's international posture are well documented and will raise profound questions during this debate about our principles, security and strategic resilience. In this week of all weeks, we have seen more evidence of the threats to our domestic security and institutions. Commenting on the activities of the 40,000 agents of the United Front Work Department, our Intelligence and Security Committee says that the UFWD has penetrated

"every sector of the United Kingdom economy".

MI5's head, Ken McCallum, says infiltration is on an "epic scale". It is extraordinary, then, in those circumstances for the Prime Minister to be pressing for closer ties with the Chinese Communist Party regime and to say that we should no longer describe it as a threat.

This may not be Maclean and Burgess, Philby and Blunt, but subversion of our state and its institutions involves manipulation and entrapment, influencing and cyberattacks, and intimidation, threats and transnational repression. Not long ago, the Foreign Secretary wanted this regime prosecuted for genocide.

In setting the scene for the debate today, let me begin in Hong Kong. In 2019, it was a privilege to be one of the international team which monitored the last fair and free election in a city that was once a bastion of freedom in Asia. Since 2020 and the enactment of the draconian national security law, it has seen every vestige of democracy dismantled.

The consequences are stark: over 1,200 political prisoners languish in jails, including prominent figures such as the British citizen, Jimmy Lai, with exiled legislators such as Nathan Law facing bounties placed on their heads simply for advocating democracy. Recent Human Rights Watch analysis has highlighted increasing transnational repression aimed at British national (overseas)—BNO—passport holders and their families

and even at non-Hong Kong residents, threatening critics abroad with extradition. Recalling the attacks on protesters outside the Manchester consulate, which the Foreign Affairs Select Committee described as a "brazen violation of diplomatic norms",

we can see where this has taken us.

In a letter to the Security Minister, I recently requested a dedicated email address to be set up so that victims of CCP overseas intimidation could guarantee getting through to someone adequately trained in this very specialised crime. When the Minister comes to reply, can she say when a response might be forthcoming? Can she also say a word to those UK Hong Kongers still denied access to mandatory provident funds—an estimated £3 billion? What progress have the Government made in securing the release of this money, and what does she have to say about the role of HSBC and Standard Chartered? Did Minister West raise this matter when she recently visited Hong Kong, and, if so, what response did she receive?

Perhaps I may take the opportunity to say a word or two more about Jimmy Lai, although I know that the noble and learned Lord, Lord Garnier, and others will do so too. Mr Lai is currently on the stand, being asked spurious questions about his involvement with British nationals, including people he never met or even heard of. The United Nations Working Group on Arbitrary Detention found multiple violations of his freedom. For a British national who has never held a Chinese passport to be held in solitary confinement, with no consular access, to be denied access to the sacraments and to be dragged out to court to respond to an entirely fabricated narrative is simply outrageous. It certainly makes a mockery of the Sino-British joint declaration.

Does the Minister support the request by the British nationals cited during the proceedings on the case to be heard in the Hong Kong court? Will she place on record her view of the absurdity of this show trial, as well as the spurious charade of dragging foreign legislators into it? Will she also roundly condemn the recent jailing of 45 Hong Kong pro-democracy leaders, including Joshua Wong and Benny Tai, who were sentenced to years in jail for so-called subversion? It is shocking.

I turn to the atrocities in Xinjiang and Tibet. In Tibet, the CCP continues its campaign of cultural erasure. There are systematic efforts to suppress the Tibetan language, dismantle monasteries and impose sinicisation policies. The Dalai Lama remains exiled and religious freedoms are virtually non-existent. Freedom House has ranked Tibet among the least free regions in the world, highlighting the CCP's use of surveillance, mass arrests and propaganda to suppress Tibetan identity. Tibet's plight and world silence are mirrored by the persecution of China's religious believers, such as the young woman Zhang Zhan, a journalist jailed in Wuhan for seeking the truth about the origins of Covid.

Let us note the atrocities against Falun Gong practitioners and the industrial-scale repression of Uighur Muslims in Xinjiang. Over 1 million of the latter have been detained in camps, subjected to forced labour, indoctrination and even sterilisation. The United Nations Human Rights Office has described potential crimes against humanity, while the House of Commons,

[LORD ALTON OF LIVERPOOL]

with 11 other global Parliaments and the United States Government, called it by its proper name—genocide. By virtue of the CCP’s intentional aim to prevent the births of Uighurs through forced sterilisation, it certainly meets the criteria set out in the 1948 genocide convention.

Canada has just sanctioned Chen Quanguo and Tuniyaz Erkin, two key officials responsible for Xinjiang atrocities. The UK failed to do so in 2021. Will we do so now?

What about Uighur forced labour embedded in global supply chains? The House will have seen reports on this in the *Financial Times* and on BBC’s “Panorama”. I have been raising this during the proceedings on the energy Bill and will have more say about it in due course. I name again Canadian Solar, a huge beneficiary, and ask: how precisely do the Government intend to root out slavery in the renewables industry? Will the Minister take this opportunity to reiterate the Business Secretary’s clear statement that he absolutely expects there to be

“no slavery in any part of the supply chain”?

How will that commitment be honoured? What will we do to prioritise supply chain resilience by diversifying imports and supporting domestic industries?

In the light of breaches of the Modern Slavery Act 2015 and the Proceeds of Crime Act, I am glad that the Joint Committee on Human Rights will make this the subject of an in-depth inquiry in the new year. To help that inquiry, will the Minister ask for an audit of dependency on authoritarian regimes across UK critical infrastructure? Can she update the House on whether Project Defend, which was supposed to build UK resilience, has been entirely dropped? With a trade deficit of over £23.7 billion with China, and British workers losing their jobs in the car industry—undercut by slave labour—this immoral trade is also a threat to our economy and security, undercutting resilience and deepening dependency, points often made by the noble Lords, Lord Blencathra and Lord Purvis, from whom we will hear later.

That leads me to Taiwan and the South China Sea. In May, with my noble friend Lady D’Souza and the noble Lord, Lord Rogan, I attended the inauguration of President Lai in the vibrant democracy of Taiwan, home to 23 million free people. Taiwan’s Ministry of Defense reported over 1,700 military incursions into its airspace in 2023 alone, a 40% increase from the previous year. Meanwhile, as noted in *Jane’s Defence Weekly*, Beijing continues to hold large-scale military drills around the island.

A conflict over Taiwan would be catastrophic, with consequences extending far beyond the region. A recent Bloomberg report estimated that a war over Taiwan could shave \$10 trillion from the global economy. That is five times worse even than the impact that the horrific war in Ukraine has had. As Taiwan produces over 60% of the world’s semiconductors and 90% of advanced chips, the disruption to supply chains would be unparalleled. Of course, without these chips, nothing works. Our critical infrastructure depends on them and the devices in our pockets cannot run without them. Have the Government assessed the UK’s economic exposure to various scenarios in the Taiwan Strait, and will that be part of the China audit?

Our headaches in the South China Sea do not end there. With China’s militarisation of artificial islands in defiance of the 2016 ruling by the Permanent Court of Arbitration, undermining international maritime law, we must recognise these changed circumstances, deepen military and economic ties with Taiwan, expand freedom of navigation operations and further bolster alliances with like-minded partners in the Indo-Pacific, including Japan, Australia and ASEAN nations. AUKUS is of course a promising step in this direction, but we must commit further resources and political will. We should support Taiwan’s accession to the CPTPP.

We must also be far more aware of China’s military heft. Note the support that China has given to Russia’s invasion of Ukraine. It has provided Moscow with dual-use technology, expanded trade in sanctioned goods and offered diplomatic cover in multilateral forums. President Zelensky’s own adviser says that China provides over 60% of the components used to prosecute Putin’s illegal war—and that is without the supply of weaponised drones, in violation of sanctions.

A deadly quartet now led by China poses a direct challenge to the rules-based international order. As the European Council on Foreign Relations notes, the Sino-Russian alignment extends beyond Ukraine; it is aiming to reshape global norms in its favour. Russia’s war is China’s war. The CCP knows that depleted war chests make it harder to deter escalation over Taiwan. Meanwhile, China is engaged in what the former Foreign Secretary called the

“biggest military build-up in ... history”.

I have sent the noble Baroness the Minister, the noble Lord, Lord Coaker, and Sir Julian Lewis MP a disturbing report given to me alleging an illicit bio-weapons programme, along with a separate report on imagination technologies and China reform, which has deep connections to China’s military-industrial complex and national security establishment. I hope the noble Baroness will promise a full written reply in due course. What is clear enough is that this is a hostile state. It is ludicrous and worse to try to justify deepening business links, pouring public and private money into China’s coffers, while it is making possible an illegal war in Europe.

There is also of course an enemy within. Chinese companies dominate critical infrastructure sectors, from energy to technology—I know we will hear from the noble Lord, Lord Fox, on this—including the millions of China-made surveillance cameras right across Britain. RUSI speculates that over 80% of foreign direct investment into the UK from China comes from Chinese state-owned enterprises: heavily subsidised companies operating under the direction of a one-party state.

Universities, too, are entangled in partnerships with Chinese institutions linked to the People’s Liberation Army. Note the examples in the 2023 Civitas report, including work on artificial intelligence and quantum computing. Perhaps the Minister can tell us what we are doing to assist universities to become less reliant on CCP money—and what we did to challenge UCL, an illustrious university, when Professor Michelle Shipworth was removed from teaching a course on China, with the university saying that it conflicted with its “commercial interests”. Professor Shipworth had highlighted data from the Global

Slavery Index which suggested that China had the second-highest prevalence of modern slavery in the world.

Such examples, and this debate, underline what the International Relations and Defence Committee of this House said was the need for a coherent strategy, filling what was referred to as “a strategic void”. How will the China audit attempt to fill that void, and how will it connect to the strategic defence review by the noble Lord, Lord Robertson?

To conclude, a coherent strategy would face the multifaceted challenges posed by China, strengthening our alliances, protecting national security, reducing economic dependencies and exposing authoritarian collaboration. We ought not to be persuaded by those who seek to talk down Britain by making out that we have no international clout. Capitulating now will cause greater pain later. By aligning our policies with our principles, we can safeguard our security, support those who suffer under oppression and lead by example in defending democracy on the global stage. I beg to move.

4.40 pm

Lord Garnier (Con): My Lords, I begin by thanking the noble Lord, Lord Alton, for securing this debate and for all that he said in his opening remarks. His speech was a devastating analysis of the real world. If this Government and this House fail to pay attention to what he said, we are doing ourselves and our fellow countrymen a disservice. This important debate is timely, and I hope it will be influential in shaping our own Government’s thinking, even if we will have little effect on the Government of China.

It would have been a pleasure to follow the noble Baroness, Lady Kennedy, whose reputation as a campaigner for human rights is well known, but she apologises, and has asked me to apologise for her, as she has a pressing family engagement that she cannot avoid.

I have two interests relevant to this debate to declare. The first is that I am a trustee of the China Oxford Scholarship Fund, a small charity founded by my friend, the late Tim Beardson, about 25 years ago. He set up the fund to provide postgraduate scholarships at the University of Oxford to students from China, Hong Kong and Macau. Up to 15 scholarships are awarded annually. Preference is given to those who are studying in the United Kingdom for the first time. Successful candidates are those of the highest calibre, studying in any subject. They are chosen for their academic excellence, financial need, leadership qualities and commitment to contributing to the development of China.

Charlie Parton is a former diplomat who spent 22 years working in China and is now a senior associate fellow at RUSI. The *Times* reports that, at a recent conference, he

“said that on the face of it there was nothing wrong with collaboration and co-operation between British and Chinese universities. A roundtable on education was fine with the right safeguards”, but he

“warned that the issue was over science and technology, where ‘the distinction between civil uses, military uses and repression uses just melts away’ ... ‘That’s where British universities have to

be extra careful on co-operation.’ ... Ken McCallum, the director-general of MI5, has previously warned that universities are ‘magnetic targets for espionage and manipulation’ and that China and other hostile states are stealing intellectual property from them with ‘dispiriting regularity’. He said he had no issue with co-operation but said it needed to be done with safeguards and the right level of awareness”.

At the COSF, we are realists and more than aware of the dangers, but we are also not so naive as to think that wringing our hands will release Jimmy Lai.

That brings me to my second interest. I am a member of the Bar who specialises in media law cases and has advised plaintiffs and defendants in Hong Kong, both before and after 1997, on freedom of expression questions. But what is happening in Hong Kong now concerns me not just as a lawyer but as someone who believes in the rule of law, open justice and the right to say what one thinks and believes within the rule of law.

Those concepts, which we take for granted in this jurisdiction, are all under threat in Hong Kong, as the noble Lord, Lord Alton, so powerfully pointed out. That of itself is fundamentally wrong and in breach of all the principles that this Parliament stands for and any United Kingdom Government should stand for, but it is also in breach of the joint declaration made by this country and China exactly 40 years ago today, in 1984, in preparation for the handover of Hong Kong to China in 1997. That treaty has a 50-year life with 20 years to run. That it will become time-expired does not permit us to let it wither, be ignored or be undermined.

It is not just the national security law, inflicted on Hong Kong in 2000, that evidences the erosion of civil liberties and human rights but the daily conduct of the authorities in Hong Kong in attacking their own citizens and expatriate Hong Kong-UK citizens, making extraterritorial arrests and locking up anyone they find inconvenient or tiresome. House of Lords Library staff—I thank them for their research—tell us that some 304 people have been arrested under the NSL for

“suspected acts or activities that endanger national security”.

As we know and have seen in the press, 45 others have been jailed for “conspiring to commit subversion”. These are all ridiculous and absurd allegations. None the less, this is the daily working of the Chinese and Hong Kong Governments’ way of doing justice.

We know from open source information, and from what we can see and hear for ourselves, that the Chinese Government pay no attention to human rights or the rule of law. They pay no attention to complaints, no matter how politely delivered, by western leaders. The recent statements issued by UK Ministers and the interventions made by the Prime Minister directly with President Xi—I applaud them for making them—must be more than mere formulaic verbiage. With interlocutors who have no regard for, and perhaps do not even understand or still less care about, the concepts we are worried about, we need to use commercial leverage with our allies and be ready to cause China actual economic harm to get our message home. If that costs us as well, it will be a price worth paying, but a China that sees no diplomatic, military or monetary disadvantage in ignoring us and our allies is

[LORD GARNIER]

a China that will continue to push outwards, crush domestic dissent and assert itself at our expense. We have a choice: to act or simply to watch.

Jimmy Lai, an elderly UK citizen incarcerated in Hong Kong for simply expressing his opinion and allowing others to do so through his newspaper, not only suffers as an individual human being but stands as a representative of all those in Hong Kong under its authoritarian and unjust regime. I urge the Government not just to issue statements but to take retaliatory action to ensure that his case is dealt with properly, justly and speedily. He should be released and permitted, if he chooses, to leave Hong Kong with his wife. He should not be in prison for his thoughts and his words. Now is the time. Let us choose to act, not just to watch.

4.48 pm

Baroness Smith of Newnham (LD): My Lords, rather like Christmas, which seems to come around faster every year, so the opportunity to change British policy on China seems to come around rapidly. Under the coalition but particularly, one sensed, when George Osborne was the Chancellor of the Exchequer, there was a great opening up to China and a great interest in having investment. We then saw a pivot to thinking that China was perhaps a threat and a country with which we should not necessarily work closely—although we never stopped doing business with it. We are waiting for His Majesty's Government's China audit, but at the moment we have the Foreign Secretary David Lammy's three Cs: competition, challenge and co-operation.

I am very grateful to my noble friend Lord Alton of Liverpool for bringing this very important debate this afternoon. It is indeed timely, not just because of the 40th anniversary of the Sino-British Hong Kong agreement, but precisely because there is an audit and we have very recently seen the Foreign Secretary meet his Chinese opposite number and the Prime Minister meet President Xi—the first time, as I understand it, that a British Minister met the president in six years.

In that time, many things have changed in the United Kingdom—Prime Ministers have changed almost as often as the calendar—but in China, very little has changed. If you have a president for life, long-term policy-making can be very different, so Chinese planning for security and Chinese actions against Tibetans and Uighurs persist. At this point I must briefly mention an interest, in that I have recently become a trustee of the Parliamentary Human Rights Trust. I do not think it directly affects this debate, but I thought I should mention it because clearly, one of the concerns that this House, the International Relations and Defence Committee and committees in the other place have long had is precisely human rights issues in Hong Kong, Tibet and Xinjiang.

What assessment have His Majesty's Government made of the situation in Xinjiang? The excellent report from the House of Lords Library suggests that Ministers have been talking about possible forced labour in the supply chain. Shadow Minister Mike Wood responded:

“As we move forward, all UK businesses must conduct thorough due diligence to ensure that their supply chains are free from forced labour”.—[*Official Report*, Commons, 6 November 2024; col. 66WH.]”

Excellent, and that is exactly what should be happening, but what mechanism is there to ensure that it does? While we absolutely should be calling on the largest companies named in various reports—companies such as Rolls-Royce, which clearly have every opportunity to ask the right questions—what about the smaller companies? Do they really have the opportunity to engage in that due diligence, which is vital but also very difficult, and yet another imposition on small and medium-sized companies?

Apart from human rights concerns, which we have already heard thoroughly outlined by the noble Lord, Lord Alton, and the noble and learned Lord, Lord Garnier, there are significant security issues that are not necessarily talked about very frequently. What assessment are His Majesty's Government making of Chinese interests in the Arctic and Antarctic? China sees itself as a near neighbour of the Arctic—one that clearly has business interests, in that, the more navigable the Arctic Sea region becomes, the greater the interest. President Xi suggested on meeting Prime Minister Starmer that we could co-operate and that there are areas of common interest in trade and investment. Where are those trade and investment interests coming from? Do they benefit the United Kingdom, or do they benefit only China?

There is a final question I want to ask, about higher education. I very briefly declare my other interest, as professor of European politics at Cambridge University. This is an issue that affects universities across this country and in the United States: the Chinese Students and Scholars Association. A quick internet search suggests that universities in the UK and the US have active Chinese Students and Scholars Associations. It is not entirely clear who funds them, but they appear to be intended partly to allow host communities to find out more about China and to allow Chinese students to have full feedback to China. Are His Majesty's Government reassured that these are entirely neutral organisations simply serving the mutual benefit of the host university and the students; or are they also an opportunity for China to look for students to investigate, spy on—to use a word that is perhaps unfortunate—and feedback on fellow students, particularly students from Hong Kong, perhaps, who may feel vulnerable?

4.55 pm

The Lord Bishop of Winchester: I am very grateful to my friend, the noble Lord, Lord Alton of Liverpool, for securing this vital and urgent debate. I congratulate him on his election as chair of the Joint Committee on Human Rights. There is no one better qualified to fulfil that role.

If we are to understand China from the perspective of human rights, security or trade, or indeed from any other perspective, we must see the country in its own terms and as it sees itself rather than simply through western lenses. To understand China as she understands herself, it will not do to look at her in terms of Marxism or indeed Maoism. If once it was said of the Labour Party that it was more Methodist than Marxist,

it can be fairly said of the Chinese Communist Party that it is at least as Confucianist as it is communist. At the heart of China's concept of itself lies the concept of *tianxia*, a word that means "all under heaven"—and that I almost certainly mispronounce. Even in those three words, you can grasp a sense of its import. It is an ancient concept, dating at least to the start of the first millennium BC, describing a system of relations across Asia, with China as the centre of the civilised world and the apex of culture, the heart of a sage empire, spreading material benefits and wisdom to all mankind—a geopolitical system with China at the centre and the Emperor at the centre of the centre.

When Lord Macartney visited the Emperor in 1793 to discuss trade terms, the Emperor stated that China was the foremost and most divine nation on earth and had no need of foreign goods. That was a pure expression of *tianxia*. In subsequent decades, with the opium wars, the collapse of the empire, the disaster of the Second World War and Maoism, the concept took quite a battering, only to reassert itself now under President Xi, just as neo-tsarism has in Russia.

In contemporary China, *tianxia* manifests itself in the ideology of "one country, one people, one party, one leader", and it has global implications too. In the words of Steve Tsang, the director of the SOAS China Institute, President Xi is undeterred by western objections because he believes in the moral righteousness and inevitability of Chinese global leadership. Of course he does because he believes in *tianxia* and, as we can see and as has been outlined in this debate, it manifests itself in Tibet, Xinjiang and Hong Kong, in the South China Sea, in aggression towards Taiwan, in transnational repression and in malign influence such as we have seen here in recent days. The belt and road initiative is just another manifestation of it. It is seen specifically in violations of religion or belief. Religious minorities—Muslims in Xinjiang, Buddhists in Tibet, Falun Gong and Christians across China—must be repressed because they do not accept that ultimate authority rests with the one at the heart of the system, as *tianxia* dictates.

So how do we address it? Not by assuming that China believes in the international rules-based system but by understanding, ideologically and indeed theologically, where China is coming from. China simply does not see itself as one nation state among many; *tianxia* will not allow for that. A religiously illiterate approach that relies on western secular assumptions simply will not do, and we cannot counter a three millennia-old concept by appeal to a Universal Declaration of Human Rights that was drawn up only in 1948, deeply as I believe in it.

We must take a religiously informed approach to such a concept. In that light, I warmly welcome the announcement of the new freedom of religion or belief special envoy, the Member for North Northumberland, David Smith MP. He is very well equipped to take on this role, not only to advocate for marginalised communities but to help us understand these big-picture issues as they relate to increased authoritarianism and repression in the world today. I very much hope that, despite reports to the contrary, his office will be properly resourced, both financially and with staff, so that he can make the fullest impact possible in his role. There is no doubt that with Senator

Rubio in post as Secretary of State—I note that he is currently under a Chinese travel ban—the incoming Trump Administration will foreground freedom of religion or belief in foreign policy. Mr Smith's appointment gives us the perfect opportunity to make common cause with the United States on this issue, and we must grasp it.

Only a robust approach to China will do. It is not my place to suggest what that approach might be, though the implementation of the foreign influence registration scheme seems a good place to start, but we are not powerless in this. The UK and our allies are not without influence and we must use our seat on the Security Council. Despite what the Emperor said to Lord Macartney, China needs our trade—but we cannot trade at any price and must not leave this too late.

5 pm

Lord Ahmad of Wimbledon (Con): My Lords, it is a great pleasure to follow the right reverend Prelate. There was much in his reflections; he was looking at things from having a lens on a country he knows. From the various discussions we have had, I agree with him in totality.

I thank my dear friend, the noble Lord, Lord Alton, for tabling this debate. I must admit that I am no longer the target of his daily emails and phone calls as a Minister. That is missed, I think, in some shape or form, but I am sure that the new Government are receiving them with welcoming arms. I pay tribute to the noble Lord for his perseverance on a whole raft of human rights issues—despite, let us be clear, the many personal challenges and attacks that he faces, including sanctions, in standing up for the oppressed and persecuted around the world.

I turn first, though, to governance. We hear that in early 2025, the Government will provide an audit. What exactly will be its format and the presentation to Parliament? I am sure that the Minister will cover this in her concluding remarks, but I request that, once that is done, she facilitates a meeting with Members of your Lordships' House on this important element.

Linked to this, however, I have an equally relevant question on the material difference between the Government's approach and that of the previous Government. Noble Lords will know that the *Integrated Review Refresh 2023* built our approach to China at that time. It was cross-government and focused on three pillars. The first was "Protect". The UK would "strengthen our national security protections in those areas where the actions of the CCP pose a threat to our people, prosperity and security".

We would prioritise cybersecurity and defensive capabilities, while strengthening "protections for academic freedom and university research".

Do the Government believe that approach is correct?

Secondly was "Align". The UK would deepen co-operation and alignment with key allies and partners to

"shape the broader strategic environment".

The Government said that the UK aimed to work collectively with allies and partners to encourage China to contribute transparently and proportionately to financial stability and economic development around the world but, equally, to

[LORD AHMAD OF WIMBLEDON]

“push back against behaviours that undermine international law, violate human rights, or seek to coerce or create dependencies”.

Again, do the Government agree with this approach?

Finally, there was “Engage”: the UK would engage directly with China through bilateral channels and international fora, including the UN Security Council, seeking

“to preserve and create space for open, constructive ... and stable relations”

that reflect China’s global significance, which is an undeniable fact. The Government also stated that they believed in the potential benefits of positive trade and investment relationships with China, while safeguarding critical supply chains and national security. Does the Minister agree with that? If the answer to all three questions is yes, we need to move forward and start motoring.

In the multilateral sphere, what engagement is taking place on co-operation and conflict resolution? On the G20 meeting between the Prime Minister and President Xi, what has happened subsequently? On the Human Rights Council—I have raised this before—and the UN Third Committee, what has happened specifically in these areas on issues such as Xinjiang and the Uighur Muslims?

I know that during my over seven years as the UK Human Rights Minister, we led on bringing together an ever-growing number of nations to highlight the plight of the community and other minorities. What steps are the Government taking to build on the work of the previous Government in strengthening this coalition of almost 50 nations? I welcome the appointment of the new FoRB envoy; indeed, I am personally invested, as I was the first envoy and helped create the role. How is the international alliance, where my dear friend Fiona Bruce played such a pivotal role, being utilised in this respect?

Issues of contention and profound disagreements remain between the UK and China, some of which have been amplified in recent days and remain at the core of this relationship. Our colleagues, including the noble Lord, Lord Alton, and the noble Baroness, Lady Kennedy, remain under sanction by the Chinese authorities. Previous Prime Ministers had direct meetings with those sanctioned; I ask the Minister, through her good offices, to ensure that that continues.

I have already mentioned Hong Kong and the national security law, and Xinjiang, but, in the spirit of the season, if we are to move forward in turning a page in this relationship—perhaps even writing a new chapter—we need to bear in mind, as the right reverend Prelate reminded us, that China itself recognises the need for collective action. President Xi is focused on a revival of the teachings and philosophy of Confucius. It is to that philosophy I turn, in the spirit of building a bridge and moving forward, to lay the foundations for addressing serious human rights concerns and related freedoms. It was Confucius who said:

“To be able under all circumstances to practice five things constitutes perfect virtue; these five things are gravity, generosity of soul, sincerity, earnestness and kindness”.

I therefore reach out to the Chinese authorities—I trust that the Minister will agree with me. Let us move forward in that spirit, in this season, with some immediate

practical steps: remove the sanctions from our colleagues in Parliament and beyond as a first step, and let us build a new dialogue; recognise that the major challenges of the world, be they a resolution to the war in Ukraine or peace in the Middle East, require collaboration; build on the experience of recent history and the fact that, when a pandemic engulfed the world, co-operation between nations was the bedrock of a new dawn after the tragedy that impacted us all; and release those who are held in detention for calling for freedom of expression. As my noble and learned friend Lord Garnier expressed so powerfully, Jimmy Lai is a man who has suffered for far too long and whose health is deteriorating. China should show compassion and clemency to him and his family, reflective of the season of good will but also of the central Confucian tenets of generosity and kindness—end his trial now and return our citizen. Finally, with the Sino-British treaty, China must revive freedom of expression and end acts of suppression.

China is important to the UK but the UK is equally important to China. We have differences and profound disagreements, with different governance systems, yet the links between our two nations are deep-rooted, in business and education, and from science and corporation to culture and cuisine, underpinned and defined by our people-to-people links. We are at a crossroads at this time. I have sought to outline some simple, practical steps that can be taken and which in my view may, I hope and pray, turn the trajectory of travel towards a more positive space.

5.08 pm

The Lord Bishop of Guildford: My Lords, as the grandson of former medical missionaries in south-west China, I take great interest in this debate. As others have expressed, I am really grateful to the noble Lord, Lord Alton, for his remarkable and indefatigable commitment to human rights and freedom of religion or belief all around the world. I am grateful to the noble Lord, Lord Ahmad—it is a privilege to speak after him—for his huge commitment in this area over many years.

I share with my forebears a deep respect for the Chinese people, their culture, their discipline and their character, but I have been horrified by stories of the oppression and maltreatment of religious minorities and critics of the regime over very many years. I have paid several illuminating visits to China to witness that for myself. This afternoon, like others, I wish to highlight the desperate situation of Uighur Muslims in the north-western region of Xinjiang, whom the other place has declared as being subject to genocide. Specifically, I urge His Majesty’s Government to ensure that the screening of goods made in forced labour camps—everything from solar panels to tomatoes—prevents them being imported into this country.

The challenges faced by Uighur Muslims are now well-documented. They are herded into so-called vocational skills, education and training centres, surrounded by guards who operate a shoot-to-kill policy on those who would try to escape. Subjected to mass indoctrination, forced labour and coercive sterilisation, it is hard to imagine a more egregious example of modern slavery in the world today. It was

hugely encouraging that the Labour Party in opposition gave such an unwavering commitment to the call to designate these atrocities as genocide, pure and simple—or, as we might say, impure and simple.

The response of other western allies has been similarly forceful but supported by actions which His Majesty's Government have thus far failed to match. The Uyghur Forced Labour Prevention Act in the USA and the EU's forced labour investment screening mechanism already work to prevent goods from the region reaching the US and European markets. In the EU, there is a legal requirement for border officials to screen goods coming into their respective countries, while the USA has reversed the burden of proof on businesses to guarantee, so far as possible, that their supply chains are not tainted by Uighur Muslim forced labour. No such mechanism exists in the UK today, demonstrating a serious lack of alignment with our allies in an area where we should be joined at the hip.

In the last six months, two direct cargo routes have been established from Urumqi, the capital of the Xinjiang province, to airports in Bournemouth and Cardiff. Media reports state that European Cargo, a UK company registered in Hertfordshire, is ferrying goods to this country from an area declared to be the subject of an ongoing genocide. Meanwhile, Ministers have informed a colleague that UK Border Force currently has no power or legal obligation to search those flights, which creates a gaping loophole for those who would seek to profit from the current atrocities being experienced.

In an Answer to a recent Written Question asking His Majesty's Government what plans they had, if any, to suspend cargo routes from Xinjiang to UK airports, the noble Lord, Lord Hendy, replied:

"His Majesty's Government have no plans to restrict cargo operations between Xinjiang and UK airports. The decision to operate particular routes is a commercial decision for airlines".

His Majesty's Government previously made commitments to tackle the scourge of modern slavery but, until this loophole is closed, the UK will effectively become the dumping ground for goods produced in such horrendous circumstances. Indeed, it may well be that already.

I therefore ask the Government to develop policies similar to those of the US and EU, to ensure that this debate leads beyond rhetoric and good intentions to the solid action which is so urgently needed.

5.12 pm

Baroness Lawlor (Con): My Lords, it is a pleasure to follow the right reverend Prelate the Bishop of Guildford. I congratulate the noble Lord, Lord Alton, on securing this debate on government policy towards China and for highlighting these grave issues. I pay tribute to him, along with other noble Lords, for dedicating his immense knowledge, experience and wisdom to the service of people and causes which can often be buried beneath the rhetoric and power of the overbearing and tyrannical state.

Noble Lords, including the noble Lord, Lord Alton, have spoken about China's conduct of affairs backed by a show of force. There have been violations of agreements, such as our own 1984 Sino-British joint declaration on Hong Kong, under which it was pledged

to "one country, two systems" for 50 years, and the horrid violations and imprisonments that have taken place there. Taiwan has been threatened by President Xi's refusal to rule out force for what he calls reunification, and this is to say nothing of the persecution of religious and ethnic minorities in Tibet and of the Uighurs in the western Xinjiang province, to which noble Lords have drawn attention.

As we have heard, the UK Government have set out their approach: to co-operate cautiously, to trade and to challenge. But can there really be UK co-operation as equal partners on trade and economic matters with China? Trading as equals can be the only true basis on which a western democracy such as the UK can co-operate, given China's economic power, which is now the second-largest globally. That is based on its vast wealth, its imperviousness to WTO trade rules—on state subsidies, for example—and its untrustworthy record on IP and cyberespionage, prompting action by the US, as well as its bid for regional strategic and military dominance.

Although China is not the UK's first trading partner but our fifth largest, we do have a trade deficit with it. Given the strategic and sensitive nature of Chinese imports into the UK and its foreign direct investment—FDI—in the UK, it has already achieved great leverage on our economy. The figures vary, but Chinese investors have around £134 billion of assets in UK industries. It is no secret, and we know openly, that these range from a large share in Hinkley Point C nuclear power station—China General Nuclear Power holds a 33.5% stake in the plant, which is owned by EDF—to a 10% share in Heathrow. It has interests in breweries that Chinese individuals have, such as Greene King, and retail outlets such as Superdrug, as well as utilities such as Northumbrian Water. Around 200 companies are in the hands of Chinese individuals from China or Hong Kong, including state-run organisations and the China Investment Corporation. What precautionary measures do the Government intend to protect the UK strategically and its vital security in power plants, energy companies, IT and electronics, against dominance by Chinese investors, state or otherwise?

Rather than go ever deeper into trading arrangements with China, with all their drawbacks, my view is that Britain should concentrate on the benefits from developing trade and economic ties with other trading partners—to make common cause, for instance, with the incoming US regime, as the right reverend Prelate the Bishop of Winchester suggested. I hope the noble Lord, Lord Leong, will forgive me for returning to this theme, but I recommend that we develop and are alert to what can be done as a leading global partner now that we are members of the CPTPP. I recommend that we are alert to how we can not only develop our own trade with this dynamic and ever-growing alliance but help our new partners in the CPTPP against predatory or hegemonic Chinese economic moves, given the wide area of influence that China already commands not just in the Indo-Pacific but with individual CPTPP countries. Already, 20% of Chinese goods are destined for CPTPP countries, and 50% of them are intermediate products. Of those countries, Malaysia, Vietnam and Mexico have the

[BARONESS LAWLOR]

highest level of imports from China. In the UK, that figure is 13% of our imports, given the nature of our imports from China.

Will the UK Government commit to ensuring that they do everything possible to lead and strengthen the CPTPP as a free-trading bloc and an alternative to our trading partners, and indeed ourselves, being dependent on the Chinese economy? To return to a subject we have been debating in a Committee, will they ensure that no measure is taken under the Product Regulation and Metrology Bill that would undermine the UK's ability both to exploit the opportunities of the CPTPP and to act as a beacon of global free trade with our new partners?

5.19 pm

Baroness Bennett of Manor Castle (GP): My Lords, I thank the noble Lord, Lord Alton, for securing this timely debate, particularly in the context of the history of Hong Kong, and for his typically powerful introduction, which is only what your Lordships' House would expect.

I begin this final debate of 2024 with a big-picture overview of the state of the world. Geopolitically, we are an unstable, dangerous mess. The climate is running out of control, overheating visibly and obviously, and nature and biodiversity are in a state of collapse. Human lives are going backwards, in terms of poverty, hunger and inequality. We are not doing well, and that is not because we have been derailed from some ongoing train of so-called development and progress. It is a product of the nature of politics around the world in recent decades, particularly in the hugely influential United States—and us, with our own UK influences. It is a legacy of colonialism and neocolonialism, extractivism and exploitation, the enriching of the few at the expense of the many.

That is not to say that there has not been real progress in the decades since World War II—progress driven by civil society, which has developed a framework of international norms, or what we generally call human rights. They were not given over to us by states but driven by campaigners who forced us forward. Civil society action has got us to that point, but it is dependent on government action really to put it into effect—and that means that Governments have to apply these frameworks of norms and human rights, applying the judgments without fear or favour, not using them as a stick with which to beat people we dislike while quietly ignoring what we see our friends and allies doing. I would love to see a debate in your Lordships' House similar to this one but focused on the human rights situation in Saudi Arabia, which is every bit as bad as China.

Noble Lords have talked here, as I have in other contexts, about the situation with the horrendous genocide against the Uighurs and the situations in Tibet and Hong Kong, as well as the threats to Taiwan and in the South China Sea. I am not going to go back over that ground, because it has been covered well already. I want to take two different angles here. One is to say, as no one has yet said, that in this complex world, facing the threat of the planetary boundaries being exceeded, we have to talk to China. On the climate emergency and nature crisis, it is a crucially important actor. Of

course, as a number of noble Lords have pointed out, it makes many of the products that we use every day; that is the trade to which the noble Baroness, Lady Lawlor, was just referring. We have to acknowledge that the responsibility for the environmental impacts of those objects that we use rests with us, as well as with China. We shall see in the coming year a real focus on a duty to prevent human rights abuses and environmental damage for our companies or supply chains. That is important to consider in this context. But it is really important to say that business interests, or indeed the need to talk about the climate and nature crisis, should not stop us from raising, at every opportunity, human rights in conversation with the Chinese regime. It should not stop us from deciding on sanctions or providing refuge to those seeking asylum from the Chinese regime.

It is important to note that this afternoon the Prime Minister in the Liaison Committee referred to safe and legal routes for people to find asylum in the UK. He said that he was happy with what we had now with Afghanistan, Ukraine and Hong Kong. I have a direct question to the Minister: surely we also want to provide safe and legal routes for people from other parts of China who might be seeking asylum in the UK to be able to come here. Hong Kong is enormously important, but it should not just be Hong Kong.

My second point is that the noble Lord's Motion refers to China's actions and government policy towards China. That may have been what the Table Office was happy to have, but I urge all noble Lords not to regard China as a single entity. China is not the Chinese regime. It is really important that we do not make ahistorical, orientalist assumptions about China as some unchanging, monolithic entity. I note that Human Rights Watch, for example, has a whole series of reports about how there have been protests within China, with terribly brave actions by people within China at great risk to themselves. Let us not talk about China but about the Chinese regime, and acknowledge that there are Chinese people, not just within the parts of China that we have identified but in other parts as well, who are taking action. I note that there are really brave feminist LGBTIQ+ activists in China who have paid a hideous price for taking actions in those areas.

Finally, I will change tone. Given that this is the final Green speech of the year, I offer thanks particularly to the staff who keep us going through these long and strange hours in which we work. I wish them and all noble Lords a merry Christmas and a happy new year.

5.26 pm

Lord Fox (LD): My Lords, like others, I thank the noble Lord, Lord Alton, for securing this debate. Unlike others, I also praise him for the propitious timing that he managed to secure for this debate. We will leave this as the last message of the year.

We have already heard important speeches on human rights, and I am sure that we will hear more. As the noble Lord, Lord Alton, intimated, I want to change gear. I want to take a, let us say, secular approach, perhaps a utilitarian approach, to the issue of technology and the threat of Chinese technology to our security. I will use the specific to illustrate the general.

My first specific is lidar: light detection and ranging technology. It is used for mapping and sensing in autonomous vehicles, drones, trains and airports; and utility providers and infrastructure operators use lidar to monitor pipelines, power lines and rail networks. As your Lordships will understand, these are all important areas. In 2020, Chinese firms had a 58% share of the global automotive lidar market. I do not have later stats, but I expect that the share will now have risen due to the copious use of subsidies, market protections, procurement preference and the systematic acquisition of foreign intellectual property. Chinese lidar poses a danger because it collects sensitive data and can receive over-the-air updates enabling potentially undetectable changes to systems, which could compromise operation.

Next, we have cellular IoT—internet of things—modules. These are what connect everything to the internet. They are used in a vast array of critical infrastructure applications: energy, logistics, manufacturing, transport, health, and security, to name but some. They remotely monitor and control complex systems and collect vast amounts of data and metadata for analysis, processing and response management. Chinese pricing is often up to 25% below manufacturing cost, helping China to gain a 70% share of the world market—already. Quite apart from the leverage that can be applied via this dominant position, China has potential access to very large amounts of data and can remotely interfere with devices, switching off or degrading critical national infrastructure.

Domination of key markets is a Chinese strategy across many technologies. Photovoltaics is one example, and China's share of all manufacturing stages for solar panels exceeds 80%. Once again, this has happened by the use of very low price levels that are supported by subsidy, with China having crushed most of its international opposition.

Lithium-ion batteries are another example. China dominates the whole battery supply chain, producing well over 80% of all key components. Graphite, copper, nickel and cobalt are the raw materials needed for batteries and their use will rise staggeringly. For example, by 2040, estimates point to a ninefold increase in lithium requirements above current use. While US and European companies play significant roles in some areas of lithium and copper asset ownership, China invested \$10 billion in overseas mining in the first half of 2023 alone. China dominates nickel and cobalt production, notably in Indonesia and Congo, and it controls 93% of battery-grade graphite refining.

Rare earth minerals, vital for manufacturing not just batteries but wind turbines, phone displays and fibre-optic cables, will see a surge in demand. Again, China dominates refining and production, and is expected to increase its share above the current 80%. In AI and quantum computing, the Chinese effort is currently somewhat behind that of the US and the West, but we have already seen that if China decides to move forward, it moves forward at pace. Chips are key to this and China continues to grow its domestic chip industry: a \$47.5 billion investment fund was announced this year, and the West has been slow to respond. Delays applying sanctions allowed China to buy time and stockpile, while an increase in its chip purchases now indicates that it is still stockpiling for future problems.

Meanwhile, quantum computing has the potential to completely change the way our computers and devices work, and poses significant security risks. At the moment, China and the US lead, but China is certainly further ahead in moves to try to deploy this technology, with infrastructure and two satellites with quantum communication capability.

Thanks to the tireless work of some of the people speaking in this debate, the last Government began to wake up to the dangers. In October 2022, work started on removing Huawei from UK telecoms infrastructure, but this is due to be completed only in 2027, and there have been partial moves regarding Hikvision's surveillance cameras, but not even scratching the surface of this problem. Where is our co-ordinated approach to this? The pattern in the UK is piecemeal, slow and, I would say, largely ineffective.

To conclude, this is not paranoia: the danger is there and the Government need to be honest in their audit. China has a predatory pricing strategy based on massive subsidies, and sometimes slave labour, designed to eliminate its western rivals. It has acquired global dominance in key raw materials and their processing. It has launched programmes to gather IP from across the world by any means, as we heard from the noble and learned Lord, Lord Garnier. Perhaps most worryingly, it has established deep penetration of our critical infrastructure and key equipment, with the capacity for detailed covert surveillance and remote control. This is not the half of it, as we heard from the noble Baroness, Lady Lawlor. It is clear to all who look that China's technology strategy is a serious threat to our security and an existential threat to our capacity to deliver manufacturing when we need it. I ask the Minister to confirm that she too recognises this threat and that the audit will take this on board.

5.33 pm

Lord Blencathra (Con): My Lords, that was another excellent speech by the noble Lord, Lord Fox, and a brilliant peroration as he concluded, building on eight other excellent speeches we have heard in this debate, following its superb launch by my friend, the noble Lord, Lord Alton of Liverpool, who has campaigned on this issue for many years. How wonderful it was to hear two robust speeches from Church of England Bishops rather than the usual fence-sitting stuff. I particularly liked what the right reverend Prelate the Bishop of Winchester had to say. I think he is right: it is not just this tianxia culture. Is there not a deeply ingrained racist element, in that they believe that those of the Han ethnicity are the only real people and every other ethnic race are just vermin or infidels to be destroyed? I am grateful that the right reverend Prelate is nodding: I got at least something right in my speech today.

So what is China doing—the country described by the FCDO as a “strategic partner” with which this Government are determined to have a “pragmatic” relationship? Well, it is oppressing its own people, both directly through an extensive network of black jails and indirectly with no free press. This House and 11 other countries have said that the Chinese

[LORD BLENCATHRA]

state is committing genocide in Xinjiang province and, in Tibet, it is seeking to deny a people their culture and identity. It is running what has been described as the “world’s largest contemporary system of state-imposed forced labor”, with up to 2.5 million Uighurs and members of other ethnic groups at risk of coerced work.

In Hong Kong, it has reneged on an internationally registered treaty with the UK, in order to deny the city’s residents their civil and political rights. It is stealing islands, building military bases and deploying paramilitary forces to bully its neighbours in the South China Sea, despite an international ruling that its claims are unfounded. It is engaged in the largest military build-up since World War II, adding the equivalent of the entire Royal Navy every two years. Its programme of civil-military fusion subserviates its economy to military needs. It is increasing its military exercises and incursions into Taiwan’s airspace and escalating the use of grey-zone activities to undermine both Taiwan’s will to resist and that of the international community to stand firm against aggression.

It is also waging a non-military war against Taiwan, by trying to eradicate its right to exist. Taiwan cannot get into the United Nations, nor any of its agencies. China has banned it from the World Health Organization, even though it was Taiwan that raised the alarm about Covid while China covered it up, and China has banned Taiwan from Interpol. China constantly seeks to change the wording of United Nations agreements to freeze out Taiwan.

Our own Intelligence and Security Committee has said that China runs the largest state intelligence service in the world and that it is a threat to our British industry and technology. Let us be clear that when I say China, I of course mean the Communist Party of China, not the whole of the Chinese people. It lied about the origins of Covid, lied to the World Health Organization, lied about the efficacy of its vaccines and spread conspiracy theories when seeking to divert responsibility and blame. It destroyed evidence and continues to withhold information on what it knows. It also launched a trade war against Australia, Norway and Lithuania when these countries asked questions about the Covid cover-up.

That is what is happening around the world. What about the UK? There is a long list of hostile Chinese aggressive acts against our United Kingdom; against individuals, the state and companies. On a daily basis, it is mounting massive cyberattacks against the UK, including one in March of this year targeting Members of Parliament and the Electoral Commission. A former UK Foreign Secretary said that torture on an industrial scale was happening in Xinjiang province. How can we have as a strategic partner a country committing genocide?

China blatantly steals our technologies, has infiltrated all our universities—often helped by craven university chancellors more interested in Chinese cash than freedom of speech. More recently, have we not seen just how high their spies can penetrate? This was not a one-off quirk but the result of many years of assiduous penetration of all our top institutions, and many thousands more

are still beavering away in our companies, universities and institutions, seeking to undermine our will to resist Chinese aggression.

These are not the actions of a strategic partner with whom we should be having a pragmatic relationship. These are the actions of a hostile state. Why will the Government—and the last Government, too—not listen to our own top security experts? The current head of MI5, Ken McCallum, has said that China is engaged in espionage on an “epic scale”. He gives us that message every few months—let us listen to him. Of course China is a massive trading entity from which we cannot cut ourselves off. Trade with China? Yes. Trust China? No.

The Henry Jackson Society published a large report in 2020 showing that the UK was strategically dependent on China for 229 categories of goods, of which 57 had applications in critical national infrastructure. This must not continue. We have let China get a stranglehold over some of our vital commodities: parts and components which could cripple us economically, and possibly militarily, as a country if China turned off the tap. So we must accelerate onshoring and taking back to the UK things we should be making here—or we should have various suppliers from other friendly countries around the world.

China is a hostile country. It is a clear and present danger to the West. It seeks to dominate us economically, militarily and politically. China is not a strategic partner; it is just a ruthless commercial competitor, and we should treat it as such. We must open our eyes and acknowledge the nature of the threat posed to us; then we can plan to combat it. Only from a position of security and strength can we then consider being “pragmatic”.

5.39 pm

Baroness D’Souza (CB): My Lords, I am delighted to follow the noble Lord, Lord Blencathra. I too thank my noble friend Lord Alton for never letting up on China. All of us are very grateful, and this being the last debate of this year is very fitting.

This House is becoming louder in its warnings about the threat that the People’s Republic of China poses to the UK’s security and economy. The actual and perceived threats help to shape UK foreign policy with regard to China, yet many commentators argue that the UK, despite some welcome announcements from the Government, still does not have a viable political strategy on China and therefore remains vulnerable to events as they occur. As so many have said, what is urgently needed is a clear statement of red lines with regard to PRC suppression of minorities and a policy incorporating concerns about and action on cyber and other attacks, and the aggressive threatening of international shipping lanes and trading relations in the event of severe tariffs imposed by the USA.

The question of Chinese technology and its inroads into the UK has been very ably covered by the noble Lord, Lord Fox, but I would like to underline that the PRC, as we know, is intent on achieving a world monopoly of electronic communications technology. As we have heard, cellular modules of the “internet of things” are crucial to almost all aspects of infrastructure, such as logistics, power grids, water supplies or the ability to paralyse financial payment systems.

Chinese companies currently own about 70% of the world market in cellular modules, as we have heard. Other countries struggle to compete with subsidised Chinese manufacture, which has a protected domestic market and seeks to gain a monopoly by means of supply of parts, favourable regulation, financing at competitive rates, access to key materials and products such as semiconductors at below cost. And let us not forget that the PRC is ever vigilant in taking over potentially failing companies around the world. The consequences of anything approaching a monopoly of PRC-supplied parts, and the access to data that this would facilitate, are severe, and would for example bring the UK defence forces to a standstill.

My predominant interest remains the democratic independence of Taiwan, a country of great strategic importance to China and expressly targeted by President Xi as ripe for integration with the mainland of China. This intention has been repeated too often to be ignored. Although expert opinion doubts that there is an imminent possibility of invasion, the so-called “grey attacks” are increasing in number and severity. Frequent military exercises are intended to disrupt and intimidate the Taiwanese, as are efforts to undermine Taiwan’s economy and democratic institutions.

Taiwan, as we all know, is the world’s largest producer of superior semiconductors. Despite competition from China and the USA to build semiconductor facilities, the technological skills and environment required are considerable and unlikely to surpass Taiwanese production rates. Although this is a great strength for Taiwan, it is also a liability, making integration with China all the more desirable for the PRC. Any interruption to the supply of raw materials, clean water or labour would have an immediate effect on production and compromise the global market for consumer electronics, currently valued at \$1 trillion. The top 20 clients of the semiconductor manufacturing companies are worth in excess of \$7 trillion.

Why does Taiwan’s continued existence as a separate entity matter? Apart from the democratic view that freedom is preferable to repression, the possibility of a China-controlled region encompassing international shipping lanes is ominous. China is intent not only on returning to an imperial grandness but on surpassing the USA as the world’s dominant political and economic force. The ability to control world shipping trade would represent a major step towards its grand plan.

The Government have committed to a thorough audit of PRC efforts to destabilise UK defence and security, which is eagerly awaited. Meanwhile, several suggestions for further protection have been put forward by China experts. These include ensuring that the FCDO maintains Mandarin-speaking specialists on China, and establishing a China-focused expert committee, preferably at Cabinet level, with a range of Ministers, particularly in the technological field, to monitor relations with the PRC. Such a committee would assess the national security risks offered by imported technology; arrive at a clear definition of national security for all government departments; set out priorities for defending critical national infrastructure; build up lists of trusted suppliers of electronic modules and chips, and other

electronic manufacturers; and identify opportunities to work with international partners and allies to counter Chinese imperialism.

I suggest that our thinking and actions on China should not be dictated by the PRC. With the PRC’s largest military build-up since the end of the Second World War, deepening relations with Russia and increasing incursions into Taiwan and surrounding territories, it is clear that China is laying the ground for future domination beyond the south and south-east Asian regions. We ignore this at our peril.

5.46 pm

Lord Rogan (UUP): My Lords, I refer to my interests as set out in the register, including as co-chair of the British-Taiwanese All-Party Parliamentary Group. I thank my friend, the noble Lord, Lord Alton, for securing this very important debate and for giving a remarkable speech this afternoon.

China is back in the headlines once again, and, true to form, not for good reasons. The relationship between Prince Andrew and an individual spying for China has grabbed the headlines. However, much more important is the fact that Yang Tengbo is one of tens of thousands of members of the United Front Work Department, which Chairman Mao famously described as one of the three “magic weapons” of the Chinese Communist Party. Despite its somewhat innocuous name, the UFWD is a deeply sinister organisation that specialises in clandestine activities to advance the Chinese Communist Party’s interests at home and abroad.

The UFWD is believed to have significantly expanded its activities under President Xi. This is the same President Xi whose hand our own Prime Minister was so keen to shake last month. However, it seems that Sir Keir Starmer’s charm offensive on behalf of our United Kingdom Government is only the beginning, with at least three senior Ministers set to travel to China early next year, including the Chancellor of the Exchequer. As a consequence of these trips, it has been reported that the Government’s planned review of Sino-UK relations has been placed on ice.

In the meantime, Beijing continues to bully, harass and threaten the peace-loving people of Taiwan, in full public view. As we know, President Xi has reportedly pledged to achieve what he has described as reunification with Taiwan, despite China never having controlled it. As the noble Baroness, Lady D’Souza, said, hardly a day goes by without Chinese fighter jets and military vessels encroaching on Taiwanese space. In recent days, a stop-over in Hawaii by the Taiwanese President prompted Beijing to deploy its largest navy fleet in nearly three decades to waters near Taiwan. While some may put this down to mere scaremongering, there is a view among US defence experts that China is readying itself to seize Taiwan by military force in 2027. I find it baffling that the United Kingdom Government—a new United Kingdom Government—maintain their refusal to recognise Taiwan as an independent state and establish diplomatic relations.

I have been a businessman all my life, and I understand the need for economic growth to get our country back on a firm footing. I can even accept that, sometimes in business, you have to deal with people whose view of

[LORD ROGAN]

the world is a little different from your own. However, I will not accept what seems to be the Government's view: that the only way to attract much-needed inward investment is to bow down to an authoritarian regime in Beijing. As the right reverend Prelate the Bishop of Winchester said, one should not do business at any price.

Earlier this week, in another place, the Security Minister, Dan Jarvis, said that the foreign influence registration scheme, or FIRS, which is designed to protect the UK from covert foreign influence, will not come into force this year as originally planned but will instead be introduced at some point next summer. In the light of what we are learning almost every day about Chinese espionage in this country, I ask the Minister what plausible reason there could be for this delay. I trust it was not a fear that it might upset Xi and those who sign the cheques. Can the Minister give us a guarantee that, when the FIRS finally comes into force, and should China not be placed in the advanced tier—which it certainly should be—she will return to this House to explain why?

I do not accept that His Majesty's Government are being duplicitous in dealing with China—I want to make that clear. But I believe that they are being incredibly naive, with consequences that could be profoundly serious for our nation.

5.52 pm

Lord Godson (Con): As the last Back-Bench speaker of the year, I take pleasure in congratulating the noble Lord, Lord Alton, on securing this debate and on the longevity of his interest in the subject and keeping the flag flying on this during very unpropitious circumstances, as it has been for the longest period. I thank him for his part in shifting the consensus in this House and beyond on the threat of the CCP and its institutions. It must have indeed seemed a lonely thing at times when the coalition was prioritising economic relations—and a short-term interpretation of economic relations, perhaps—above all other considerations.

I am not the only one who fears that we may be seeing a revival of aspects of the coalition's approach to these matters in the policies of the current Government, or at least the early intimations thereof, prior to the publication of the audit and other reviews. One fears also a certain strategic incoherence in those early intimations. As I say, this partly is connected with its prioritisation of economic growth over all else. The danger is that we are trading tomorrow's resilience and straining our alliances for short-term trade with the Chinese currency today—a kind of Back to the Future approach that many of us had hoped we had seen the back of.

Our allies seem to understand much more clearly than us that it is a fool's game to separate economic and security relationships with Beijing. President Xi has collapsed the distinction between those two matters, viewing trade relations as entirely integral to the Chinese grand strategy. Pandering to Beijing is not necessary for maintaining economic relations. On the contrary, UK-China trade in the post-golden era has increased by 20% each year, even as successive Conservative Governments openly criticised Beijing for its transgressions in Xinjiang and Hong Kong—not often enough, perhaps, but, none the less, it has not sunk our trade with China.

Can this Government therefore be certain that kowtowing to Beijing will result in the flow of inward investment which they so crave? The Prime Minister, rightly, must engage with President Xi, as he did at the G20 summit, but should a growing list of Secretaries of State rush to Beijing now before the publication of the forthcoming China audit? Too often it appears that No. 10's rationale is to front-load the cosmetic quick wins above everything else.

This confusion is compounded by the Government's flurry of reviews: there are seven by my count, all of which should have a considerable China component. We have the China audit, of course; the FCDO's three reviews, of the UK's global impact, of development diplomacy and of economic diplomacy; the strategic defence review, to which noble Lord, Lord Alton, has already referred; the AUKUS review; and the Treasury's own spending review. Are these linked together by a core strategic diagnosis of China? Who is now responsible for this? We seem in some ways to have disintegrated our national security approach, with multiple reviews reflecting different departmental agendas, absent a guiding hand to ensure coherence.

Before July, as my noble friend Lord Ahmad and the noble Lord, Lord Fox, pointed out, the UK pursued a China policy of align, protect and engage. It also pursued a policy of aligning with the China policies of our allies; protecting ourselves from espionage, economic malpractice and coercion; and engaging where prudent. This hierarchy of priorities was in keeping with the 2023 refresh of the integrated review, which assessed that China was

“an epoch-defining and systemic challenge”.

The current Government, now, at least—as the noble Baroness, Lady Smith of Newnham, and others have noted—apparently favour a three-Cs approach: co-operate where possible, compete where important and challenge where necessary. However, this is not a strategy but a statement, absent the necessary prioritisation vis-à-vis Beijing.

Most worryingly, the Government's three Cs no longer refer to alignment with partners. We are thus at risk of becoming out of kilter with the Chinese policies of our allies. This was one of the major gaps that the last Government rightly sought to correct. Whatever the reason for this shift, it is causing concern among our key allies in the Euro-Atlantic and Indo-Pacific regions.

Perhaps the shift to ambiguity is not entirely accidental, but rather represents a conscious decision. For example, are the Government now fast-tracking engagement with Beijing to hedge against the incoming Trump Administration's apparently more hawkish approach? The policy of hedging while the new US Administration seeks to remain engaged in European security could risk undermining the special relationship with the Administration, which is otherwise very favourably disposed to us. Our friends in places such as Australia urge us to consider their experience, where they withstood similar bullying from China and in fact ended up stronger in the long term, including under the present Australian Labor Government.

Even the EU now looks set to pursue a tougher line on China than us. The Commission's new foreign policy chief, Kaja Kallas, former Prime Minister of Estonia, recently dropped the definition of Beijing as a "partner, competitor and systemic rival",

electing instead to refer to it only by the latter point, as a systemic rival. The Secretary of State for Business and Trade, Jonathan Reynolds, has stated that we have no plans to allow the EU's tariffs on Chinese vehicles. The Government have dropped even the notion of systemic competition, something shared by every single British ally.

We should be in no doubt that the China challenge demands a co-ordinated approach across Whitehall and our alliances. Previously, we articulated what we needed to do in an explicitly integrated approach. Now, our approach appears to be departmentally balkanised to the extent of literally being disintegrated. Who will bring those disparate reviews together?

5.59 pm

Lord Purvis of Tweed (LD): My Lords, this has been a debate of fitting quality at the end of this calendar year. I pay tribute to the noble Lord, Lord Alton, for bringing it to us. In some respects, I hope this final debate of 2024 might frame some of the early debates we have in 2025, when we look at the Chancellor of the Exchequer's visit to Beijing and other Ministers' visits to China. I hope they will be able to take the contributions from this debate into consideration when they form their views, because we have served a challenge function and reflected on some of the subjects we need to debate.

As my noble friend Lady Smith said, tis the season of another government approach to China. The noble Lord, Lord Ahmad, outlined the previous Administration's approach, so we can see the word salad of "protect", "co-operate", "prioritise", "challenge", "align", "compete" and "engage". The word that is missing is "strategy", and you could add "published" in front of that. I pay tribute to my noble friend Lord Fox, because he outlined in such clear terms why we need to have one.

I say this with great respect, because I both understood and agreed with much of the speech from the noble Baroness, Lady Lawlor, but I felt there was a contradiction, to some extent, in seeking to move away from trade dependency on China towards other trading partners in the CPTPP who also predominantly have seen growth as a result of trade with China and are now basically a vehicle for us to have enhanced trade with China. This seems to be the Government's adopted approach for trade. It seems that "European Union" are the two words that dared not speak their name in the debate. If we seek to diversify away from trade dependency on China, it might be that we should have stronger trade links with our European neighbours.

Baroness Lawlor (Con): Just to clarify, my proposal, which was not clear at all, was that we should help and encourage those countries that have a trade dependency with China—that is, those CPTPP partners—to move away from that trade dependency and use our role to do that.

Lord Purvis of Tweed (LD): I can understand that as a theoretical approach, but of all the current CPTPP members, it is the United Kingdom—the newest country—that has the largest trade deficit of them all with China. Those members would look to us to diversify away from China, so the whole ambition is the other way around. We hope, if the Government are doing a strategic audit, that their analysis will come to the fore, but, as the noble Lord, Lord Rogan, indicated, there are worrying signs that the audit may not be published or that it may be delayed until the Chancellor of the Exchequer has been in Beijing. We may not even have it presented for debate in Parliament, so I am starting to be quite concerned.

As my noble friend Lord Fox indicated, we need this because of the industrial-scale economic surveillance, and the scraping and capture of data from the UK economy, as a tool for industrial espionage, for state advantage, and for state enterprises to strategically undercut and underprice in certain key sectors of our economy. As my noble friend Lord Fox's work on other elements of our key technology and infrastructure says, we need to enhance our resilience, especially now when we see what China is doing globally in seeking software and hardware for global ports of entry systems, for shipping and for telecommunications.

China is not a passive global actor. I acknowledge that neither are we, and nor is it a criticism that it is not, but the strategic aim for China is to have a sphere of influence in a multipolar world. That is distinct from how we see the world, which we feel should be based on a liberal, international order of rules. There are differences in how we see global diplomatic and development interactions. The UK—working with partners, of course—should be clear that our perspective of the world is distinct.

In previous Questions and Statements, the Minister has been honest with us and said that she did not know whether the new Government's approach to this will work. She has said that in this Chamber. However, she said that it was worth trying. It is worth trying if we are seeking to grow our economy, but the cost of the growth of our economy, while being a supplicant at a trade deficit in key sectors, means that we are unlikely to see a level of sustainable growth, or the protection of human rights and national security. Of course we should be partnering in certain areas, but we should not do it blind.

That is why the noble Lord, Lord Rogan, and others have said, as I did in my question to the Minister just this week with regard to the National Security Act—on which the noble Lord, Lord Coaker, and I worked very hard—that the approach should be evidence-based, taking into account national security considerations and threats. It should not be subservient to economic development or to one perception of economic development. That is why we need to look at elements of our relationship with Taiwan, as the noble Baroness, Lady D'Souza, said; we have a strategic economic partnership with Taiwan, which is a liberal, open democracy that does represent our thinking.

With regard to China, there are further actions that this Government can take, which the previous Government did not take, when they look at auditing UK-based

[LORD PURVIS OF TWEED]

assets owned by the CCP and at the potential use of Magnitsky sanctions against those responsible for the erosion of Hong Kong's freedoms. We can pursue further areas of human rights, and I hope that the Government will not set them aside as a result of the Treasury's approach.

Last weekend, on a fascinating visit to the Doha Forum, I saw the approach that many developing nations and economies are taking to China. I sat in a session with President Kagame of Rwanda, Prime Minister Mottley of Barbados and a Chinese operative. What was fascinating was that President Kagame said that, when he speaks to potential western investors, "We get tons of lectures, not goods", but Prime Minister Motley said that all her interactions and developing nations' interactions should be based on "global principles". There was a contradiction that I heard from them. I pointed out that when it comes to China and Africa, for example, the UK is a bigger investor in Africa than China at the moment. We can assert ourselves with the values of Barbados on global principles and not accept the narrative that there are lectures, but we should be an active participant in this area.

I close by coming back to what my noble friend Lady Smith indicated when it comes to the need for there to be a coherent approach, and perhaps this is referencing the point made by the noble Lord, Lord Godson. It seems that the new Government's approach is to

"find a way of engaging with China in a more meaningful and deeper relationship that recognised the threat, but also sought to try to co-opt China into the international order";

an approach that understands

"that many of the world's biggest challenges like climate change or biodiversity loss were not going to be solved without engagement with China".

That is a direct quote from George Osborne's evidence to our International Relations and Defence Select Committee, which my noble friend and I had the pleasure of serving on, when we concluded our report in September 2021.

That report's title was *The UK and China's Security and Trade Relationship: A Strategic Void*. It called for the Government to

"produce a single, coherent China strategy, as recommended by the Foreign Affairs Committee in April 2019, and a plan for how it will execute that strategy".

We still need that. If the Government believe that they will have a 10-year period in office rather than five years, the need for a single, coherent, published China strategy is vital, and I hope the Minister may agree to it.

As I sit down, I wish all Members a happy Christmas and a merry New Year. He is not in the Chamber at the moment, but this will be the last occasion when Mr Cameron-Wood, the Deputy Principal Doorkeeper, will carry the Mace out as the House rises, after 13 years of sterling service to this House. I wish him and all the staff a very happy Christmas and New Year.

6.10 pm

Lord Callanan (Con): My Lords, this has indeed been an excellent debate. I pay tribute to the noble Lord, Lord Alton, for securing it in the first place, for

his excellent sense of timing and for his tireless and—to quote the right reverend Prelate the Bishop of Guildford—"indefatigable" campaigning against the Chinese Communist Party, with all the troubles that it has caused him. He should have all our support and respect in the work that he does.

As Members will know, I do not often agree with the Lords spiritual, but I agree with my noble friend Lord Blencathra about the outstanding contribution of the right reverend Prelate the Bishop of Winchester, with his explanation of the, frankly, truly evil nature of the current Chinese leadership. That was a particularly good contribution in a sea of very good speeches that we have heard this evening.

I completely agree with the concerns—I would put it no more highly than that—of the noble Lord, Lord Alton, and other noble Lords about the current Government's policy towards China, particularly in light of some of the grave human rights abuses and security challenges that emanate from Beijing's increasingly assertive actions. The news this week that dominated the headlines that Yang Tenbo had access to public officials while being an alleged spy is deeply worrying—though I cast no aspersions on the Members who were in contact with him; it could all have been done deeply innocently. Can the Minister explain how she squares the Foreign Secretary's increasing friendliness with his Chinese counterparts with the threat that they are proven to pose to our national security?

Let me start with Hong Kong. Many Members have mentioned that the Sino-British joint declaration—an international treaty, I remind noble Lords, that was lodged with the United Nations—has been, and there is no other way of putting this, flagrantly violated by China. The complete destruction of the "one country, two systems" principle has been swift and brutal. The imposition of the national security law has led to the silencing of dissent, the imprisonment of pro-democracy activists and, frankly, the suppression of free speech and the free press.

As many noble Lords have observed, this month marks four years since 77 year-old Jimmy Lai was placed behind bars in Hong Kong. He is a British citizen who founded *Apple Daily*, the largest pro-democracy newspaper in Hong Kong. We cannot allow Beijing to continue to trample on its international commitments with impunity. I hope—and I am sure they are—the Government are using every opportunity to continue to raise his case and to help him in being freed to join his family.

I turn to Taiwan, where the spectre of military aggression looms large. The People's Republic of China continues to engage in provocative military manoeuvres, with economic coercion and with the attempted diplomatic isolation of Taiwan. I was delighted to join the noble Baroness, Lady D'Souza, the noble Lord, Lord Purvis, and a number of other noble Lords in proudly celebrating Taiwan's national day in October; it is important that we do that. The people of Taiwan have proudly built a thriving democracy and a dynamic economy in the face of these constant threats, and it is imperative that we all stand with them, not only because it is right but because the security of the Indo-Pacific is inextricably linked to our own.

On Tibet, the Chinese Communist Party's decades-long campaign to erase Tibetan culture, religion and identity is a stain on the conscience of the international community. Let us not forget that, not that long ago, Tibet was an independent country, but nobody now refers to it as that; it has in effect been absorbed into China, and the Tibetan people have been slowly eradicated. I had the honour a few years ago of meeting the Dalai Lama in his exile home in Dharamsala. I do not share his religion, but he is an inspirational character, continuing to preach non-violence in the face of all the threats and indeed genocides that the Tibetan people have faced.

In Xinjiang, as mentioned by a number of other noble Lords, the situation is nothing short of a human rights disaster. The evidence of atrocities against the Uighurs is overwhelming, with reports of mass detentions, forced labour, systematic surveillance and a form of cultural genocide. These paint a harrowing picture.

In the South China Sea, China's aggressive militarisation and territorial expansion violates international law. They threaten the free passage of goods that underpins global trade. The UK has a vested interest in upholding freedom of navigation; the Royal Navy's presence in the Indo-Pacific is a vital demonstration of that commitment to a free and open maritime order. I hope that the Government will continue to do that.

Of course, I recognise that our relationship with China is complex. There are areas where engagement is, unfortunately, necessary but engagement must not come at the expense of our values or of our security. We cannot allow ourselves to become overly dependent on a regime that routinely undermines the principles that we hold dear, and I agree with the comments of the noble Lord, Lord Fox, on that.

In conclusion, I ask the Government the following questions. On Hong Kong, what further steps will the Government take to hold China accountable for its breaches of the Sino-British joint declaration and how will we continue to support those brave souls fighting for democracy in Hong Kong? On Taiwan, what is the Government's strategy to support it in the face of the aggression that I just mentioned, and how are we working with allies to safeguard stability in the Indo-Pacific? On Xinjiang, will the Government expand the Magnitsky sanctions to target more Chinese officials involved in the persecution of Uighurs, and what efforts are being made to ensure that UK supply chains are free of forced labour from Xinjiang?

On trade and investment, how do the Government intend to balance economic engagement with China with helping to reduce our strategic vulnerabilities in many of the key sectors that noble Lords have mentioned, such as energy, technology and infrastructure? Finally, on security, what measures are being taken to counter Chinese espionage and interference in the UK, particularly in our university sector, research institutions and telecommunications networks?

These are all pressing questions that demand clear and decisive answers. I hope that the Government will bear them in mind when pursuing their new reset of China policies. The stakes are too high for ambiguity,

and I urge the Government to lead with the resolve and moral clarity that the people of this nation expect and deserve.

6.17 pm

The Parliamentary Under-Secretary of State, Foreign, Commonwealth and Development Office (Baroness Chapman of Darlington) (Lab): My Lords, I convey my gratitude to the noble Lord, Lord Alton, for securing this debate. I pay tribute to his work on China, as vice-chair of the Hong Kong APPG and as a member of the APPG on Uighurs. I thank all noble Lords for their insightful contributions to this, the last debate of 2024. The quality of the contributions has been first class, as might be expected.

Across the board, the Government are clear that the UK's approach to China means co-operating, where we can, on issues such as net zero, as the noble Baroness, Lady Bennett, said, and, as some said, on health and trade. It means that we compete where our interests differ—I will say a little more about that later—and that we challenge, as we have to, where that is what we must do to protect our national security, as many noble Lords have asked us to say, but also our values, as has rightly been said.

As the noble Lord, Lord Purvis, indicated, we need to reset and recalibrate our relationship with China, as we do with the EU, and to be a full and active participant in the CPTPP. All these things are closely interconnected, but we also need a relationship with China that is consistent and long term—and, yes, one that is pragmatic and rooted in UK and global interests.

The noble Lord, Lord Purvis, suggested that we need to be clear-eyed about this at all times. Whether it is on stopping Russia's illegal invasion of Ukraine or tackling the causes of climate change, there will be times when we have to speak candidly and robustly not just on areas of co-operation in the UK's national interest but on areas of contention as well.

The noble Baroness, Lady Bennett, made the important point that our concerns about Chinese state activity should not be interpreted as extending to the Chinese people themselves, and I thank her for that. As the world's second-largest economy, our fourth-largest trading partner and a major economic power that is the largest driver of global growth this decade, we are not going to—and should not try to—ignore China. We must recognise that China, including Hong Kong, presents significant opportunities for growth that can benefit Britain and help other countries grow their economies right around the world.

In pursuit of these opportunities and a renewed partnership, we must be clear-sighted and honest—not shying away from difficult discussions over practices that harm the sort of secure and resilient growth we want to see, and, where our wider values do not align, making that absolutely clear. In doing so, we must build a platform for a relationship that works squarely in our national interest, helps grow our economy sustainably and makes working people in every corner of Britain better off, while rightly putting our national security and resilience first, recognising that the UK-China relationship exists in an increasingly challenging and unstable geopolitical context.

[BARONESS CHAPMAN OF DARLINGTON]

We recognise the importance of the UK's robust export control system. We will continue to make sure that it has an impact. We continue to use the powers that we have through the National Security and Investment Act to scrutinise investments and other acquisitions, no matter where they come from, and to intervene where that is what is needed to protect our national security.

Of course, the UK and China share many interests—including helping the world achieve a just transition to green energy, as well as our economic links—yet we have significant differences, including on democratic values and freedoms, on Hong Kong and on Russia's war in Ukraine, where Chinese companies continue to supply significant quantities of dual-use goods and components to Russia. So we must recognise that the UK and China by no means always agree. As a responsible global player, we must engage frankly where we have different perspectives and co-operate where that is possible.

That is why it was important for the Prime Minister to meet President Xi at the G20—the first leader-to-leader meeting in six years—and why it was right both for the Foreign Secretary to visit China in October and for my colleague, the Minister for the Indo-Pacific, to visit Hong Kong last month. As noble Lords know, we are examining the UK's interests with respect to China through the Government's China audit, in order to improve our understanding of the challenges and opportunities posed by China and to meet them more effectively.

I was asked about FIRS. I can say today that we have not yet made any decisions on which foreign-power and foreign power-controlled entities will be subject to the enhanced tier. The foreign influence registration scheme will further strengthen our national security while maintaining the UK as an international hub for business. Announcements will be made in due course; I knew I would have to say that at some point today.

The noble Lord, Lord Ahmad, asked about the China audit, including whether I might undertake to facilitate the engagement of the House. I would be happy to do that at the appropriate time. I join the noble Lord and others in their call for the removal of sanctions on parliamentarians. These measures are wrong and should end immediately.

We have a long, shared history with Hong Kong, and, like others, I have family links. My grandfather and father lived there while the first airport was being built. We have strong links between people and strong links on trade. I pay tribute to the work of the noble Lord, Lord Alton, and others over many years. We are now, as many have said, 40 years on from the signing of the joint declaration. We will always stand up for the people of Hong Kong and we remain committed to Hong Kong's future as an open, dynamic and vibrant city.

The noble and learned Lord, Lord Garnier, and others correctly highlighted the situation in Hong Kong. Like him, we are deeply concerned to see the erosion of the rights and freedoms of Hong Kongers following China's imposition of the national security law in 2020. The noble Lord, Lord Alton, asked me about the activists. The recent sentencing of the 45 pro-democracy activists

is another demonstration of the Hong Kong authorities' use of the national security law to criminalise political dissent. Those sentenced were exercising their rights to freedom of speech, assembly and political participation. These rights are guaranteed under the International Covenant on Civil and Political Rights of basic law.

The Jimmy Lai case remains of deepest concern. The noble Lord, Lord Alton, the noble and learned Lord, Lord Garnier, and many others spoke movingly on his behalf and I thank them for that. He should be released. He is a British national. He stood up for freedom and it is vital that he is released. It is a priority for the Government and we raise it at every opportunity that we can. In response to the noble Lord, Lord Callanan, I say that the UK will of course continue to call on the Hong Kong authorities to end their politically motivated prosecution. We will continue to seek consular access for Jimmy Lai, including to enable us to verify his health and welfare. I assure noble Lords that UK diplomats in Hong Kong continue to attend Jimmy Lai's court proceedings—as they should.

The noble Lord, Lord Alton, asked about British nationals named in the trial and he is right to highlight this. All I can say is that attempts by foreign Governments to coerce or intimidate through the mechanism of this trial and to harm critics overseas are completely unacceptable and, just like the trial itself, they should stop.

I share the concerns that many speakers have raised on human rights in China. Across China, people face restrictions and violations of human rights and other fundamental freedoms. As the right reverend Prelate the Bishop of Guildford explained powerfully, in Xinjiang China continues to persecute and arbitrarily detain Uighurs and other predominantly Muslim minorities.

We raise these concerns with the Chinese Government when we can. The Prime Minister and the Foreign Secretary raised human rights with their counterparts, President Xi and Foreign Minister Wang. I am glad that they have been able to have those meetings in order to raise those concerns. I know that Members opposite will say, "But you haven't got a solution to this yet; nothing has changed". I do not think that one single engagement gets you that. It is about consistency, continuing to raise issues and being firm in our beliefs and articulating those beliefs at every opportunity we get.

The Government conduct independent visits to areas of major concern whenever possible, and we are supporting NGOs in exposing and reacting to human rights violations. We will continue to co-ordinate efforts with our international partners, which is why we joined Australia's statement on Xinjiang and Tibet on 22 October at the UN General Assembly. We also joined the US's statement on Xinjiang at the human rights court on 24 September.

The noble Lord, Lord Callanan, asked about sanctions. He will know what I am about to say. We do not comment on designations ahead of time for reasons that he will understand, but I thank him for raising that none the less.

The noble Lord, Lord Alton, was right to raise our eradication of the use of forced labour in global supply chains. The noble Baroness, Lady Smith, made

a really thoughtful and well-informed speech about this. No company in the UK should have forced labour in its supply chain; it just should not.

The approach we are taking is that the Government will work with businesses and international partners, so that they properly understand what they need to do to combat forced labour so that they have an impact in tackling this. We understand that it is all very well making statements but we want to see the impact. We have been working closely with business to make sure that we achieve that.

I commit to discussing Chinese student associations with the Security Minister at the earliest opportunity.

As the noble Lord, Lord Alton, said, China's repression of the people of Tibet is utterly unacceptable, as it restricts freedom of religion or belief and the right to assemble and associate freely. The Government stand firm on human rights, and we champion freedom of religion or belief for all. We recently appointed our FoRB envoy, and we wish him well in his work. We champion this both in our bilateral relations with China and through the UN, the G7 and other multilateral groups.

Members of this House are familiar with recent tensions in the Taiwan Strait. Our long-standing position, and that of the previous Government, remains that this issue should and must be resolved peacefully by people on both sides of the strait, without the threat or the use of force or coercion. Peace and stability in the strait matter immensely, for not just the UK but the wider world. As we outlined in a statement in October, recent Chinese military exercises around Taiwan increase tensions and risk dangerous escalation.

I thank the noble Baroness, Lady D'Souza, for the helpful suggestions in her speech, particularly on language training for officials, which she was right to raise. I assure her that that is happening.

A conflict across the strait would be a tragedy for the people there, and it would be devastating for the wider global economy. I am glad that the noble Lord, Lord Alton, reminded the House of a study by Bloomberg Economics at the start of 2024, which estimated that it could cost the global economy some \$10 trillion—roughly 10% of global GDP. That is why the UK does not support any unilateral attempt to change the status quo across the Taiwan Strait, and we have made our views on this clear to China. We are working with our partners to make sure that they are doing the same.

The noble Baroness, Lady Smith, raised an interesting point about polar regions. China has an interest in natural resource exploitation. Increasingly, China is attempting to undermine existing protections and multilateral co-operation, such as through the Antarctic Treaty, to further its own interests. Its increasing use of the Northern Sea Route as a transportation link poses threats to this pristine environment. We think that there is a risk here if this is mishandled.

The Foreign Secretary set out the UK's concerns over China's aggressive activity in the South China Sea in conversations with the Chinese Government during his visit to China in October. The UK is committed to international law, to the primacy of the United Nations Convention on the Law of the Sea, and to freedom of navigation in and overflight of the

South China Sea. We take no sides in sovereignty disputes, but we oppose any action that raises tensions or the risk of miscalculation.

The speeches of the noble Baroness, Lady D'Souza, and the noble Lord, Lord Fox, focused on technology—they were both interesting and sobering. We will continue to work on improving this country's cyber protections.

Critical minerals are a really important point. We will shortly publish a UK critical minerals strategy, because our energy security depends on it, frankly, and it is the responsible thing to do. But I take the important point of the noble Lord, Lord Purvis, about how we must not be seen to lecture partner nations on whom they should and should not do business with. We are a good partner when it comes to extractive industries: we work responsibly, environmentally and with the local workforce in country. We would like to be more strategic in our thinking about this—so, when that strategy is published, I look forward to the response of the noble Lord, Lord Fox, in particular.

Lord Fox (LD): Try to stop me.

Baroness Chapman of Darlington (Lab): Indeed—I think that was an invitation that I did not need to make.

Lastly, I underline that this Government's re-engagement with China aims to enable a consistent, long-term and pragmatic relationship through which we can pursue the UK's interests on security and growth. We will challenge and compete where that is the right thing to do, and the smart thing to do, and we will be ambitious on areas of co-operation. That is our duty to the British people and as a responsible global actor, and that is at the heart of our commitment to re-engage, including through the long-overdue leader-level meeting, the Foreign Secretary's successful visit to China and the Minister for the Indo-Pacific's visit to Hong Kong. Indeed, in the new year my right honourable friend the Chancellor plans to visit China as well.

In all our engagement, from the Taiwan Strait and South China Sea, where any escalation, or deterioration in stability, would have a significant impact on UK and global growth, to Hong Kong, to the completely unwarranted and unacceptable sanctions against UK parliamentarians and others, the Prime Minister has set us all a clear direction: to co-operate with China wherever we can, to take action to protect our interests and at all times to stand up for our values.

6.35 pm

Lord Alton of Liverpool (CB): My Lords, I thank the Minister for both the content and tone of the response to what has been, as she said, an outstanding debate. I thank all noble Lords who have participated today. In parentheses, I also add the name of the noble Lord, Lord Leong, who has sat patiently throughout the whole debate. We know that because of other ministerial duties he is unable to speak and has taken Trappist vows—but on other occasions he has spoken powerfully and eloquently on behalf of people in Hong Kong. At the time when sanctions were imposed on the noble Baroness, Lady Kennedy, and myself, he gave me enormous encouragement, and I have always been grateful to him for that.

[LORD ALTON OF LIVERPOOL]

Many speakers have made the distinction between the Chinese Communist Party and the people of China. Nobody suffers more at the hands of the CCP than the Chinese people themselves. I often think about “Tank Man”, the solitary figure who in 1989 stood in Tiananmen Square in front of the tanks as they rolled in. I think of Rahima Mahmut, who will be known to some noble Lords here, in particular the noble Lord, Lord Ahmad of Wimbledon, who is a Uighur activist who speaks eloquently and powerfully and whose family have been intimidated and suffered through transnational repression as a result of the things that she has done. I think of Zhang Zhan, whom I mentioned in my opening remarks, who was put in a prison in Wuhan because as a citizen journalist she went to try to find the origins of the Covid pandemic.

And I think, of course, of my friend Jimmy Lai, mentioned by several noble Lords, who is standing trial in Hong Kong. One piece of evidence placed before the trial was that he once came to your Lordships’ House to have tea, which I gave him and his wife—as though this was some terrible, subversive act. I was grateful to the noble Baroness for mentioning people whom he has never even met, as well as people he has met, including Luke de Pulford from the Inter-Parliamentary Alliance on China, who were named in these proceedings as co-conspirators. Bill Browder, known to many noble Lords here, has never met Jimmy Lai but has also been mentioned in those proceedings. This is a sham and a charade and it is right that this House has called it out.

I know and understand the points about the importance of engaging with China on things such as zero emissions, but one-third of all emissions come out of the People’s Republic of China, which has never kept to any of the targets—just as it did not keep to the promises made 40 years ago today in the Sino-British accord. I was struck in 1979, when Margaret Thatcher negotiated with Deng Xiaoping about Hong Kong’s future, that she was told by him, “We could walk in and take the whole lot this afternoon”. In a characteristic reply, she said, “Yes, but the eyes of the world would now know what China is like”. That was true then and it is true now—and that is the point of a place such as this and the point of our democracy: for us to give voice to people who do not have a voice and show that our eyes continue to remain on what is happening in China.

Let me give the last word to the Intelligence and Security Committee, which said last year that China had penetrated “every sector” of the UK economy in a “whole-of-state” assault, to which the government response has been “completely inadequate”. Without swift,

decisive actions, we face “the nightmare scenario” where China could pose “an existential threat”. Britain has a proud tradition of standing up to tyranny. I hope that we will continue to do that.

I know that all who have been present on this last day for this last session before Christmas have probably given up time with their families and friends to be here for this debate. I am particularly indebted to everyone who has participated, but I also know that the eyes of the world are on this British Parliament, that we speak out when others are silent and that notice will be taken of the eloquent speeches that have been made here today.

All that remains now is for me to join others in wishing everyone present a very happy Christmas and a peaceful and prosperous new year, and to wait as the Mace is carried out, as we were reminded by the noble Lord, Lord Purvis, earlier on, by Mr Cameron-Wood in his last act before he now goes to what we hope will be a well-merited and wonderful retirement.

Motion agreed.

Lord Leong (Lab): My Lords, on behalf of my Government Whip colleagues, I wish all noble Lords, the clerks and doorkeepers a very merry Christmas, a restful recess and a fabulous new year. With that, I beg to move that the House do now adjourn.

The Deputy Speaker (Baroness Kennedy of Cradley) (Lab): That the House do now adjourn—with thanks and best wishes to our Mace carrier tonight, Mr Cameron-Wood.

Lords Spiritual (Women) Act 2015 (Extension) Bill [HL]

Message from the Commons

The bill was returned from the Commons agreed to.

Commonwealth Parliamentary Association and International Committee of the Red Cross (Status) Bill [HL]

Message from the Commons

The bill was returned from the Commons with a privilege amendment. The amendment was considered and agreed to.

House adjourned at 6.40 pm.