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PARLIAMENTARY DEBATES
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HOUSE OF LORDS
OFFICIAL REPORT

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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.

House of Lords

Monday 3 February 2025

2.30 pm

Prayers—read by the Lord Bishop of Chichester.

Introduction: Lord Lemos

2.38 pm

Gerard Anthony Lemos, CMG CBE, having been created Baron Lemos, of Thornton Heath in the London Borough of Croydon, was introduced and took the oath, supported by Baroness Andrews and Lord Stevenson of Balmacara, and signed an undertaking to abide by the Code of Conduct.

Introduction: Baroness Carberry of Muswell Hill

2.44 pm

Catherine Rose Carberry, CBE, having been created Baroness Carberry of Muswell Hill, of Muswell Hill in the London Borough of Haringey, was introduced and made the solemn affirmation, supported by Baroness Prosser and Lord Monks, and signed an undertaking to abide by the Code of Conduct.

Arrangement of Business

Announcement

2.48 pm

Captain of the Honourable Corps of Gentlemen-at-Arms and Chief Whip (Lord Kennedy of Southwark) (Lab Co-op): My Lords, before we start Oral Questions, I take this opportunity to remind Members that the House wishes Questions to be short, sharp, succinct and to the point. As I have said many times before, it is called "Question Time" for a reason. There is no greater favour a Member can do for a Minister than to make a speech before asking their question. Equally, the House expects Ministers when replying to questions to be short, sharp, succinct and to the point. If we do this, we will all have greater scrutiny of Ministers and the Government during Question Time, and more Members will get the chance to ask more questions.

Finally, when questions are being asked, we move around the House, enabling Members from different Benches to get in. If a Member from a particular Bench asks a question, it is unlikely that we will get back to that Bench until other supplementaries have been asked from other parts of the House. For example, today the first Question is from my noble friend Lord Rooker. After he has asked his supplementary and it has been answered, we will then move to other Benches. I would not normally expect another Labour Member to ask a question until we have heard from the Conservative, Liberal Democrat and Cross Benches, and maybe even from the Bishops' Benches.

I hope that this is clear and of assistance to the House.

Council Tax

Question

2.50 pm

Asked by ***Lord Rooker***

To ask His Majesty's Government whether they plan to make council tax more progressive.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government (Baroness Taylor of Stevenage) (Lab): My Lords, there are currently no plans to reform council tax. I suppose I should sit down now. It is a widely understood tax with a high collection rate and contains a range of discounts and exemptions to reflect personal circumstances. Local authorities are also required to run local council tax support schemes to provide reductions to those on low incomes.

Lord Rooker (Lab): I thank my noble friend, but how is it that a £12 million penthouse in Islington pays £1,000 less in council tax than a £1.5 million manor house in Hartlepool? It is eight times the value, yet it pays £1,000 less. This is why council tax is so regressive, and no tough decisions have been taken for 34 years. When people no longer know what a tax is for or how it is fixed, and they see this unfairness, that risks bringing the whole system into disrepute. It is a major political and social risk. Why are we taking it?

Baroness Taylor of Stevenage (Lab): My Lords, we all know that there are problems caused by outdated valuations and the regressive nature of council tax. However, a widescale reform of the system would be time-consuming and complex, and we are committed to keeping tax on working people as low as possible. The Government will carefully consider the impact on councils and taxpayers before taking any further decisions on council tax.

Lord Young of Cookham (Con): My Lords, the last time we discussed this, on 19 November, the noble Baroness also said in response:

"We all know that problems are caused by outdated valuations and the regressive nature of council tax".—[*Official Report*, 19/11/24; col. 118.]

So why are the Government so reluctant to act?

Baroness Taylor of Stevenage (Lab): If there were to be a revaluation, there would be winners and losers. This is one of those issues where whatever we did would cause further problems in the system. It is a widely understood tax and there are high levels of collection. However, the Government are taking part in the fair funding review—we have issued a consultation on that—to make sure we level up the playing field for local authority funding, so that areas which need the money most get the most money.

Lord Shipley (LD): My Lords, council tax is a regressive tax and for the past 10 years, Governments have been loading part of the increasing cost of adult social care on to council tax. Poorer households are therefore having to pay more in council tax than they otherwise would. The Government are going to spend the next three years coming up with a plan for adult social care. Is that delay fair on poorer households?

Baroness Taylor of Stevenage (Lab): My Lords, we are more than aware of the issues in tackling adult social care funding; however, the best way to resolve them in the long term is make sure that we do the job properly by looking at what is needed. We recognise the important role that councils have in delivering those services. That is why we announced in the provisional settlement a further £200 million for adult and children's social care, bringing the total additional funding to £3.7 billion.

Baroness Jones of Moulsecoomb (GP): My Lords, does the Minister think that this Government are generally finding it quite difficult to be progressive?

Baroness Taylor of Stevenage (Lab): Absolutely not. The range of legislation we have brought forward has shown just how progressive this Government are being in both fiscal and social policy.

Lord Grocott (Lab): My noble friend, with her long experience in local government, knows well enough that, when there are major reorganisations in local government, you can be absolutely certain they will cost a lot of money, whatever the savings in the long term may be. Can she assure us that in the plans being considered, which are already costing local authorities preparation money to defend themselves or to decide which groups to join, the cost of this will not fall on the council tax payer?

Baroness Taylor of Stevenage (Lab): My noble friend makes a very important point about the cost of devolution. We want to see all of England accessing that devolved power, and efficiencies will be generated in the long term. My honourable friend the Minister will be setting out the local government finance settlement later today, and I am sure he will include the details then.

Lord McLoughlin (Con): My Lords, when the Minister says there will be winners and losers in any reform of council tax, does she not agree with the way in which the noble Lord, Lord Rooker, put it: that the winners are those who, at the moment, are living in high-value properties and the losers are those who live in low-value properties?

Baroness Taylor of Stevenage (Lab): My Lords, the party opposite had 14 years to sort this out and did nothing about it. Council tax levels are decided by each council. We maintain the previous Government's policy on the referendum levels. We are tackling the fair funding that was started off by the last Government but never finished. That will level the playing field for areas that need more funding support.

Baroness Lister of Burtersett (Lab): My Lords, local authority council tax support schemes are failing to provide adequate protection for many low-income council tax payers, either because of their restrictive nature or because of low take-up. Will the Government therefore consider increasing and ring-fencing the funding for these schemes, and look into introducing an automatic trigger for a council tax support application when a universal credit application is made?

Baroness Taylor of Stevenage (Lab): My noble friend makes a good point about the link between universal credit and council tax, but there is significant support. All local authorities are required to run local council tax support schemes, which provide council tax reductions for those on low incomes. Some 3.7 million households currently receive this support. There is also a range of discounts and exemptions that reflect personal circumstances. I urge anyone struggling to pay their council tax to contact their local council, because they might be missing out on some of the benefits that are available.

Baroness Scott of Bybrook (Con): My Lords, last year, Labour-run Birmingham City Council imposed a 21% council tax hike on residents over a two-year period after it mismanaged its finances. This year, Labour-run Bradford Council is proposing a 15% hike. Can the Minister explain why it is Labour-run councils that are imposing some of the worst council tax increases on local people this year?

Baroness Taylor of Stevenage (Lab): It is not only Labour-run councils that apply for exceptional financial support. My honourable friend the Minister will be making a Statement later today about which councils have been successful in gaining that exceptional financial support. There are any number of reasons why councils need to apply for that. It is not necessarily poor financial management: it can be the circumstances they find themselves in, particularly those areas that have low funding because the fair funding was not looked after.

Lord Watts (Lab): My Lords, many local authorities are able to raise millions of pounds from their council tax payers from things such as car park charges. Does the Minister intend to take into account the massive amounts of money that some local authorities can raise?

Baroness Taylor of Stevenage (Lab): My Lords, fees and charges form an important part of councils' income. Whether that is fair or not is for the council tax payers of the area in question to make their minds up about locally. The three strands of council tax funding very much include those fees and charges, and the voters will decide whether they are reasonable or not.

Baroness Pinnock (LD): My Lords, further to the question from my noble friend Lord Shipley, some council tax payers are now paying 12% on top of the council tax bill to pay for social care—the social care precept. Is that a fair and reasonable way to raise money to pay for social care? I remind the Minister that it was introduced by the previous Government.

Baroness Taylor of Stevenage (Lab): The social care precept was introduced by the previous Government. There is an increase in demand for social care in our demographic, and that has to be funded. The Government continue to keep under review how adult social care is paid for. At the moment, it is paid for by an additional precept on council tax for those who need social care.

It is very important that we continue to support people in our communities who need it, and I am sure the noble Baroness would want us to continue to do that.

Lord Jamieson (Con): My Lords, under the Liberal Democrat administration, Windsor and Maidenhead Council's financial discipline has collapsed. The council is now seeking to impose a 25% council tax hike on residents. Does the Minister agree that local residents are paying the price of Liberal Democrat councillors failing to maintain financial discipline?

Baroness Taylor of Stevenage (Lab): When I hear the party opposite criticising Labour and Liberal Democrat local councils, whose main financial problem was the economic mismanagement of the previous Government, they ought to have another think about who they are attacking.

Major Defence Contracts

Question

3.01 pm

Asked by ***Lord Harlech***

To ask His Majesty's Government what assessment they have made of the economic impact of uncertainty surrounding major defence contracts.

Lord Harlech (Con): My Lords, I beg leave to ask the Question in my name on the Order Paper and declare my interest as a serving Army Reserve officer.

The Minister of State, Ministry of Defence (Lord Coaker) (Lab): My Lords, the Ministry of Defence recognises the importance of certainty in the MoD's demand signal for industry. Making the right procurement decisions is a key enabler for improving effective equipment delivery to the Armed Forces and ensuring greater value for money for the taxpayer. This Government are determined to establish long-term partnerships between business and government, promoting innovation and improved resilience.

Lord Harlech (Con): I thank the Minister for his response. Poland is now spending 4% of GDP on defence. Finland has a wartime strength of 280,000 and can call on a reserve of 870,000 troops. NATO allies are waking up to the fact that we must take defence spending seriously. Will the Minister do everything in his power to ensure that the Treasury understands why we must spend not 2.5% but 3.5% as a minimum on defence and make that change before the spending review?

Lord Coaker (Lab): I thank the noble Lord for his Question and, as I always do, acknowledge his service to our country as a reservist. On defence spending, he will know the Government's policy. In the spring the Government will set out a pathway to 2.5%. He will also be pleased to know that the Government have not waited for that; we have already increased defence spending by £3 billion in the next financial year. We are on a pathway to increased spending on defence.

Lord Stirrup (CB): My Lords, when the defence review finally appears, it is hard to imagine that it will not include a requirement for an innovative, agile and scalable defence industry. What impact does the Minister think that the continued uncertainty over funding, alongside the treatment being meted out to the defence industry at some of our academic institutions, will have on the long-term investor confidence so necessary to the future health of this crucial sector?

Lord Coaker (Lab): I say to the noble and gallant Lord that of course the defence industry will be an important partner for His Majesty's Government. He will know that we are currently consulting on a new defence industrial strategy. That consultation finishes at the end of February and we will come forward with various proposals to deal with the defence industry and promote it in the future.

This gives me a chance to take the point he made, which I think most noble Lords will take. He made the point about the inability of the RAF to go to certain university campuses to recruit and the inability of certain defence industries to go to certain university campuses to promote, quite legitimately, their sales and defence jobs. That is an absolute disgrace. I hope the universities take that on board and do something about it.

Viscount Stansgate (Lab): My Lords, does my noble friend the Minister not agree that the experience of the war in Ukraine has made it all the more important that we have an updated defence industrial strategy, and can he indicate when that will be brought forward to the House?

Lord Coaker (Lab): As many noble Lords have heard me say, the war in Ukraine has been a wake-up call not only for this country but for the alliances across the world. We need to be able to scale up our industry and do so quickly, and to reflect on the sovereign capability we need, so that we have that as well. It will require apprenticeships and investment in all areas of the country.

My noble friend also makes the point that we have to know what we wish to spend our money on. Whatever billions we end up spending, it will be important to spend money on the sorts of defence equipment and capabilities we need to meet the threats of the future, not those of the past.

Baroness Smith of Newnham (LD): My Lords, the SDR suggests that the defence sector is important for growth, yet a couple of weeks ago the *House* magazine pointed out that many SMEs in the defence sector are struggling, and some are thinking of moving out of defence. What assessment have His Majesty's Government made of this and what are they doing to support SMEs in the defence sector, which is so vital?

Lord Coaker (Lab): We are supporting the SME sector by spending billions of pounds on defence. The noble Baroness makes an important point about the importance of small and medium-sized industries. We often talk about the primes—the really big companies—

[Lord Coaker]
but they are often supported by small and medium-sized businesses, which are extremely important, along with ensuring we get investment across the country.

I will tell noble Lords the other thing that needs to be done. For decades in this country we have had a shortage of skilled workers and skilled apprenticeships, and certainly small and medium-sized businesses need help to recruit the skilled labour they need to deliver the products that they have on offer.

The final point I will make is that, clearly, we are now in a period of transition from pre Ukraine to post Ukraine. That obviously results in looking at who we are buying from and the sorts of things we are purchasing, and the defence review will deal with some of that as well.

Baroness Goldie (Con): My Lords, further to the point raised by the noble and gallant Lord, Lord Stirrup, it is the case that our defence industry sector has never been in greater need of the skills and talents of our brightest students, and the Minister failed to address the point specifically raised by the noble and gallant Lord. This House wants to know what are the Government doing to address the unacceptable intolerance whereby companies are hounded off campuses and barred entry to careers fairs? In particular, what are the Government doing to ensure that this obstruction to the supply of talent to the defence industry sector is removed?

Lord Coaker (Lab):: I am sorry if I did not answer the point raised by the noble and gallant Lord. The point the noble Baroness makes is extremely important, and she asks what the Government have done about it. The Secretary of State for Defence, and I think the Business Secretary, wrote to the universities concerned and asked them to ensure that obstructive factions within the student unions in their universities did not prevent the legitimate recruitment, with respect to the RAF, and the legitimate activities of defence companies as well to try to recruit. It is extremely important for all universities to understand that of course we accept the right of students to protest, and all the rights and freedoms that come under a democracy—that is what we are standing for in many of the conflicts in which we are involved across the world. But with that comes the universities' responsibility to do what they can to ensure that people pursuing legitimate activities—which will help the defence and security of our nation and our allies—are protected, and this Government will do all they can to ensure that they are.

Lord West of Spithead (Lab): My Lords, on Thursday evening, I spoke at the Cambridge Union on behalf of a motion that Britain should spend more on defence and needs more defence—and I am glad to say we won, much to my surprise. One young man came up to and said, "Do the Treasury actually understand how dangerous the world is and how important it is we should spend money on defence?" Does my noble friend the Minister agree that the Treasury does understand—or does it not understand?

Lord Coaker (Lab): I will give a very quick answer. I can tell my noble friend that the Treasury of course understands, and that is why the Government have agreed to spend more money on defence: £3 billion more next year and a pathway to 2.5% to be announced in the spring. That is a Treasury and a Government who recognise we need to spend more on defence, and we will do.

Lord Dobbs (Con): I welcome many of the remarks the Minister has made this afternoon, but is there not a big problem with the way we are conducting these discussions? All the time it looks as if we are discussing percentages between the Treasury and the Ministry of Defence, when in fact the strategic health of the world has changed for the worse. We need to involve the public more, to get them to understand why we need to spend more on defence. The Minister has made some very forthright remarks this afternoon, many of which I welcome, but do we not need to broaden out this argument and make it not just among ourselves but out there in the public field?

Lord Coaker (Lab): Again, the noble Lord makes a really important point and I agree: it is something that I have said from this Dispatch Box. The debate about the peace and security of our world, the defence of the freedom and democracy of our country, is something that is important and that we need to talk to the British public about. I think the British public are becoming increasingly concerned about peace and security and the threats to our country; that is why the defence review will look at homeland security, threats to undersea cables and all of those sorts of things. But let me say this: I say quite clearly from this Dispatch Box that the geopolitics of the globe is changing in a way that many of us perhaps did not expect. I think the British public understand that and certainly we in Parliament, across this House, understand it. We will have to address these points in a way we have not before. Of course, people want money spent on schools and hospitals, and all those things, and that will have to take precedence as well, but alongside that there can be nothing more important than the defence and security of the values we and our allies across the globe stand for.

Lord Cromwell (CB): My Lords, it is nowadays accepted that social media is a weapon of war these days. It was recently suggested to me by a senior military figure that we should spend as much on social media as we do on our hard kit. Does the Minister agree?

Lord Coaker (Lab): Shall I be honest? I do not know how much we should actually spend and whether it should be the same on social media as on hard power—tanks or fighter jets—but I do know, and I support the point the noble Lord is making, that every Member of this House understands and believes that the nature of warfare is changing. We have hybrid warfare now and threats that we did not expect: social media; attacks on our critical national infrastructure; and attacks on underwater cables. Clearly, we will have to spend more money, as a nation, on all those aspects of defence and security, and to prioritise within the existing defence budget. It is a changed defence environment and certainly social media is part of that. I say this: if we lose the fake news war, if you like, the social media war, we will be half way to losing some of the other battles that we will fight. That is why it is so important.

Mental Health Treatment: Waiting Times

Question

3.12 pm

Asked by ***Baroness Warwick of Undercliffe***

To ask His Majesty's Government what plans they have to reduce the waiting time for access to mental health treatment.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Baroness Merron) (Lab): My Lords, I am pleased to be answering this Question during Children's Mental Health Week. To ensure that high-quality support can be accessed in a timely manner, among other actions we are committed to recruiting 8,500 more mental health workers to cut waiting times, introducing access to specialist mental health professionals in every school and rolling out young futures hubs in every community.

Baroness Warwick of Undercliffe (Lab): My Lords, I thank the Minister for that helpful reply. There has been a 33% rise in mental health referrals since 2019 and it is particularly severe for children and young people, with an increase from 12% to 20% for those experiencing mental health conditions. This has not been matched by an increase in investment in services or additional staff to enable early intervention and speedy help. Many children have been forced to wait till their conditions escalate, putting a lot more pressure and exceptional demand on school counsellors and on community care. Can the Minister say exactly what the Government are doing to address these pressures, particularly on young people? How will she ensure that funding at local level will focus on their needs?

Baroness Merron (Lab): I agree with my noble friend's assessment of the impact of what is a totally unacceptable situation, particularly for children and young people. On the point about ensuring delivery locally, I refer your Lordships' House to the NHS planning guidance, published last week, which not only confirms our commitment to the mental health investment standard but sets out an objective to increase the numbers of children and young people under 25 accessing services in the forthcoming year compared to 2019.

Lord Carlile of Berriew (CB): Does the Minister agree that the long delays experienced by released prisoners in accessing necessary mental health care simply oil the revolving door of their return to prison? Will the Government give high priority to dealing with that problem?

Baroness Merron (Lab): We are extremely aware of the point the noble Lord helpfully makes. The matter of severe mental illness in prisoners has come up repeatedly in Committee on the Mental Health Bill, and we will continue to work to address the points he raised.

Baroness Tyler of Enfield (LD): My Lords, I welcome the fact that the new NHS operational planning guidance, which the Minister just referred to, includes targets for improving mental health care, learning disabilities and autism. What assurances can the Minister give that these targets will be properly reflected in the forthcoming spending review, the NHS 10-year plan and the updated NHS workforce plan to ensure we really do see parity of esteem between physical and mental health?

Baroness Merron (Lab): I can confirm the commitment of the Government to parity of esteem between mental and physical health services, as was outlined in our first programme of legislation confirmed in the King's Speech. It will have absolute regard in all the areas the noble Baroness refers to. I know she is aware that I cannot comment specifically on spending reviews, but all that will be announced publicly in due course.

Baroness Meacher (CB): My Lords, ADHD affects lots of children and, though treatable, it is often not treated. Can the Minister assure the House that treatment for ADHD will increase substantially to ensure children can get back to school and get on with their studies?

Baroness Merron (Lab): It is important that children with ADHD receive the right education and the right support. We are working with the Department for Education to make sure that happens.

Lord Davies of Brixton (Lab): I welcome my noble friend the Minister's replies to the questions asked. I know she is personally committed to improving the services provided to people suffering from problems with their mental health. However, is she aware of the concern that has been expressed by the Royal College of Psychiatrists that the increased autonomy allowed to local health authorities will, without clear guidance, lead to inadequate investment in mental health services? Can she provide some reassurance for the royal college?

Baroness Merron (Lab): I am grateful to my noble friend for raising this. There are whole areas in which we are seeking to turn this round, and I know my noble friend is aware of the challenges we face. To highlight just one, I refer him to the fact that the Government have chosen to prioritise funding for talking therapies and to deliver that expansion. That is really important because, in all of this, we have to make the move from dealing with sickness to prevention, and I believe this is a very strong example of how we can do that.

Lord Laming (CB): My Lords, does the Minister agree that, in mental health services, the gap between referral and treatment is getting longer and longer, and that delay is leading to a marked deterioration in the patient's experience? So far as young people are concerned, the delay has become incredibly long. Can the Minister assure the House that thought is being given to reducing the gap between referral and treatment?

Baroness Merron (Lab): The noble Lord makes a very important point. This is one of the many areas where long waiting lists and delays in people receiving

[Baroness Merron]
the necessary service are creating additional pressures on the individual, communities and the NHS. We are doing work in a number of areas, such as ensuring that NHS 111 can provide for those in crisis, or those concerned about a family member or loved one, so they can speak to a trained mental health professional. We are constantly looking at and providing new ways for people to get more instant access.

Earl Howe (Con): My Lords, do the Government see a role for employers in promoting the mental health of their respective workforces?

Baroness Merron (Lab): I certainly do, and with the NHS being such a large employer, that is one of the areas that we will be attending to. The long-term workforce plan will provide its report around the summer of this year and there will be much detail on how the workforce will be but also on the ways that we can improve its health and retention as well as recruitment.

Baroness Winterton of Doncaster (Lab): My Lords, my noble friend Lady Warwick spoke particularly about young people and provision in schools. Does my noble friend the Minister agree that there is a key role for educational psychologists and school nurses in ensuring that diagnosis can take place early? Does she believe there could be a greater role for academies and schools working together at local level to provide that type of provision?

Baroness Merron (Lab): I agree with my noble friend's suggestions. Of course it is a team that provides the mental health support that is necessary, but I am particularly pleased that we are working to deliver a mental health professional in every school. That is a starting point, not necessarily the end point, so my noble friend makes some very helpful suggestions.

Lord Markham (Con): I appreciate from my own time as Health Minister how difficult it is to meet the expanding demand, so I wonder if we are still looking at other methods to expand capacity, particularly digitally, both in terms of early diagnosis but also some of the digital mental health treatments which are quite impressive?

Baroness Merron (Lab): I am glad for the understanding of the noble Lord. NHS England is encouraging the local use of digital tools, for example digitally enabled therapies, and it is an extremely helpful way also of managing waiting lists so people are not just left waiting but they are held and supported, often through digital means.

Lord Paddick (Non-Afl): My Lords, I declare my interest as set out in the register. A policy of the police not attending mental health incidents, called "right care, right person", was developed by Humberside Police and adopted by the Metropolitan Police. What assessment has been made of the impact of this policy on those suffering from mental health issues?

Baroness Merron (Lab): I thank the noble Lord. Again, this is an area which has been explored in Committee on the Mental Health Bill and we are looking at the results of how that is working out, because we have to get the balance right between supporting people in crisis and also ensuring that the right professionals are in place.

Humanist Weddings

Question

3.23 pm

Asked by ***Baroness Thornton***

To ask His Majesty's Government what is the timetable for legalising humanist weddings in England and Wales.

The Parliamentary Under-Secretary of State, Ministry of Justice (Lord Ponsonby of Shulbrede) (Lab): My Lords, I am aware that humanists have long campaigned to be able to conduct legally binding weddings and fully appreciate why my noble friend is asking this Question. However, I am afraid I must repeat my previous Answer. As a new Government, we must take the time properly to consider our marriage law and the Law Commission's review on weddings before publicly setting out our position, which we will do in the coming months.

Baroness Thornton (Lab): My Lords, I had two responses prepared: "hurrah" and this one, which basically says that my noble friend the Minister has disappointed those who see this as a priority and who have for the last 11 years been asking the previous Government and now my own Government to take action. I would be grateful if he could meet me to discuss how best to take this matter forward; then, perhaps, I will not need to keep asking this question—which I will do until the matter is resolved.

Lord Ponsonby of Shulbrede (Lab): I am very happy to meet my noble friend—any time, any place. As I said, I am aware that a number of noble Lords have extremely strong views on this matter. The Government want to do this in a measured way. Other factors are in play, about which I have informed my noble friend; nevertheless, I am very happy to meet her.

Lord Birt (CB): My Lords, more Scots now choose a humanist wedding than those who marry in all other religious ceremonies combined, yet we deny that option to those who wed in England. The Minister emphasised, as he has previously, that England's centuries-old legal framework is more complex. If we want to align England's framework with contemporary belief and manifest social demand, can he identify any impediments in the way that cannot be easily and speedily overcome?

Lord Ponsonby of Shulbrede (Lab): I thank the noble Lord for his question and the letter he wrote to me recently, which I answered. Complexities were identified in the Law Commission report a number of

years ago which are real and need to be taken seriously. The Government are set on doing that, and on giving themselves the time so to do.

Baroness Berridge (Con): My Lords, I have previously raised with the Minister another issue with our marriage law with which he is familiar. There are cases where people—mainly women—go through a religious ceremony thinking that they have got married but they have not actually done so under UK law. They find that out only when things break down. Can the Minister outline the solution to that? Are the Government considering making it an offence to conduct such a ceremony without first having seen a civil certificate of marriage?

Lord Ponsonby of Shulbrede (Lab): I thank the noble Baroness for her question. I do not know the answer, but I will write to her, because she raises a very important point. When she asked a similar question a few weeks ago, I made the point that I regularly came across those types of scenarios when I sat as a family court magistrate. I add that the myth of common-law marriage exists not just in particular sectors of our society but across it. It includes the idea that women—it is usually women—get rights, but that is absolutely not the case. That is why the Government are undertaking to look at how the rights of people who have been in long-standing, cohabiting relationships can be addressed when those couples split up.

Baroness Burt of Solihull (LD): My Lords, the Minister referred to various difficulties, but Liberal Democrats and humanists do not see them. I echo the request of the noble Baroness, Lady Thornton: can those of us with a special interest in this area meet and put some new ideas forward, to make sure that we can move this along?

Lord Ponsonby of Shulbrede (Lab): I am very happy to meet the noble Baroness.

Baroness Whitaker (Lab): When this House heard the last of the very frequent and not very satisfactory Questions on this topic, my noble friend the Minister committed to conducting an equality impact assessment to evaluate the impact that this current ongoing delay is having on different groups. When will the Minister be able to share this with the House? Will he bring it to the meeting which has just been agreed?

Lord Ponsonby of Shulbrede (Lab): I cannot remember making that commitment, so I will need to write to my noble friend about that matter.

Lord Meston (CB): My Lords, the House should recognise that the Minister's answer of "in the coming months" is rather better than we have had before. Humanists and others simply want a marriage ceremony that reflects their beliefs, whether religious or not, and that will be legally recognised without unnecessary obstacles. Can the Minister confirm that the Government are now actively looking at comprehensive reform, in line with the Law Commission's 2023 recommendations, to help not just humanists but other similarly disadvantaged groups, even if that may take more time than we would want?

Lord Ponsonby of Shulbrede (Lab): I thank the noble Lord for that question. The Government are indeed looking at comprehensive reform. There are many anomalies within our current marriage law and a number of disadvantaged groups. We believe that we need to take our time on this matter to get the answer right, so I thank the noble Lord for his question.

Lord Lilley (Con): Can the Minister explain to those of us who do not know what either of them are like the difference between a registry office wedding and humanist wedding?

Lord Ponsonby of Shulbrede (Lab): I can answer that for the noble Lord, Lord Lilley. A registry office wedding is legally binding in the eyes of the law in England and Wales. A humanist wedding which is not conducted in a registry office would not be legally binding in that sense. A humanist getting married in England or Wales would essentially have to go through a two-stage process to be married in the eyes of the law in England and Wales.

Baroness Blackstone (Lab): My Lords, I congratulate my noble friend on dropping the rather meaningless phrase "in due time" and telling the House that this is going to be done in the coming months. By that, I assume that it will be within 12 months, because he said in the coming "months" and not in the coming "years". Can he assure the House that we will have legalised humanist marriages within the next year—in other words, in 12 months?

Lord Ponsonby of Shulbrede (Lab): I am very glad that noble Lords have noticed the change in wording since the last time this matter was discussed at Oral Questions. The commitment is that in the coming months we will review the situation in the light of the Law Commission submission, and we are well aware of the Labour Party's commitment in the manifesto.

Lord Dobbs (Con): The Minister must be feeling that it is Groundhog Day yet again, and it will continue, as the noble Baroness says, until we get a response on this—please. The Minister keeps talking about the complexities of these issues, but it is a complexity which has been resolved in Scotland, Northern Ireland, Jersey and the Isle of Man. It is not as though government should have come as a great surprise to the party opposite—it had plenty of time to plan for it. What is required is not more discussion and more complexity but a decision. Will the Minister please bring forward a decision at the earliest possible moment?

Lord Ponsonby of Shulbrede (Lab): My Lords, I have to disagree with the noble Lord. There is genuine complexity here, and there are other groups who are not bringing their cases to this House who are also disadvantaged, and we want to look at the complexities in the round. He talks about Scotland, but there is a different system in Scotland, and there are anomalies within Scotland as well. This all increases the complexity

[Lord Ponsonby of Shulbrede]
of the overall situation in England and Wales. We have taken a very small step forward, and I hope that we can fulfil the commitment to look at this matter as we said that we would.

Airport Expansion

Commons Urgent Question

The following Answer to an Urgent Question was given in the House of Commons on Tuesday 28 January.

"I know that the honourable Member feels passionately about the issue of airport expansion, but I would like to make it clear that the press stories that have generated this Urgent Question are speculative and I cannot comment on their contents. But we do have a world-class aviation sector in the UK. The Government are committed to securing the long-term future of the aviation sector, and we recognise the benefits of the connectivity it creates between the UK and the rest of the world. It is a sector that I am incredibly proud of. In 2022 the air transport and aerospace sectors directly provided around 240,000 jobs in the UK, of which just under 1,000 were in aerospace. In 2023 the air transport and aerospace sectors directly contributed around £25 billion to gross domestic product, of which around £14 billion was from the air transport sector and around £11 billion was from aerospace.

We have been clear that any airport expansion proposals would need to demonstrate that they contribute to economic growth, are compatible with the UK's legally binding climate change commitments, and meet strict environmental standards on airport quality and noise pollution. There is currently no live development consent order application for a third runway at Heathrow Airport, and it is for a scheme promoter to decide how it takes forward any development consent order application for that runway. The Government would carefully consider any development consent order application for the third runway at Heathrow, in line with relevant planning processes. The Secretary of State is currently considering advice on Luton Airport and Gatwick Airport expansions. As these are live applications, I cannot comment on them further today.

I understand the concerns of many Members of the House about how airport expansion may be compatible with our climate change targets. I would like to assure them that the Government have committed to delivering greener transport through sustainable aviation fuel and airspace modernisation. This will help meet the UK's net zero targets, and it supports the Government's mission to make Britain a clean energy superpower. Airport expansion will need to be considered carefully alongside these commitments".

3.34 pm

Lord Moylan (Con): My Lords, Heathrow Airport Ltd is a 100% privately-owned company, which is subject to a form of economic regulation with which many noble Lords will be familiar from the water sector. In that light, can the Minister confirm that the long-standing, cross-party policy that any project for a third runway should be paid for wholly by the private sector and not the taxpayer will continue, and in particular, that any proposal as part of that project to relocate, tunnel or bridge over the M25 is also part of the cost that is to be paid for by the private sector and not by the taxpayer?

The Minister of State, Department for Transport (Lord Hendy of Richmond Hill) (Lab): The noble Lord, Lord Moylan, is completely correct about the ownership of Heathrow Airport Ltd, which of course is likely to be a promoter—but possibly not the only one—of a third runway at Heathrow Airport. It certainly is government policy that a third runway should be paid for by a third party, but the detail of what it is and what other work is necessary to allow it to happen is not clear. The Government have invited proposals to be brought forward by the summer and promoters will hopefully make them, at which point it will then become clear how much they entail, how much other work is needed and how much they are proposing to pay for.

Baroness Pidgeon (LD): My Lords, the U-turn announced by the Chancellor in support of airport expansion across the south-east is astonishing. Can the Minister explain how a third runway at Heathrow will meet Labour's four tests—on growth across our regions, climate, air pollution and noise pollution? Does he agree that far more investment in regional transport infrastructure would be a more sustainable way to secure economic growth across the country?

Lord Hendy of Richmond Hill (Lab): I assure the noble Baroness that the criteria that she has set out for airport expansion proposals are indeed those that the Government would use to look at any application for a development control order. We do not have that application yet because this is in the early stages. However, the proposition that connectivity drives growth, jobs and housing in line with the Government's missions and the plan for change is no different in respect of air connectivity, which also drives economic growth.

Baroness Bennett of Manor Castle (GP): My Lords, in responding to my honourable friend in the other place, Siân Berry, on the question of how this could possibly fit within the Government's legal climate commitments, the Government suggested that the answer was sustainable aviation fuel. That currently represents less than 0.1% of aviation fuel, and it would take an awful lot of fried fish and chips if we were going to rely on used cooking oil. Does the Minister stand by the claim that somehow we will see a massive explosion in sustainable aviation fuel?

Lord Hendy of Richmond Hill (Lab): I suggest that "a massive explosion in sustainable aviation fuel" is probably not what the noble Baroness meant literally. But seriously, the answer is yes, as this country can be a leader in sustainable aviation fuel, which can support thousands of jobs, and the plan is for it to make up a much larger proportion of total aviation fuel. The Government are committed to our legal obligations to reach net zero in 2050, as set out in the Climate Change Act. The analysis that my department has done suggests that a third runway is compatible with net zero, because sustainable aviation fuel will make a

difference. The Government are proceeding with it, and there is a lot of investment in advanced fuels to get technology to move forward.

Baroness Winterton of Doncaster (Lab): My Lords, does my noble friend the Minister agree that airport growth can be a great stimulus to the local economy, especially in places such as Doncaster Sheffield Airport? The airport closed under the previous Government but I was pleased to see it mentioned by the Chancellor in her speech. Can he assure me that his department will do all it can to support the reopening of Doncaster Sheffield Airport?

Lord Hendy of Richmond Hill (Lab): I thank my noble friend for that question, and this department will do all it can to facilitate the reopening of Doncaster Sheffield Airport.

Lord Grayling (Con): My Lords, I was the Secretary of State who took this proposal through the Commons seven years ago, and I declare an interest as an adviser to AtkinsRéalis. The Chancellor suggested that work on the runway could begin before the end of this Parliament, which is only in four years' time, and that for that to happen, it would be necessary for the process to start part-way through it. Do the Minister and the department believe they have to go back to square 1 and start from the beginning with a national policy statement and then a DCO again, or do they believe that that process can be short-circuited and they could start somewhere further down the track?

Lord Hendy of Richmond Hill (Lab): The noble Lord is very familiar with the processes that have been gone through so far. The answer to that question is that it really depends on what is submitted by the promoter this summer. We all know that there was a proposal for a third runway in the north-eastern quadrant of the airport. To start with, it depends very largely on whether that submission is very similar to the one the promoter made previously or if there is something substantially different.

Baroness Kramer (LD): My Lords, in 2014, the cost estimate just to build the Heathrow third runway was £18 billion, to be paid for in the end by higher fees on the airlines. British Airways was clear that it would not pay. In addition, Transport for London costed the upgrade to local transport as between £15 billion to £20 billion, of which the airport offered to pay £1 billion—the rest was to fall on London businesses and TfL. That project failed because the business case is completely ludicrous. Will the Minister now update us on the range of costings and, more importantly, who will pay?

Lord Hendy of Richmond Hill (Lab): The costs of a third runway depend, of course, on the proposals of the promoter to deliver it. Without that proposition, we cannot usefully have a debate about how much it might cost, but my earlier answer to the noble Lord, Lord Moylan, stands about the cost of the runway itself. The only other thing I point out to the noble Baroness is that, since 2014, the Elizabeth line has opened, and a significant amount of extra railway capacity has already been provided to Heathrow Airport.

Baroness Blower (Lab): My Lords, a good deal of air freight arrives at Heathrow. Does my noble friend the Minister think it would be possible—and rather a good idea—to redirect some of it to Doncaster Sheffield Airport, which is currently standing idle, thereby freeing up possible slots for other flights to come into Heathrow, and possibly obviating the need for a third runway?

Lord Hendy of Richmond Hill (Lab): I am not intimately familiar with the proportion of air freight that arrives in Heathrow on aircraft solely adapted for cargo. My understanding is that much of the air freight that arrives there in fact arrives in the holds of passenger aircraft, therefore redirecting it is far from a simple process. But the earlier point about the success of regional airports stands, which is that the Government are very anxious to reopen Doncaster Sheffield and will do everything they can to achieve that.

Baroness Sugg (Con): My Lords, I am sure the Minister agrees with me that expansion must be affordable, improve operation resilience for passengers and freight, and be compatible with environmental commitments. The modernisation of our airspace is a key part of that; modernising our skies is a crucial project that has been going on for many years—I remember it well from my time as Aviation Minister. Can the Minister update the House on the progress of that important project?

Lord Hendy of Richmond Hill (Lab): I shall have to write to the noble Baroness, but otherwise I agree with everything she said.

Lord Wallace of Saltaire (LD): My Lords, the Minister will remember Boris Johnson's promises of levelling up. This Government's recent announcements on support for economic growth in transport and advanced manufacturing have favoured the south and east very strongly. Will they please ensure that in future planning they think about the impact on the rest of the country, and take into account that the south-east is short of water and is certainly short of renewable electricity?

Lord Hendy of Richmond Hill (Lab): An expansion of Heathrow will be of benefit to the entire UK, not just London and the south-east. A recent analysis suggested that over half the benefits would in fact be in the rest of the UK and not in the south-east of England.

Lord McLoughlin (Con): My Lords, in welcoming the Government's announcement that they are considering a third runway, may I ask the Minister what their attitude will be to airports outside London expanding? Does he think the expansion of Heathrow will at all put in danger the expansion of regional airports?

Lord Hendy of Richmond Hill (Lab): I will be interested to discuss with the noble Lord his view of the question he has asked, because, of course, he was Secretary of State for Transport in his time. Certainly, the view here is that it will not affect the development of regional airports. The Government are quite clear that the appropriate development of regional airports is the right thing to do for the development of regional economies.

Fiscal Policy: Defence Spending

Commons Urgent Question

The following Answer to an Urgent Question was given in the House of Commons on Monday 27 January.

"The Government's plan for change says that we will

'set out the path to spending 2.5% of GDP on defence in the spring'.

I am genuinely grateful to the honourable Gentleman for asking this Urgent Question. It gives me the opportunity to reiterate what the Prime Minister has said, what the Defence Secretary told the House on Wednesday last week, and what the Minister for Defence Procurement and Industry repeated in the House on Friday, which is that this Government have a cast-iron commitment to spending 2.5% of GDP on defence, and that we are already delivering for defence by increasing defence spending. At our first Budget, we announced an extra £3 billion on spending on defence in the next financial year".

3.45 pm

Baroness Goldie (Con): My Lords, last week I raised my profound concerns about the funding fog surrounding defence. Specifically on the Government's fiscal policy, I want to ask the Minister the following questions. First, given the recent gloomy projection by the CBI on job losses, what discussions have the Government had with major defence suppliers to assess the impact of the NIC increase on their workforce? Secondly, if the Government really value our Armed Forces personnel, why are they landing families with the full impact of VAT on private school fees, when the continuity of education allowance will meet only part of that increase—and yet they are prepared to exempt United States armed forces personnel in this country from paying VAT on private school fees?

The Minister of State, Ministry of Defence (Lord Coaker) (Lab): I thank the noble Baroness for her important questions. We are working closely with NATO in developing industrial capability. In particular, we are looking at how we develop interoperability between NATO partners—which, as the noble Baroness will know from her work, is an important consideration—to give us the capabilities we need.

The noble Baroness will know that the Government have increased the continuity of education allowance to meet 90% of the cost of school fees, which is line with the consistent use of that policy to meet school fees. On the US military exemption, the VAT rule applies to all businesses supplying services to US forces, so there has been no change in that regard.

Baroness Smith of Newnham (LD): My Lords, the Question referred to fiscal policy, and although there may not have been a change in the relationship with the United States, there has been an impact on His Majesty's Armed Forces. Such children are being sent to private school not through the parental choice that might be made in the civilian sector, but to ensure they can have a secure education while their parents are serving. The cost of education has just gone up through VAT. Is that not a problem? Could the MoD not talk to the Treasury about it?

Lord Coaker (Lab): On VAT on school fees and the impact on military families, as the noble Baroness, Lady Goldie, just pointed out, the Government have increased the continuity of education allowance, which now meets some 90% of the increase in fees that military families will face as a consequence of the VAT rise. That allowance is there to support military families in the way she said, and the VAT increase has been met in a way that is consistent with that policy, through the uplift in the allowance to 90%.

Lord Howell of Guildford (Con): My Lords, the Minister was speaking earlier this afternoon with perspicacity about the changing nature of warfare. Does he agree that when we talk of defence expenditure, we are talking far beyond the MoD budget and the cost of military equipment? New technology threatens and exposes the civilian population as never before, and more directly than at any time in our history. In the Russian attack on Ukraine, it is the attack on its infrastructure, facilities and energy systems that is seen as the main assault, undermining and demoralising the civilian population and destroying any achievements made on the front line. Will the Minister assure us that in looking at our defence expenditure, we are focused on energy and the fact that equipment now exists which would destroy our entire energy system and create social chaos in an amazingly short time?

Lord Coaker (Lab): I thank the noble Lord for his important question. Notwithstanding the debate about the total quantity of defence expenditure, he is right to point out the changing nature of warfare. We are looking to see how we can further protect the underwater cables that bring energy to this country; he might have seen some of the debate that took place last week on that. The RFA "Proteus", which was bought for the RFA by the previous Government, is one example of how we do that. The defence review is looking at the purchase of a second ship, and various other capabilities are being developed. The noble Lord also made the point about our own critical national infrastructure. There is no doubt that we will have to consider homeland security and how we protect that infrastructure, and the defence review will do that. As I said earlier, hybrid warfare and the way systems are impacted by data and those sorts of attacks also needs to be considered.

Lord West of Spithead (Lab): My Lords, it is absolutely clear to anyone who knows anything about defence that we need to spend more on our defence forces. I do not think I have come across anybody—including the students at Cambridge the other day—who does not realise that that needs to be done. Presumably, the

reason why it is taking time and we are not moving forward is the fiscal policy. Does my noble friend the Minister agree that if you lose a war, things such as the National Health Service, education and social care matter not one jot? Therefore, one ought to think very hard about making sure we prevent a war. One way of doing that is to ensure that we are properly armed, and that needs money.

Lord Coaker (Lab): I congratulate my noble friend on winning the debate at Cambridge; I meant to say that earlier. He makes a point about additional money, and there will be a debate about the overall level. I know my noble friend has his views about the level of defence expenditure. He will know that the Government will set out a pathway to 2.5% in the spring. As part of our increased defence expenditure, we will spend £3 billion extra in the next financial year. Of course, alongside all that, he makes the really important point—again, I have made it from the Dispatch Box—that part of the way you prevent war is by preparing for war. That is an unfortunate state of affairs. Deterrence is important. As a country and in our alliances across the world, we need to consider not only how we fight wars but how we prevent them, and deterrence has to be part of that.

Lord Lamont of Lerwick (Con): The noble Lord explained what the Government are doing to compensate service personnel who might be penalised by the VAT increase. Exactly the same problem arises with diplomats, who, again, necessarily have no choice except to educate their children privately. What are the Government doing to compensate people working in the FCDO?

Lord Coaker (Lab): I will have to write to the noble Lord about that to make sure that I do not inadvertently misinform the House. If he will allow me, I will write to him with a specific answer to that and place a copy in the Library.

Viscount Stansgate (Lab): My Lords, my noble friend will probably know that the Joint Committee on the National Security Strategy, of which I have been a member, is going to undertake a review of undersea cables and other areas of what we now call critical national infrastructure. Would he agree that, as a result of inquiries such as this into areas of defence that previously have not been considered in such great detail, our friends in the Treasury will have to acknowledge that modern defence threats will require novel Treasury solutions?

Lord Coaker (Lab): Whatever the Treasury may or may not think, and whatever the level of defence spending should or should not be, one of the important things coming out of the debates and discussions and questions from all parts of the House is that Ukraine has shown that the nature of warfare is changing, and the way we fought wars in the past is perhaps no longer appropriate. Of course, there is a need for mass and for traditional warfare. But the way in which the application of drones has changed the nature of warfare; the attacks on underwater cables that my noble friend pointed out; the threats to our homeland and to critical national infrastructure that the noble Lord, Lord Howell, referred to; and the data attacks and hybrid warfare that other noble Lords have referred to—all of these require us to discuss not only what the level of expenditure should be, but how we meet those challenges in a way that is relevant to the threats we face now, not those we faced in the past.

Lord Purvis of Tweed (LD): My Lords, I agree with the Minister that prevention is by far the best investment. The UK has many strategic interests around the globe in areas where there are increased levels of fragile and potentially conflict-afflicted states, which will require us to have more defence resource. Can the Minister please say that the reporting last week that the Government are now projected to cut by one-third conflict prevention work in development assistance funding was an error?

Lord Coaker (Lab): I read those reports, as did the noble Lord—I know that he takes a keen interest in all these matters. Whatever the rights and wrongs of those reports, we should reflect on what this country does to prevent conflicts in different parts of the world. The noble Lord has been to many countries where the UK, along with its allies, is preventing starvation, conflict and ethnic cleansing of one sort or another. I was in Nigeria last week and saw the immense activity of the British military and others to stabilise a country that faces real threat from the Sahel and from terrorists such as Boko Haram, Islamic State's West Africa Province and others.

I accept that there are sometimes questions about what is or is not being done, and what changes are being made to government expenditure in difficult times. But, without trying to deflect from difficult decisions or to say that we should not discuss cuts, sometimes we should, as a country, talk about what we actually do, rather than about the challenges we face.

Growing the UK Economy

Statement

The following Statement was made in the House of Commons on Wednesday 29 January.

"With your permission, Mr Speaker, I would like to update the House on the Government's work to unlock investment and secure economic growth. That is the No. 1 mission of this Government. Without growth, we cannot deliver on the priorities of the British people, cut NHS waiting lists, rebuild our schools or put more police on our streets. That is why the pursuit of growth is our first mission, putting our country on a new path towards a brighter future after 14 years of failure from the Conservatives. By helping businesses to invest and create wealth, we ensure they can provide jobs and opportunities that change lives, putting more pounds in people's pockets and rejuvenating communities across the country.

We have seen progress on that already, with huge private sector investments into our country since this Government came into service, but now we must go faster and further. We must help businesses and places to achieve their potential. We do that by being an

active and strategic state—one that works in true partnership with businesses, investors and local leaders to deliver for the British people in every corner of the country. That principle was at the heart of the Chancellor's speech earlier today in Oxfordshire, where she announced the latest steps that the Government are taking to drive growth across the country. I am pleased to update the House on those announcements now.

The economic growth we are pursuing must reach into every town, city and community across the United Kingdom—inclusive growth for everyone, not just those at the top—because there is untapped talent and unrealised opportunity throughout the country and we cannot let that go to waste any longer. If we can raise the productivity of major cities like Manchester, Birmingham and Leeds just to the national average, we will deliver an extra £33 billion in economic output. So I can confirm that our plans for regional growth will be hardwired into the spending review, the infrastructure strategy, the industrial strategy and our approach to trade and investment.

We are already providing £200 million of funding to support the development of a new mass transit system in West Yorkshire, and at the Autumn Budget we secured improved connections between towns and cities from Manchester through to York. We are also developing our plans to further improve connectivity in the north and across the country through our 10-year infrastructure strategy, which will set out our long-term vision for social and economic infrastructure across the country.

Today we are progressing with the Wrexham and Flintshire investment zone, focusing on the area's incredible strength in advanced manufacturing to leverage in £1 billion of private investment and create up to 6,000 new jobs. As the Chancellor announced at Davos last week, the Office for Investment will work hand in hand with local areas to develop opportunities for international inward investment, starting with the Liverpool city region and the North East combined authority, while the national wealth fund will build on its strength and combined authority engagement to build a pipeline of investable propositions with mayors, starting with strategic partnerships in the Glasgow city region, West Yorkshire, the West Midlands and Greater Manchester. Sticking with Manchester, we are giving our support to the Mayor of Greater Manchester's plan for the redevelopment of Old Trafford, creating new housing, new commercial developments and a new stadium—but, I am advised to inform the House, not necessarily government-wide support for the team that play there.

I am pleased to update the House on our new approach to the Oxford-Cambridge growth corridor, a hugely exciting opportunity for the UK and the British economy. For centuries these two cities have been synonymous with inspiration, invention and innovation. Economic analysis suggests that with the right support the region could bring a GDP boost of £78 billion by 2035, yet time and again Governments have failed to capitalise on this remarkable area, most recently in 2021 when the last Government dropped their commitment to what they called the Ox-Cam arc project.

Through underinvestment, poor transport connections and a lack of affordable housing, the incredible growth potential of the area has been squandered as people and businesses have been forced to move and invest elsewhere. No longer: the noble Lord, Lord Vallance, will act as our champion for the growth corridor, utilising his impressive experience in life sciences, academia and government to unlock growth opportunities across the region and promote its potential to investors across the world. We will establish a new growth commission for Oxford, to recognise and capitalise on the growth potential of this historic city.

We already know, of course, that transportation is a huge factor in the success of the country. Heathrow is the UK's only hub airport and our largest air freight hub by volume, connecting us to emerging markets around the world, opening up new opportunities for trade and investment. But its growth has been constrained for decades. Today we are announcing that the Government support and are inviting proposals for a third runway at Heathrow Airport, to be brought forward by the summer. This is an important infrastructure project expected to have positive growth impacts across the United Kingdom, and it has the backing of businesses and business groups including the CBI, the Federation of Small Businesses and British Chambers of Commerce as well as trade unions such as the GMB and Unite.

According to a recent study from Frontier Economics, a third runway could increase GDP by 0.43% over the next 25 years, with over half—60%—of that boost going to areas outside London and the south-east. It could create over 100,000 jobs in the local area and maintain Heathrow's status both as a global passenger hub and as the UK's largest air freight hub by volume.

Reforms this Government have introduced to speed up the planning system will ensure the delivery of the project and set it up for success. Once proposals have been received the Government will take forward a full assessment through the airport national policy statement to ensure that any scheme is delivered in line with our legal, environmental and climate obligations. We want the scheme to be value for money, and our clear expectation is that any surface transport costs associated with the project will be financed by private capital and should be sustainable and low-carbon. The Secretary of State for Transport will also set out planning decisions for further airport expansion at Gatwick and Luton shortly.

Crucially, I am pleased to announce that we are taking further steps in our transition to greener, cleaner aviation. At the start of the month, the sustainable aviation fuel mandate became law. Sustainable aviation fuel reduces carbon dioxide emissions compared with fossil jet fuel by around 70%. Today we are announcing an additional £63 million for the advanced fuels fund over the next year, and we have set out the details of how we will deliver a revenue certainty mechanism. Those measures will support investment and high-skill green jobs in plants across the United Kingdom, delivering sustainable aviation fuel here in the UK for UK consumption.

Transportation is equally important on a local level, and that is as true for the Oxford-Cambridge growth corridor as it is for anywhere else. This Government have confirmed that they will provide crucial funding for transport links, including upgrades to the A428 to

reduce journey times between Milton Keynes, Bedford and Cambridge, as well as for East West Rail with new services between Oxford and Milton Keynes starting this year. We have already received submissions to the new towns taskforce to build new developments along the new railway. At Tempsford, we will accelerate delivery of a mainline station on the east coast main line so that travellers can get to London in under an hour and to Cambridge in under 30 minutes once East West Rail has been delivered.

We will ensure that the pioneering work that has long been a hallmark of the area will continue. We are today committing to a new AI growth zone in Culham. We welcome the University of Cambridge's plan for a new flagship innovation hub in the centre of Cambridge, and a new Cambridge cancer research hospital will be delivered as part of wave one of the new hospital programme. Just yesterday, Moderna completed the build for its new vaccine production and research and development site in Harwell, while committing to invest £1 billion in the United Kingdom—proof that when we create the conditions for success, businesses can lead the way.

I am pleased to confirm for the House that the Environment Agency is lifting its objections to specific developments in Cambridge, so we will press on with plans to develop 4,500 additional homes, new schools and office, retail and lab spaces in and around Cambridge. In a further boost to the area, we have now agreed water resource management plans with water companies, unlocking £7.9 billion of investment in water resources over the next five years, including the new Fens reservoir serving Cambridge and the south-east strategic reservoir near Oxford.

This Government have come in with a purpose: to bring growth, and with it opportunity, to the country. In just six months, we have taken the tough decisions to make that possible. We are taking on the responsibility of a Government who deliver real change for people—no longer the hollow promises of the Conservative Party, but change delivered under this Labour Government, working with business and local leaders to drive the growth that will lift up this country. Now we must go further and faster so that the next generation and the generation after will have the opportunities they deserve, to ensure that Britain is strong and successful once again in a fast-changing world and so that everybody in this country can have the chance to succeed. Today's announcements will help make that a reality and show how our plan for change will build a better Britain. I commend the Statement to the House".

3.56 pm

Baroness Neville-Rolfe (Con): My Lords, the Government have told us that growth is their number one mission. That is the promise they have repeated again and again, and, given the difficult circumstances the country faces, that is sensible. That being the case, I am afraid that the Government's statements—both that of the Chief Secretary to the Treasury to Parliament and the speech given by the Chancellor—do not measure up to the scale of what is required.

Above all, we need a recognition that the first steps of this Government—spreading pessimism; rewarding recalcitrant unions with large pay increases without them being tied to productivity increases; increasing stifling regulation, particularly on employment and renting; and increasing taxes—are precisely what should be avoided. Instead, we need an optimistic mindset—seizing the issue, and shaking up those who are not contributing and could do more—and a determination to make real progress, not a flabby wish list with no indication of how it will be achieved in practice.

Last week, Lloyds Bank announced 1,600 job cuts after the CBI warned of a "significant fall" in business activity in the private sector, and the normally robust supermarkets announced large job losses. This is before we start to feel the effects of the Government's most burdensome measures, which come into force in April. Businesses are fearful, and consumers are showing caution in case they lose their jobs or face price rises that affect their families.

That does not mean to say the Government's proposals are not welcome, up to a point, if they contribute to stability and growth as we hope. The expansion of Heathrow seems to be central to the Government's plans to "unlock further growth", but this will take well over a decade to come to fruition and seems to be highly contentious in the Cabinet. Will the present proposal outlive the Chancellor? It seems doubtful.

The Chancellor highlighted the importance of the life sciences sector and referenced AstraZeneca. It must have been embarrassing for the Government to hear of its decision not to go ahead with the much-needed new vaccine manufacturing plant in Speke—a £450 billion investment. I know that the value for money rules are not straightforward, but could matters not have been managed to secure a better outcome?

Having studied the discussion in the other place, I would be interested to know more about how the growth package will help Northern Ireland and how the Office for Investment will provide a line of sight to opportunities across the country.

We agree with the Chancellor that we must focus on removing barriers to growth, and that that means cutting regulation. It also means reversing the way in which the public sector has started to crowd out the more productive private sector since its necessary expansion to a wartime footing during Covid, yet the Government seem determined to do the opposite. Can the Minister explain what assessment the Government have made of the impact of their extra regulations on economic growth?

I am particularly concerned about energy. History shows that cheap energy is vital to growth. Our businesses in the UK already have to cope with the highest energy prices in the developed world, and that is set to get only worse. That is terrible news for industries such as steel, cement and ceramics. I am sure the Government will come to regret their decision not to support the Rosebank field and the punitive tax on oil and gas, alongside the delays in nuclear rollout and grid connections. I would not want to be the Energy Minister when the lights start to go out.

This is not a debate about welfare, but it is clear that more needs to be done to get people off welfare and into work as part of the growth mission.

[Baroness Neville-Rolfe]

Perhaps I could end on some positives. I am glad to see the plans for new investment in reservoirs. Successive Governments have been slow to meet that need. The Thames Tideway tunnel has been an early success in the water area, on time and largely on budget, in an impressive partnership with the private sector.

The Government are right to press ahead with more housing and to lift some of the regulatory constraints, although they should be doing more in the London area, where the pressure of population is worst. I am particularly pleased to see the new focus on building around railway stations, a recommendation of the *Meeting Housing Demand* report by the Lords Built Environment Committee, which I chaired at the time. How do the Government propose to report progress in this area?

Lord Fox (LD): My Lords, I thank the Minister for sharing the Statement.

In a Janus-like switch from the gloomiest person in Whitehall, the Chancellor was all smiles last week. To cap that change in mood, she gave her much-heralded growth speech. The most notable feature, as far as I was concerned, was what was not in the speech.

We all know that committing the UK to a genuinely closer and more efficient trading relationship with the EU would be the quickest and most effective way of driving growth. That is why the Liberal Democrats have suggested a customs union as the most significant route to growth. If the Government do not believe us, they should commission the Office for Budget Responsibility to analyse the impact that a customs union with the EU would have on the economy and public finances, and then we could discuss the numbers.

Instead, the Statement was, in essence, a list of projects—some of them interesting, some of them less so. I believe they were intended to communicate as much a mood as actual projects. To cap the message was an exclamation mark: the announcement on Heathrow. I suppose the point of that was to suggest that the Chancellor and the PM were such growth ultras that they would even allow Heathrow an extra runway. Even though that is patently the wrong thing to do, seemingly the Chancellor was using Heathrow as a badge of her serious intent on growth. However, as we discussed just now in the previous Question, it is so far into the distance that it is growth window dressing. The numbers that are used are highly selective, and the estimated timings hopelessly defy reality when it comes to projects of that scale.

I think it was the former Chancellor George Osborne who coined the phrase "shovel-ready", implying that some projects could start immediately. This is rarely the case, so it would be good to get an idea of the start time for some of the projects that the Chancellor listed. For example, when will we get the announcements on Gatwick and Luton, and how shovel-ready are they? When does the Minister expect those expansions to have any effect on our economy? Similarly, the suggestions that talks may be reopened regarding Doncaster Sheffield Airport are welcome, but is that idea backed by any central government investment or is it just talks with cash-strapped local authorities?

With such a heavy emphasis on air travel in the Statement, it was inevitable that, by way of some sort of offset, the Chancellor would talk about sustainable aviation fuel. Can the Minister tell your Lordships' House the Treasury's estimate for what the percentage and volume of SAF used for air travel departing the UK will be by 2030? How effective will its implementation be?

Finally, on the Oxford-Cambridge growth corridor, I can understand how some would see this as a great idea, but how will the idea be made flesh? The noble Lord, Lord Vallance, is to be the champion, but what is he championing? Your Lordships will be aware that the journey between the two university sites passes through many local authorities. Each, I am sure, will have their own idea and vision of what this corridor would or could be. Will the ministerial champion have any powers to compel a joined-up plan? Will he have any money to cajole authorities to bend to his will, or is this corridor a possible railway link for some time in the future, with a few road works?

Meanwhile, the bird has flown. As we just heard, AstraZeneca, Britain's biggest public company, has pulled out of its proposed £450 million investment in a new vaccines plant, reportedly after "protracted discussions" with the Government. It is now no longer pursuing its plan for Speke. The implication is that the Government not only reduced the money on the table but did so very slowly. I do not want to hear from the Minister that the previous Government had not funded the offer. We know that they did not fund the offer; they funded virtually none of it. What I want to know is what thinking in the Treasury stopped the present Government funding this project? While having a Chancellor announcing airport expansions might make the odd headline, what delivers an effective message to future investors in this country is an announcement of the start-up of a project such as that.

As a result of this failure, can the Minister tell your Lordships' House that he now recognises that it is the job of politicians much more positively to drive negotiations such as those? It is politicians who have to step in and remove administrative barriers, and it is up to them to make projects like this happen.

The Financial Secretary to the Treasury (Lord Livermore) (Lab): My Lords, I am grateful to the noble Baroness, Lady Neville-Rolfe, and the noble Lord, Lord Fox, for their comments and questions. As noble Lords will know, and as the Chancellor reaffirmed in her speech last week, growth is the number one mission of this Government. Without growth, we cannot cut hospital waiting lists, put more police on the streets or improve the lives of working people.

The noble Baroness, Lady Neville-Rolfe, spoke about our growth mission. As she knows, there was no bigger failure of the previous Government than their failure on growth. With their austerity, their disastrous Brexit deal and their Liz Truss mini-Budget, the combined effect was devastating. Had the economy grown by the average of other OECD countries over the past 14 years, it would be more than £150 billion larger today. We did not hear much humility for that record from the noble Baroness, and there has still been no apology for it to the British people.

As the Chancellor said last week, low growth is not our destiny, but growth will not come without a fight. While this country has incredible potential, the structural problems in our economy run deep; the low growth of the past 14 years cannot be turned around overnight.

The strategy that this Government have consistently set out is to grow the supply side of our economy, recognising that, first and foremost, it is businesses, investors and entrepreneurs that drive economic growth, alongside a Government who systematically remove the barriers that they face. Our strategy is based on three elements: stability, which is the basic condition for secure growth; reform, which makes it easier for businesses to trade, raise finance and build; and investment, the lifeblood of economic growth.

On stability, the noble Baroness, Lady Neville-Rolfe, spoke about the Budget. It was this Government's duty in October last year to fix the foundations of the economy and repair the £22 billion black hole in the public finances that we inherited. We have always been clear that there are costs to responsibility—the increase in employers' national insurance contributions will have consequences for businesses and beyond—but the costs of irresponsibility would have been far greater. I think the noble Baroness knows that, which is why we have still heard no alternative put forward by the Conservative Party: no alternative for dealing with the challenges we face, no alternative for restoring economic stability and, therefore, no plan for driving economic growth.

The noble Baroness, Lady Neville-Rolfe, and the noble Lord, Lord Fox, both asked about AstraZeneca. Government funding must demonstrate value for the taxpayer; a change in the investment proposition by AstraZeneca led to a reduced government grant offer being put forward. We remain closely engaged, though, with AstraZeneca on work to develop our new industrial strategy and our thriving life sciences sector, which is worth £108 billion to the economy and provides more than 300,000 highly skilled jobs across the country.

The noble Baroness, Lady Neville-Rolfe, asked about job figures. The OBR forecasts that, over the course of this Parliament, employment will rise and unemployment will fall. Our announcement last week about the third runway at Heathrow could create 100,000 new jobs. The investment zone that we announced in Wrexham and Flintshire with JCB and Airbus could create 6,000 new jobs and the investment by Prologis at East Midlands Airport 2,000 jobs. There are plenty of reasons to be optimistic about the ability of our economy to grow and to create jobs.

The noble Baroness also spoke about business sentiment. In the Budget, we capped the rate of corporation tax and extended capital allowances for the duration of this Parliament. I hope that she will have seen the reaction of business leaders to the Chancellor's speech last week. A business survey, which came out straight after the speech, suggested that two-thirds of businesses now feel more confident about our country's growth prospects because of what the Chancellor announced. Rain Newton-Smith of the CBI said that businesses will welcome the Chancellor

"grasping decisions that have sat on the desk of government for too long",

showing that the Government are serious about growth and prepared to take the tough decisions necessary. Shevaun Haviland of the BCC said that

"these proposals can light the blue touchpaper to fire up the UK economy",

and Tina McKenzie of the FSB said:

"The positive energy in today's speech … has our backing".

The noble Baroness spoke about an optimistic mindset; I hope that she will respond by showing some of that same positive energy when it comes to the country's and our economy's prospects.

The second element of our strategy is reform. The noble Baroness, Lady Neville-Rolfe, spoke about welfare reform. We published our *Get Britain Working* White Paper at the time of the Budget to begin to tackle the unacceptable levels of inactivity that we inherited. We will publish a further welfare reform Green Paper this spring to begin to correct some of the incentives in the system.

The noble Lord, Lord Fox, asked about reform of our relationship with the EU. I know that he and I agree very much in our analysis of Brexit, and on the fact that the previous Government's disastrous Brexit deal permanently reduced GDP by 4%, so we have to reset our relationship with the EU—our nearest and largest trading partner—to drive growth and support business. He will have seen that the Prime Minister is in Brussels today to meet European Union leaders for the first time since Brexit.

The noble Baroness, Lady Neville-Rolfe, spoke about regulatory reform. We know that business has been held back by complex and unproductive regulation, which is a drag on investment and innovation. We have already issued new growth-focused remits for our financial services regulators and announced a new interim chair of the CMA. We will publish a final action plan in March to make regulation work better for our economy. On her question about a specific assessment, as she will know, the OBR sets out the economic consequences of all our policies.

The third pillar of our growth strategy is investment. As noble Lords will know, at the international investment summit, we saw £63 billion of additional private sector investment committed to our economy. In the Budget, we announced an additional £100 billion of public sector investment, which the IMF has been clear is vital to unlocking high levels of growth.

The noble Baroness, Lady Neville-Rolfe, asked about energy prices. I completely agree with her that that is one of the biggest contributions that we could make to our growth prospects. It is why the transition to clean energy is so important in driving those energy prices down. I am grateful for her support on our housing policy.

We are seeing some encouraging signs in the British economy. The IMF has upgraded our growth prospects for 2025—the only G7 country outside the US to see this happen—which gives us the fastest growth of any major European economy this year. A global survey of CEOs by PwC has shown that Britain is now the second-most attractive country in the world for businesses looking to invest, the first time the UK has been in that position for 28 years. This is all welcome news, but we are, of course, not satisfied with the position

[Lord Livermore]
we are in. We know that we need to go further and faster, which is why the Chancellor made the announcements that she did last week.

Whether it is the third runway at Heathrow, the Oxford-Cambridge growth corridor—creating Europe's Silicon Valley here in the UK—the new stadium at Old Trafford, investment in Teesside in sustainable aviation fuel, or reopening the airport in Doncaster, all of these things are the next steps of our ambitious plan to grow our economy and make working people better off.

The noble Lord, Lord Fox, asked specifically about the Oxford-Cambridge growth corridor, and the role of my noble friend Lord Vallance. My noble friend absolutely is there to join up all the different bodies that exist. The noble Lord, Lord Fox, asked about the specific powers that my noble friend has. Obviously, the Government have many specific powers in this respect and it is my noble friend's job to bring what is needed to the attention of the Deputy Prime Minister and the Chancellor so that they can use their considerable powers to do what is necessary to achieve the objectives that we have set out.

The noble Lord, Lord Fox, asked a specific question about Heathrow and sustainable aviation fuel. I will have to write to him on that point if he does not mind. I disagree with him overall in respect of his position on Heathrow, as I think he would expect. I see it as absolutely central to our growth prospects. The noble Baroness, Lady Neville-Rolfe, and the noble Lord, Lord Fox, asked about the timescale of the third runway expansion. We have asked Heathrow to come forward with plans by the summer. We then want to grant a development consent order in this Parliament. We will have spades in the ground at Heathrow in this Parliament, not years and decades into the future.

The noble Baroness, Lady Neville-Rolfe, also asked about Gatwick and Luton expansion. Decisions on those are both due to be made very shortly, but I cannot say more at this point about a specific timescale. She asked a question about Northern Ireland, about which I will also write to her if she does not mind.

We are making progress towards our number one mission of economic growth but, of course, we are not satisfied. We must go further and faster, so that we can put Britain on a better path and deliver for the British people.

4.16 pm

Lord Desai (CB): My Lords, does the noble Lord not agree that, because we had a debate on growth very recently, and because the question has been raised again, what we really need is an expert committee—perhaps your Lordships' Economic Affairs Committee—to inquire into why we have not had growth for the last 15 years and why all the policies that were tried by the last Government failed completely? If we learn from our experience, it might be more helpful than having frequent debates in your Lordships' House.

Lord Livermore (Lab): I am grateful to the noble Lord for his question. Obviously, it is not for me to suggest what inquiries the Economic Affairs Committee should conduct. If it were to conduct such an inquiry, I would certainly read its report with interest, and I think we would see that the record of the previous Government on the economy was nothing short of catastrophic—whether it was their austerity, which took demand out of the economy at exactly the wrong moment; their disastrous Brexit deal, which has reduced GDP by some 4%; or their disastrous Liz Truss mini-Budget. All of these things have done long-term deep-seated damage to the economy, which will take time to turn around, but I believe we are starting to turn that around and we will continue to do so.

Baroness Kramer (LD): My Lords, given the passenger forecast for a third runway of a doubling of passenger numbers at Heathrow, I was told that domestic passengers would come from all the regional airports because the airlines would cease to fly direct international flights from regional airports, including both Birmingham and Manchester, and instead feed to Heathrow. I was told that the international passengers would be almost exclusively transfer passengers—one of the reasons for arguing that not a lot of additional transport is needed into London. I understand why all of that works to create profits for the airport, but I find it very hard to see how that creates any growth. Can the Minister please explain how, particularly, that damage to the regions will help with regional growth and, frankly, how transfer passengers contribute significantly to overall growth?

Lord Livermore (Lab): I am grateful to the noble Baroness for her question. This is, I think, probably one of the few issues that we disagree on. Obviously, she is asking me to comment on what she was told several years ago, and I cannot necessarily comment on what she was told then. She is describing, I think, the concept of a hub airport, which is why Heathrow is such a specific proposition, and will lead to significant amounts of growth in our economy, not least because of freight. The amount of freight that Heathrow conducts, the increase in trade, and the new emerging markets that an expanded Heathrow will connect us to, will directly lead to increases in growth in this country. That is an incredibly valuable thing.

The noble Baroness spoke about regional growth and regional airports. I would simply point her to the enthusiastic response from regional airports. They have come out very strongly in support of an expanded Heathrow, because they know it will lead to expansion for them and growth and jobs in their areas. We know that, in terms of the economic benefits of the expansion of Heathrow, 60% of those benefits will be outside London and the south-east. So I genuinely disagree with the noble Baroness when she says that it is negative for the regions; I think this is a very positive point for regional growth.

Lord Lansley (Con): My Lords, I remind noble Lords of my registered interests relating to Cambridge and Oxford. I welcome what the Government are saying in their focus on the Oxford to Cambridge growth corridor, and the appointment of the noble Lord, Lord Vallance. But the establishment of an Oxford growth commission needs to run in parallel

with the existing work of the Cambridge Growth Company. Can the Minister tell us more about how the Oxford growth company can catch up in terms of the existing leadership team, budget and local political relationships that the Cambridge Growth Company has now established?

Lord Livermore (Lab): I am very grateful to the noble Lord. As he stood up, I was reminded that he contacted me last week on this point and I owe him a response. I apologise to him for not having got back to him quickly enough. What he said dovetails perfectly with what the Chancellor said in her speech. Clearly, the Cambridge Growth Company has been very successful under the leadership of Peter Freeman. We have now set up a growth commission for Oxford to review the barriers to growth that are holding the city back from reaching its full potential. At the moment, that is a specific team within MHCLG, but it has the potential to grow into something similar to what is happening in Cambridge. I do not think we would see any problem in that happening and developing in that way. What the noble Lord, Lord Vallance, is doing is complementary to that in terms of joining it up.

The whole point of the growth corridor is that we do not see it as two separate cities doing their own thing but instead join them up and see the benefits. People talk about it being Europe's equivalent of Silicon Valley. All the business reaction post the announcement has been incredibly positive in terms of what it can do and the benefits that it can achieve in attracting businesses into the area. The big problem businesses have is a lack of affordable housing and fast transport to move people about within that region. We are looking to address both of those things. I think we will be very supportive of what the noble Lord says about Oxford.

Viscount Stansgate (Lab): My Lords, I welcome the Chancellor's speech and the positive statement of intent that it conveys. I put it to my noble friend that one key ingredient is investment in science and technology. I draw the Minister's attention to one example. We know that we have strengths in the life sciences. A recent report by your Lordships' Science and Technology Committee, of which I am a member, on engineering biology, indicated an enormous new range of potential growth opportunities. When the Minister and his noble friend Lord Vallance come to consider what to do, I hope that special attention will be paid to reports of that kind, because that is the future.

Lord Livermore (Lab): I 100% agree with everything that my noble friend said. Innovation is one of the seven pillars of the growth strategy. R&D and innovation are absolutely vital when it comes to growth. He will know that life sciences are one of the eight sectors we have selected as part of the industrial strategy, because of the huge competitive advantage we potentially hold in that area. I held a round table last week with representatives of the life sciences sector. They have some incredibly exciting proposals to bring forward. They will be captured when it comes to the life sciences sector plan that we will bring forward as part of the industrial strategy before the spring.

Lord Macpherson of Earl's Court (CB): My Lords, the history of direct support for industrial investment is not a happy one, with much money wasted and few jobs created. Can the Financial Secretary confirm that the Treasury will continue to take a rigorous approach to assessing support for inward investment, based on the best value for money principles?

Lord Livermore (Lab): Yes, I can, and I am happy to say that I cut my teeth in the Treasury when the noble Lord was Permanent Secretary to the Treasury, and I learnt a lot from him. I very much agree with his view of the Treasury's role within Whitehall.

Lord Grayling (Con): My Lords, I remind the House of my interests as an adviser to AtkinsRéalis. I was also the Secretary of State who introduced the last Government's *Airports National Policy Statement*. The Minister has just said that he expects spades in the ground by the end of this Parliament. We are probably 12 to 18 months away from the new planning legislation so, for now, the Government have to go through an ANPS process. There are then likely to be judicial reviews, albeit curtailed as the Government intend, and then a DCO process. I asked the Transport Minister this afternoon whether he expected to be able to short-cut that process; he said he did not yet know and would not know until he saw detailed proposals from Heathrow in the summer. How can the Minister, and indeed the Chancellor, say they will get spades in the ground by the end of this Parliament? Those who have been through it before know that, unless the process changes, there is no possibility of that happening.

Lord Livermore (Lab): I was lucky enough to be in the House for the noble Lord's question to my noble friend the Transport Minister, and I obviously agree with what my noble friend said to him. In terms of timescales, the Government have asked Heathrow to come forward with its proposal by the summer of this year, and we have said that we want to confirm planning consent by 2028. That is obviously an accelerated process, but we are determined to do everything it takes to accelerate it. I am confident that there will be spades in the ground at Heathrow within this Parliament. The third runway is part of a wider programme of expansion of Heathrow, including various terminal expansions, so without question there will be spades in the ground at Heathrow. However, we also want to see spades in the ground for the runway within this Parliament.

Lord Hamilton of Epsom (Con): My Lords, as is predictable, the Minister trotted out the usual thing about the black hole of £22 billion. On the other hand, the Government are looking at departmental budgets, which by most people's reckoning are completely bloated, and looking for savings. What are the chances of those savings well exceeding £22 billion?

Lord Livermore (Lab): I am very grateful to the noble Lord for raising the £22 billion—he knows it is one of my favourite topics, and I am always very happy to talk about it. It was obviously one of the most shocking features of our inheritance from the previous Government that they had £22 billion of commitments that they did not fund and sought to conceal from various government bodies. That is deeply

[Lord Livermore]
shocking and should not be taken lightly. The noble Lord has said to me previously that the Government's budgets are bloated; most government departments would dispute that, after decades of austerity under the party opposite. We know that public services are stretched extremely thin. I have asked him before for his examples of that bloating, and what savings he would propose. I would be more than happy to discuss any potential savings that he has in mind, but I think they are unlikely to reach the level that he describes.

Lord Bichard (CB): My Lords, can the Minister reassure both me and the House that the Government and the Treasury understand that growth in the economy is about investing not just in capital projects but in people? We have seen an underinvestment in skills for the last 15 years. Are we going to see another few years when the skills element of growth is not given a priority? We are going to be debating it later in the week; I would like to know whether it features highly in the Treasury's considerations.

Lord Livermore (Lab): It does absolutely, and I agree with everything the noble Lord said. Investment in people is one of the key pillars of the Government's growth strategy, and skills falls under that, so it is a top priority. I talked about how the Chancellor's strategy is to improve the supply side of the economy and, obviously, skills are a key feature of that and of our ability to grow the economy. When it comes to all the various infrastructure projects we are talking about, we know that we are going to need the skilled labour to achieve them. I am happy to reassure him that it is central to our thinking.

Baroness Falkner of Margravine (CB): My Lords, the Statement says a lot about spades in the ground; it does not say very much about the UK's woeful productivity challenge. Is the Minister aware that Gareth Davies, the head of the NAO, has said that our public services cost too much and simply cannot deliver? Beyond the skills shortages, what is the Treasury doing to address the level of public spending that we have reached, which has gone from 33% to 36% in the last five years?

Lord Livermore (Lab): I am grateful to the noble Baroness for her question. I completely agree with her, which is why the Government have set a 2% productivity target for all government departments as part of the spending review. We have been very clear that, clearly, in a constrained fiscal environment, productivity and reform will be central to delivering better public services. In an environment where the noble Baroness opposite and I do not agree on very much, this is definitely an area where we agree, in terms of the importance of driving productivity not just in the private sector but in the public sector too. Please let me reassure the noble Baroness that this is absolutely top of mind as we consider the spending review decisions that we have to take.

Lord Sikka (Lab): My Lords, the key lesson from the last 14 years is that sustained economic growth cannot be secured without improving the purchasing power of the bottom 50% of the population. The two-child benefit cap, the winter fuel payment cut for pensioners below the poverty line and a freeze on personal allowances are just some of the impediments. Can the Minister say when these policies will be reversed and when steps will be taken to secure equitable distribution of income and wealth because, without money, people simply cannot buy products and services?

Lord Livermore (Lab): Although I disagree with my noble friend on some specifics that he raises, I think we all agree that it is right that we have a goal to raise living standards in every part of the UK by the end of this Parliament, which is why that is central to our *Plan for Change* targets when it comes to the economy. We have already provided stability to the economy, enabling the Bank of England to make two interest rate cuts; we have protected working people by keeping our promises on tax at the Budget; we have frozen fuel duty; and we have increased the minimum wage, and we are now seeing wages starting to rise. All those things are beneficial in terms of living standards. My noble friend will appreciate, though, that we have to grow the economy before we can start distributing the benefits of that growth.

Baroness Stowell of Beeston (Con): My Lords, to return to the Minister's remarks about innovation, how would he justify to the innovators and risk-takers who are starting up businesses and trying to scale up in the UK the day-one employment rights in the Employment Rights Bill? I refer him to another Select Committee report, published today, about scaling up AI in creative tech businesses and the barriers that they face. These, too, are priority areas for growth that the Government have highlighted.

Lord Livermore (Lab): I am grateful to the noble Baroness for her question. I know that this is an area in which she is particularly expert—far more expert, I am sure, than I am. I will say a couple of things. First, I completely agree: it is often said to me that the UK is a very good place to start a business and a less good place to scale up a business. I think that has to be central to our thinking when it comes to economic growth and growing those small businesses. When it comes to entrepreneurs and those who we want to take greater risks in our economy, one of the most important things we can do is ensure economic stability, because the more stable the economy is, the more willing people are to take the risks that we want them to take. She asks about employment rights. All the evidence now suggests that, the more secure a workforce is, the more productive it is. We were talking about productivity before and, on secure rights for workers, workers who are more economically secure are going to be more productive workers in the economy.

Baroness Wheatcroft (CB): My Lords, the Minister acknowledged the importance of resetting relations with the EU. I understand the importance of sticking to the golden rules his party has laid down about not rejoining the single market or the EU customs union, but does he acknowledge that it is really important to improve those trading relations as quickly as possible? Therefore, will the Government not just discuss but pursue wholeheartedly joining the pan-Euro-Mediterranean convention?

Lord Livermore (Lab): I agree with the noble Baroness's analysis, and we are absolutely dedicated to resetting our relationship with the EU, which is clearly our biggest trading partner. Following their meeting in Brussels in October, the Prime Minister and the President of the Commission agreed to strengthen the relationship between the UK and the EU, and last month at a Eurogroup meeting of EU Finance Ministers, the first to be attended by a UK Chancellor since Brexit, the Chancellor set out the need for a closer UK-EU economic relationship based on trust, mutual respect and pragmatism. The Chancellor has also said that she is absolutely willing to consider the customs partnership that the noble Baroness refers to. The noble Baroness is also right about speed: we recognise that delivering new agreements will take time, but we are ambitious, we have clear priorities and we want to move forward at pace.

Baroness Penn (Con): My Lords, I am glad the Minister found something else to agree with my noble friend Lady Neville-Rolfe on: the importance of affordable energy for growth. Can the Minister therefore clarify whether the Government endorse the more than doubling of the carbon price in the next five years, which is needed to achieve and deliver another of the Government's missions—that of clean power by 2030—as set out in the National Energy System Operator report?

Lord Livermore (Lab): I am grateful to the noble Baroness for that question. I will leave it to my right honourable friend the Secretary of State for DESNZ to bring forward the Government's response in that area.

Baroness Bennett of Manor Castle (GP): My Lords, Martin Wolf, the chief economics commentator for the *Financial Times*, this morning noted how trend growth across a wide range of global North countries continues to be at historic lows, reflecting real-world conditions such as increasing dependency ratios, and geopolitical and climate shocks. Mr Wolf said that

"the government could focus on redistribution instead"

of growth. Does the Minister agree with Mr Wolf that something such as a wealth tax could be a way to immediately address child poverty, ill health among working-age people, the housing crisis and the low spending power among the lowest 50% of the population by income that the noble Lord, Lord Sikka, alluded to?

Lord Livermore (Lab): I am grateful to the noble Baroness for her question, but I do not understand the contention at the heart of it. She talks about redistribution, but what is the growth she wants to redistribute if she does not believe in growth? She talks about a wealth tax, but what wealth is it that she wants to tax? She does not believe wealth should be created.

Sudan and Eastern DRC

Statement

The following Statement was made in the House of Commons on Tuesday 28 January.

"With permission, Madam Deputy Speaker, I will make a Statement on the situation in Sudan and eastern Democratic Republic of the Congo.

The latest conflict in Sudan has now lasted 21 months. This weekend, the Rapid Support Forces attacked the last functional hospital in the besieged city of El Fasher, in Darfur. The World Health Organization assesses that some 70 patients and their families were killed. The attack is far from isolated. In recent weeks, the RSF shelled the Zamzam camp where displaced people are trapped outside El Fasher, while there are disturbing reports of extrajudicial killings by militias aligned to the Sudanese armed forces in Wad Madani.

The Government condemn those attacks in the strongest possible terms. They show callous disregard for international humanitarian law and innocent Sudanese civilians. Exact figures for those killed and displaced in Sudan are hard to come by, but we know aid is being blocked from reaching those in need. This is, without a shadow of doubt, one of the biggest humanitarian catastrophes of our lifetime.

I saw that for myself last week in Adré, on the Chad-Sudan border, in the first ever Foreign Secretary visit to Chad. I felt a duty to confront the true horror of what is unfolding, to bear witness and to raise up the voices of those—mainly women—suffering so horrendously. Eighty-eight per cent of the refugees at the Adré crossing are women and children. I met nurses in a clinic fighting to save the lives of starving children. I met a woman who showed me her scars. She had been burned, she had been beaten and she had been raped.

Turning to the DRC, conflict has gripped the east for more than 30 years. An M23 rebel offensive at the start of this year had already seized Masisi and Minova. This weekend saw them enter Goma, the region's major city, which M23 last occupied in 2012. Brave UN peacekeepers from South Africa, Malawi and Uruguay have tragically been killed, and with hundreds of thousands having already fled M23 to Goma, there is potential for a further humanitarian catastrophe.

I have not yet travelled as Foreign Secretary to meet those fleeing eastern DRC, but the reports speak for themselves. This is one of the most dangerous places in the world to be a woman or a girl. Children as young as nine are being attacked and mutilated by machete-wielding militias. Around a quarter of the DRC's population are facing acute food insecurity, and there is frequent bombardment of the makeshift camps that shelter those who have fled their homes.

I regret to say that Foreign Secretaries updating the House on conflicts in Africa is something of a rarity. As I discussed yesterday with African ambassadors and high commissioners, the surge in global conflict includes the number in Africa almost doubling in the past decade. This is causing untold damage and holding back economic growth—the bedrock of our future partnership with African countries. But where is the outrage? Again and again in Adré, I was asked, 'What is the world doing to help us?' The truth is that if we were witnessing the horrors of El Fasher and Goma on any other continent, or, for that matter, seeing the extremist violence in the Sahel and Somalia anywhere else in the world, there would be far more attention across the western world. Indeed, one recent survey of armed conflict in 2024 contained spotlights on Europe, Eurasia, Asia and the Americas, but none on Africa. There should be no hierarchy of conflicts, but there is one. Every human life is of equal worth.

The impact of these wars is clear for all to see. We have only to be willing to look. I could not face atrocities such as these and shrug my shoulders. However, the House will also recognise the UK's national interest in addressing these conflicts. Irregular migration from Sudan to Britain alone increased by 16% last year. Unscrupulous smuggling gangs are looking to profit from the misery in places such as Sudan and the DRC. The longer these wars last, the greater their ripple effects. Neighbours such as Chad are working hard to manage this crisis alongside others nearby, but further escalation only increases instability and the risks of conflict elsewhere. With Sudan sitting along the major trade routes of the Red Sea and eastern DRC, one of the most resource-rich regions in the world, this is something that we cannot tolerate.

This Government, therefore, refuse to let these conflicts be forgotten. Working with Sierra Leone, the UK prepared a UN Security Council resolution on Sudan to address the humanitarian crisis. Shockingly, despite the support of every other member, including China, Russia wielded its veto, but Russian cynicism will not deter us. We will continue to use our Security Council seat to shine a light on what is happening and work with our African partners on broader UN reform.

We have also doubled UK aid to Sudan, supporting more than 1 million displaced people. I saw our impact at the Adré crossing, and announced a further £20 million to support food production and sexual and reproductive services. The UK is the third largest donor in the crisis, having offered almost £250 million in support this financial year.

We have been redoubling our diplomatic efforts as well. In the spring, I am looking to gather Ministers in the UK to galvanise international support for peace. We need to see three things: first, the RSF and the Sudanese armed forces committing to a permanent ceasefire and the protection of civilians; secondly, unrestricted humanitarian access into and within Sudan and a permanent UN presence; and, finally, an international commitment to a sustained and meaningful political process. Instead of new and even more deadly weapons entering the conflict, we want consistent calls for all political parties to unite behind a common vision of a peaceful Sudan. We will engage with all those willing to work to bring the conflict to an end.

On the DRC as well, the UK has reacted quickly to the current crisis. We now advise British nationals not to travel to the Rubavu district in western Rwanda, on the border with Goma. We are continuing our humanitarian assistance, having provided £62 million this financial year. This enables lifesaving assistance such as clean drinking water, treatment for malnourished children and support for victims of sexual violence.

Ultimately, however, we need a political solution. We know that M23 rebels could not have taken Goma without material support from Rwandan defence forces. My noble friend Lord Collins of Highbury and I have been urging all sides to engage in good faith in African-led processes. My noble friend Lord Collins spoke to the Rwandan and Angolan Foreign Ministers last week, and in the past few days I have spoken to Rwandan President Kagame and South African Foreign Minister Lamola. For all the complexities of such a long-running conflict, we must find a way to stop the killing.

Civilians in Sudan and eastern DRC must feel so powerless. Power seems gripped by those waging war around them. The Government and our partners cannot simply will a ceasefire into being, but that is not a licence for inaction. As with Gaza, it can take hundreds of days of diplomatic failure to reach even the most fragile of ceasefires. So for our part, the UK will keep doing all in our power to focus the world on these conflicts and somehow bring them to an end. I commend this Statement to the House".

4.37 pm

Lord Callanan (Con): My Lords, the latest atrocities unfolding in Sudan and eastern DRC are a sobering reminder of the human cost of conflict and the duties that we all share to respond decisively and compassionately. A brutal attack on the hospital in El Fasher, which has claimed the lives of 70 patients and their families, is a grim illustration of the callous disregard for international humanitarian law by many of these armed groups. Stories of women and children suffering unspeakable violence shared by the Foreign Secretary from his visit to the Chad-Sudan border really do underline the urgency of our necessary response.

In the DRC, the resurgence of M23 and the appalling reports of atrocities against women and children are heart-wrenching. There has been some fantastic reporting recently from British reporters in those areas. The bravery of the UN peacekeepers who lost their lives in Goma must not go unacknowledged, and we extend our deepest condolences to the nations that supplied them and to their families.

What concrete steps are the Government able to take to help to secure lasting peace in these regions? Diplomatic efforts are of course welcome, but can the Minister clarify how the Government plan to strengthen Britain's role in African-led peace processes and ensure sustained international engagement, especially with partners such as Rwanda and Uganda, who bear responsibility for much of the violence there? In the other place, the Foreign Secretary said that the Minister spoke to the Rwandan and Angolan Foreign Ministers last week. I would be interested if the Minister could update the House on what he discussed, particularly with the Minister from Rwanda.

It is deeply concerning that Russia vetoed the UK's and Sierra Leone's humanitarian resolution at the Security Council. What efforts are being made to circumvent the paralysis of the UN, possibly through regional alliances or coalition-building outside of the Security Council framework?

On humanitarian aid, I welcome the UK's commitment to increasing assistance, including the additional £20 million for Sudan and £62 million for the DRC. How do the Government intend to ensure that this aid actually reaches those in need, given the persistent blockages and insecurity on the ground, and the dangers for international organisations operating there?

Finally, I echo the Foreign Secretary's point about the lack of global outrage. The selective attention paid to different conflicts is not just morally indefensible but strategically foolish. Neglecting African crises risks

exacerbating instability, illegal migration and the proliferation of armed groups, all of which have consequences for all of us. We must never be indifferent to suffering, regardless of where it takes place. I urge the Government to maintain their focus on these crises, not just in the headlines but through sustained diplomatic and humanitarian efforts. I am sure that the House stands ready to support any measures that bring us closer to peace and relief for the benighted people of Sudan and the DRC.

Lord Purvis of Tweed (LD): My Lords, I am very happy to associate myself with the final remarks of the noble Lord, Lord Callanan.

The House is aware, as is the Minister, of my ongoing interest in supporting Sudanese civilians in exile. The humanitarian suffering continues on an enormous and heartbreaking scale, with what the US had previously categorised as genocide in Darfur, again, and atrocities committed by both sets of belligerents, civilians slaughtered by Chinese drones, reports of chemical weapons being used, and the systematic blocking of humanitarian aid to the communities that need it most, especially women and children.

There are still far too few safe zones, which should have been established many months ago. The Minister is aware that I have supported the Government's work at the Security Council. It is worth reminding ourselves that, had it not been for the Russian veto, many of the diplomatic actions and work that we have been calling for would have been put in place as a result of the UK-drafted resolution.

The scale is enormous. That was brought home to me when I was in Nairobi last weekend, with civilians in exile, as part of dialogue. One of the former diplomats who is working tirelessly to try to bring about cohesion in the civilian voice told me that his brother had been killed the day before.

For those who are working to try to bring about an end to the war, who cannot return home and who have many family members at home in great peril, this is very real. In a country in which so many of its population face starvation—although Sudan is a country that could feed itself, and indeed export food elsewhere—there are still the basic needs of clean water, medicine and food.

Will the Minister reassert that there should be no impunity for those who are afflicting these terrible breaches of international humanitarian law and war crimes on the civilian population? There should be no hiding place for those who are committing the atrocities, or for those who are systematically blocking food, hydration and medicine. These are war crimes and need to called out as such. I commend the work that the UK is doing with others to ensure that there is the proper collation of evidence, so that there can be consequences to this.

It is not just about those who are afflicting the war crimes; it is about those who are profiting from it. I appeal to the Government to do more to reduce the illicit gold trade. I read a credible report that that part of the economy of Sudan is now more profitable as a result of nearly two years of war than it was prior to the war commencing. That means that near neighbours, including allies of the United Kingdom, are profiting from this humanitarian horror. What work are the Government doing to ensure that there is no profit from war for many of those within the Gulf or near neighbours who are seeking transactional relationships with the belligerents in the gold trade?

The same goes for possibly the most disgusting trade of all: that in human beings. There has been a proliferation of trafficking and smuggling. What actions are all parts of the UK Government taking to ensure that that element of the war economy is closed and there is no future for those who are profiting from war by securing advantage in any form of peace?

I welcome the Foreign Secretary's visit to the Chad border, and what he has said and is doing, as well as the work of our envoy and diplomats. Indeed, we are lucky to have the Minister for Africa in our own House, and I commend the work that he is doing. However, given the reports that the RSF may be seeking to form an administrative authority of its own, which it will call a Government, can the Minister confirm that we will not recognise or provide legitimacy to the RSF? At the moment, there is too much consideration of what Sudan might be if it becomes like Libya: two Governments—two competing authorities. The RSF may seek to an end to the war but it will also seek to have permanent influence; however, it should have no right to govern Sudan.

Does the Minister agree that there is an urgency to this? We are just a matter of eight or nine weeks from the second anniversary of the war, but there should be no third year. All efforts should be focused on these short weeks ahead to ensure that there is diplomatic effort to bring the belligerents to the table and to create the space where civilians can have the opportunity to govern one civilian-led Sudan at the end of the process.

Can the Minister say what assessment the UK has made of the terrible decisions that the Trump Administration are making on USAID? Have waivers been provided for US humanitarian and food assistance in Sudan? What is the Government's assessment of the likely impact of the USAID decisions?

Turning to the DRC, there is little surprise that there has been ongoing territorial violence in that region; many have warned about that for many months. I commend the UN forces and any UK personnel who have been contributing to the end of this. I also send condolences to the families of those who have paid with their life in attempting to have peace in this area.

The work of the Rwandan Government and M23 has been raised in this House repeatedly. I raised it in June 2023, when I asked the Minister's predecessor what actions the UK Government were taking with the Rwandan Government to cease the latter's funding and support of the M23 group. It was marked that the previous Administration refused to make any public statement, probably because of the partnership agreement that they had signed with the Rwandan Government. I hope that the Government will not be shy of the consequences for UK funding support for the Rwandan Government if the latter continue to support an organisation that has been repeatedly held up for multiple violations of international humanitarian law

[Lord Purvis of Tweed]
and human rights abuses. Can the Minister comment on whether the Nairobi and Luanda process has now completely ended?

I close with an appeal to the Minister. What we have seen, both in Sudan and the DRC and with the Trump Administration, is that the need for UK development assistance and presence is greater than ever before. If there was ever an opportunity for the Government to review, take stock and then change course on their cut to development assistance, it is now. As well as helping with conflict prevention and humanitarian assistance, we need to ensure that the UK's global soft power can be a force for good, and so we should not follow the Trump Administration in reducing official development assistance.

The Parliamentary Under-Secretary of State, Foreign, Commonwealth and Development Office (Lord Collins of Highbury) (Lab): My Lords, I thank both noble Lords for their comments.

I will focus first on the DRC, because the noble Lord, Lord Callanan, asked for an update. I decided that it would be better to discuss this Statement today so that I could afford the House an update on the situation. The United Kingdom remains firmly of the view that all parties should cease hostilities and return to diplomatic talks immediately. Their engagement in good faith in African-led processes is absolutely key. Of course, there can be no military solution.

Noble Lords will be aware that I have been engaged in following this conflict since day one. The very first country I visited was Angola, followed by the DRC and then Rwanda. Throughout those visits, I was focused on President Lourenço's attempts at a new peace process to ensure that there was an inclusive process that could guarantee a future secure peace.

When I arrived in Angola, the Government there announced the ceasefire, and our attempts since that day have been to ensure that that ceasefire held. When we saw and heard the movement of M23 towards Goma, we made very clear our view that that should not happen and that Rwanda should cease supporting M23—and there was clear evidence that RDF forces were there also, supporting that move on Goma.

When I spoke to the Foreign Minister of Rwanda on 24 January, I made it clear that such a move would have consequences: the international community would respond on a collective basis—and the Foreign Secretary made the same call the next day to President Kagame and repeated that. Now, of course, Goma has fallen and it looks like M23 is determined to move further to Bukavu.

I have had conversations with the Angola Foreign Minister, as well as the DRC Foreign Minister, repeating the fact that we should keep Luanda as a process that is there and which can guarantee an inclusive dialogue if ceasefire is held and the combatants stop fighting immediately. I spoke to the Ugandan Foreign Minister just an hour ago to reiterate that collective view about the way forward in terms of the Luanda process and ensuring peace. The Foreign Secretary has had conversations with European allies, including the EU high representative, and I have also had conversations with European Foreign Ministers on the same subject. Yesterday we had the G7 statement, which very much reflected the United Kingdom's position of ensuring that those combatants cease their conflict and cease moving towards the second largest city in eastern DRC. I know that the Foreign Secretary also had discussions with Secretary Rubio on this question, and the United States and the United Kingdom both remain concerned about the situation and want to ensure that there is de-escalation and a ceasefire as soon as possible.

We also should not underestimate the huge humanitarian impact of this conflict. Hundreds of thousands of people have been forced to flee since the beginning of the year. Currently, 7 million are displaced, and that has huge impact. We have also seen the terrible rise of sexual violence in conflict, which of course we are absolutely focused on. We also saw foreign embassies attacked in Kinshasa; fortunately, our staff were secure and safe. I have made it clear to the Foreign Minister, and I know the Foreign Secretary made it clear to President Tshisekedi, that the protection of diplomatic staff is essential.

We are going to take the matter forward. We are reflecting on our actions, but we think it is really important that we are sending a very clear message to Rwanda that it must cease this support and return to the negotiating table. We have made it clear that its presence in DRC is unacceptable. So we are not holding back in terms of communications, but we are absolutely determined to support the African-led peace processes, and SADC and the other regional organisations are very clearly coming to that view too. I will keep the House updated on what our attempts deliver, particularly as we move to a further meeting of the UN Security Council. We have already had two on the DRC, and we are absolutely committed to that collective action.

I appreciate the comments of noble Lords regarding the Foreign Secretary's visit to Chad. I think it is the first visit of a Foreign Secretary to that situation. His visit to Adre, on the border, made absolutely clear our focus on the humanitarian situation and how to get aid in. This has created the worst humanitarian crisis, with half of Sudan's population, 30 million people, in urgent need of aid, 12 million having been forced from their homes and 8.7 million on the brink of starvation. We need to move this up the global agenda and we are certainly determined to. We have worked with international partners, as a penholder at the United Nations Security Council. Noble Lords have mentioned the Russian veto on our last attempt, but that has not stopped us raising this question at the UN. We are focused on the Secretary-General's call for the protection of civilians and in particular holding the combatants to their Jeddah commitments, to ensure that there is a mechanism to protect civilians.

We are absolutely convinced that more needs to be done. We are convening a meeting of foreign ministers, hopefully next month, in London, to galvanise efforts on Sudan, in particular on humanitarian support but also in terms of a political solution. The noble Lord knows very well how we have been seeking and supporting civilian actors in Sudan so that we can see a return to a civilian-led government. The integrity of Sudan is absolutely vital. We cannot afford to see it collapse and we are certainly not accepting that there should be

any breakaway or any recognition of any force outside the move towards a democratically elected Sudan Government.

Of course, we have recognised the scale of this crisis with an unprecedented response. The Foreign Secretary has doubled UK aid to Sudan this year, as well as visiting the border in Chad to draw attention to the crisis. I am clear that we all must do more. Funding is just one part of the problem. Far too much of the aid already committed is unable to reach those who need it most. We are pressing all parties to ensure that there is safe and unimpeded access to humanitarian support.

4.57 pm

Lord Alton of Liverpool (CB): My Lords, during the previous war in Congo, some six million people died. Can the Minister tell us what he believes is driving the conflict in the DRC, given that what are being called "blood minerals" are regularly sold through the markets in Rwanda? What have we said to our Commonwealth partner Rwanda about the exploitation of the DRC's natural resources and how this is empowering groups of rebels to take the law into their own hands and to drive on the conflict?

In the case of Sudan, the noble Lord, Lord Callanan, referred to the bombing of the hospital in al-Fashir, with the deaths of some 50 people. A further 70 people died in the nearby market as well. What are we doing to collect evidence to ensure that those responsible will be brought to justice? Far too many people who were responsible for the earlier genocide in Darfur are still roaming the land with impunity and fuelling the present conflict. I think the House would like to know what is being done to hold those to account who have been responsible for those atrocities.

Lord Collins of Highbury (Lab): I think that the noble Lord appreciates that the issues surrounding this conflict are clearly complex in terms of the history of eastern DRC. We should not forget the genocide that occurred in Rwanda, which after all is only 30 years ago. However, the integrity of the Democratic Republic of the Congo is important, and international law is important. That is what we have been focused on. As I mentioned, we have been supporting inclusive talks so that, where there are concerns, they should be addressed in those negotiations. I felt confident that at the meeting on 15 December we would make progress, but sadly we did not.

I am deeply concerned by the reports from the UN group of experts about M23 and Rwanda illegally extracting critical minerals from the DRC, including coltan. We have made our concerns known and will continue to do so.

On Sudan, the UK condemns in the strongest terms the increasing reports of atrocities being committed across Sudan, particularly in Darfur and al-Fashir, as the noble Lord mentioned. The Foreign Secretary issued a tweet on this subject, particularly in relation to the hospital. We are committed to doing everything in our power to ensure that those responsible are held to account. That means ensuring that those parties remain committed to their Jeddah commitments. We also strongly support the ICC's active investigation into the situation in Darfur, and we welcome prosecutor Khan's report and briefing to the council. We are absolutely committed to hold these people to account.

Lord Anderson of Swansea (Lab): My Lords, I commend my noble friend the Minister on his initiatives and his very strong personal commitment of long standing to peaceful solutions to conflicts in Africa. Clearly, both these conflicts depend in part on the lure of natural resources and on external intervention—Qatar and others in Sudan and Rwanda in the DRC.

Can my noble friend say what leverage we have, and are we prepared to use it in a clear form? For example, in 2012, the British Government froze our aid to Rwanda, which led fairly speedily to a solution to the M23 intervention in the DRC. Would we consider a similar intervention?

Lord Collins of Highbury (Lab): I thank the noble Lord for his comments. The Foreign Secretary's Statement in the other place last week made it clear that we will be working with our allies, and this is the important thing; we want a collective, international response that shows how serious and concerned we are about Rwanda's activities in the eastern DRC. The first point is the one made by the noble, Lord Purvis: we have been absolutely clear in our message that it is unacceptable and there should be an immediate ceasefire. I will not speculate on what actions the international community will take, but rest assured they will be serious and will have an impact.

On the extractive industries and the mining situation, it is important to say that, when I first met President Lourenço, we talked about the Lobito corridor; we talked about the potential that Africa, and particularly that part of Africa, has in terms of greening the global economy. It has huge potential, and the DRC has the biggest amount of potential. We have focused in all our talks on saying there is a dividend for peace here—let us look at the future and not focus on the past. Sadly, we were unable to deliver that vision at the 15 December summit, but I am confident that we can refocus efforts on that and ensure we focus on progress in Africa.

Lord Bellingham (Con): My Lords, following on from the Minister's point and what the noble Lord, Lord Alton, said, Rwanda is now exporting more gold and, in particular, more smart tech minerals than it is producing in country. So is there an argument for this Government to put pressure on the major tech companies to look at their global supply chains? Especially as, for example, the UN group of experts pointed out that there is now compelling evidence that minerals smuggled out of the DRC have been used by Apple in constructing its latest generation of iPhone.

Lord Collins of Highbury (Lab): As I have said, we have seen those reports from the mission and expressed serious concern about the exploitation of those minerals in the eastern DRC for the benefit of both M23 and Rwanda. We have expressed our concern. Again, I will not speculate on what action the international community takes, but the noble Lord can rest assured that we are determined to act on a collective basis that has the most impact.

Baroness Blower (Lab): My Lords, I commend my noble friend the Minister on his comprehensive presentation. Clearly, it the most awful of situations, and I would like to say a word about the exploitation of children in the extractive industries, which I am sure the noble Lord agrees with. Very many children who should be in school are in mines in the DRC. As the Secretary of State noted in the other place, there has been a 16% increase in what he described as irregular migration from Sudan. On that basis, can the Minister say whether we are considering the possibility of safe and legal routes for people who may be in a position to leave Sudan, particularly those who may have family in the UK? I realise that that is very far from the answer to this problem, which should be African-led and should take place in Sudan.

Lord Collins of Highbury (Lab): My noble friend is absolutely right in her latter comments. Since the conflict began in Sudan, 3.6 million refugees have fled to neighbouring countries, including Chad, Egypt, South Sudan, Uganda and the Central African Republic. As the Foreign Secretary said, we have already seen an increase in people crossing into Europe, with the number of Sudanese people arriving irregularly to the UK increasing by 16% from the previous year to 2,882. Not only is UK aid vitally needed on humanitarian grounds but it will help people to stay within their immediate region. Having 3 million people trying to cross the Mediterranean is just not acceptable. We have to focus on those neighbours and on a solution for Sudan. We are committed not only to ensuring that we deliver the humanitarian aid that is so vitally needed now but to finding a political solution that ensures that we return to one Sudan, with a civilian-led Government who will put the interests of the Sudanese people first. That is what we need most.

Lord Ahmad of Wimbledon (Con): My Lords, I draw attention to my entry on the register in working for organisations committed to conflict prevention and resolution. In commending the Minister and his efforts across the piece, I put on record our thanks—I know, having sat where he is, the focus that a Minister engaging at this level brings. Turning to the important responsibility he now carries on preventing sexual violence in conflict, as the Minister will know, the biggest tragedy of all the tragedies that unfold in conflict is that it is the most vulnerable, particularly women and girls, who are targeted in the most abhorrent way by crimes. Over many years, we have supported the Panzi Hospital in the DRC and the excellent work done by Dr Mukwege. Can the Minister please update the House on our continued support for these initiatives that are helping victims at a time when they are facing the worst kind of tragedies and violations of their being?

Lord Collins of Highbury (Lab): The noble Lord is right. I met Her Royal Highness the Duchess of Edinburgh last week and we talked about that hospital and the vital need to support it, and we continue to do so. As the noble Lord knows, the situation is extremely difficult. With fighting going on between combatants, it is extremely difficult to get in the support that is required, but we are committed to doing so and are supporting every effort to do so. He is right that we should focus on ensuring that the voices of those people suffering such abuse are heard. We have done that in Sudan—we raised it at the UN General Assembly, where we held a meeting so that survivors could speak—and we are determined to do that in the DRC. Many of those in internally displaced people camps have suffered from all kinds of sexual violence. We are focused on supporting them with aid and support, and giving them a voice so that the leaders of the DRC and Rwanda can hear the true consequences of their actions.

Lord Hannay of Chiswick (CB): My Lords, the Minister referred to the genocide 30 years ago in Rwanda. I suppose nobody in your Lordships' House can feel that more painfully than me, since I was the British ambassador to the United Nations at the time. I am all too well aware that, along with the rest of the international community, we did not come out covered with glory. But we really cannot allow that argument to justify the invasion of a neighbouring country, with the Rwandan military force operating in the DRC. Rwanda has used that argument again and again. Has not the time come to say very clearly—perhaps privately—to the Government of Rwanda that we are not prepared to justify or condone what they are doing in the DRC because of our failings in the 1990s?

Lord Collins of Highbury (Lab): I hope I made it absolutely clear that we have communicated to the Government of Rwanda that it is totally unacceptable to invade a neighbouring country and to have forces present there. We have made that absolutely clear. When I spoke to the Foreign Minister of Rwanda, I attempted to halt that advance, as did David Lammy when he spoke to President Kagame. In response to the noble Lord, Lord Alton, I acknowledged that there are complexities to this conflict and issues that need to be addressed in an inclusive peace process. We were nearly there on 15 December—agreement had been reached. Sadly, one of the parties decided, right at the last moment, that they would not participate. We then saw the sudden surge and advance of troops towards Goma. We tried to stop that; sadly, we could not. The noble Lord, Lord Hannay, is right that it is totally unacceptable to invade a neighbouring country in the way that Rwanda has.

Terrorism (Protection of Premises) Bill

Committee (1st Day)

5.12 pm

Amendment 1

Moved by ***Lord Davies of Gower***

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

"Purpose: protection of premises from terrorism

(1) The purpose of this Act is to protect premises from terrorism.

(2) The Secretary of State must, in taking any actions under the provisions of this Act, have regard to this purpose."

Member's explanatory statement

This amendment would place a duty on the Secretary of State to have regard to the purpose of the Act, namely to protect premises from terrorism.

Lord Davies of Gower (Con): My Lords, this amendment seeks to insert a new clause before Clause 1 that aims to clearly establish the purpose of this important Bill: namely, the protection of premises from terrorism. Before I begin, I was very sorry to hear that there has been a stabbing and subsequent death at a school in Sheffield this afternoon. I know I speak for the whole House when I say our hearts go out to the victim, their family and the people of Sheffield at this difficult time.

The events of recent years have made it tragically clear that terrorism remains one of the gravest threats facing our nation. The horrifying attacks at the Manchester Arena, London Bridge and Borough Market are seared into our national consciousness. These atrocities were targeted not just at individuals but at our entire way of life. They were aimed at places where people come together to live, work and celebrate life. It is the duty of government to protect our citizens and public spaces from such evil, and that is precisely what this Bill seeks to achieve.

I again pay tribute to Figen Murray. Without her work in campaigning for this Bill, it is unlikely that it would have come before your Lordships' House. We owe a duty to the victims, survivors and families to get this Bill right. Legislation must always be crafted with clarity of purpose. A Bill without a clearly articulated objective risks confusion during implementation and unintended consequences.

That is why this amendment is so essential. It explicitly states:

"The purpose of this Act is to protect premises from terrorism",

and requires the Secretary of State to have regard to that purpose when

"taking any actions under the … Act".

The Bill is of the highest importance, and the Official Opposition will take a constructive approach to scrutinising it to ensure that we can deliver these urgently needed security measures in the best way possible. We have already tabled a number of priority amendments to the Bill.

During a meeting with me and my noble friend Lord Sandhurst last week, the Minister indicated that the measures under the Bill may not be implemented for at least two years. I am sure the Minister will confirm that today. I must express my concern about that timeline. Two years is a considerable length of time between the passing of a Bill and its measures taking effect. As we have seen all too often, terrorism does not wait. Therefore, we will be tabling additional amendments to ensure that the Bill comes into effect as soon as possible, to ensure the Government deliver on their promises promptly and effectively.

5.15 pm

There are a number of other areas in the Bill we would like to look at more closely. We will table additional amendments in the coming days to give the Committee the opportunity to scrutinise it fully. This is an extremely important Bill, and we are determined to work with the Government to ensure we get this right.

Protecting the public must always be the priority, and we must also be mindful of the burdens we place on businesses and other stakeholders. As Conservatives, we understand that regulation can stifle enterprise, dampen innovation and undermine the vibrant public spaces that are so central to British life. We are proud of our high streets, entertainment venues and bustling public spaces; they are part of what makes Britain great. There is an important balance to be struck.

Amendment 1 would play a crucial role in striking that balance. Anchoring the Bill to a clear and focused purpose will ensure that the decision-making remains guided by the primary objective of enhancing security. That would ensure that Ministers remain unequivocally focused on that goal. That said, we are open to discussions with the Government on the wording of this proposed new clause to reflect the Government's objectives.

My amendment also provides much-needed reassurance to businesses, local authorities and stakeholders affected by the Bill's measures. They need to know that the Government's actions will be guided by a clear and consistent objective—protecting them and the public from terrorism.

It is worth highlighting the scale of the financial impact. According to the Home Office's own impact assessment, the cost to businesses is expected to be £207.5 million per year. That is by no means a small sum for businesses, and it underscores the importance of ensuring that this legislation is in the best possible shape before it is implemented. We owe it to businesses and to the British public to get this right.

We must also acknowledge that there are currently no mandatory requirements for premises to consider terrorist threats and to take forward proportionate mitigations. Despite numerous inquests and inquiry findings highlighting the risk, there remain inconsistent security outcomes at UK public locations. As noble Lords will know, the UK has experienced 15 terrorist attacks since March 2017 and disrupted 39 late-stage terrorist plots. Those statistics are a stark reminder of the ongoing threat we face. It is clear that voluntary measures are no longer sufficient. The Government must legislate to mandate the protective security and preparedness outcomes to be achieved.

We must also ensure this legislation is future-proofed. The threat landscape is constantly evolving and we must be prepared to adapt our security measures accordingly. This amendment, by focusing on the purpose of protecting premises from terrorism, provides a strong foundation for that adaptability.

In closing, I urge noble Lords to support this amendment. It will strengthen the Bill, provide clarity to those implementing it, and reinforce our collective resolve to protect the public of this great country. This is a cause we can all unite behind—the cause of national security, public safety and the defence of the freedoms that make this nation great. Let us seize this moment to get it right. I beg to move.

Lord Carlile of Berriew (CB): My Lords, I absolutely agree with the noble Lord in the desires that he expressed, but in my view those desires are not assisted by this amendment. It is otiose and tautological compared with the rest of the Bill. Sir John Saunders, in his recommendations in volume 1 of his three reports on his excellent inquiry into the Manchester Arena events, emphasised that it was necessary to place the duties on

[Lord Carlile of Berriew]
individuals—to make sure that individuals took their responsibilities properly—and that indeed has been the objective of the campaign led so well by Mrs Murray.

In my view, if one reads Amendment 1 and then the Long Title of the Bill, one sees that the Long Title covers everything included in Amendment 1 and an awful lot more. My view is that we should not enter into a discussion about what in the abstract is required of premises; that is not what the Bill is about. It is about placing on individuals enforceable responsibilities, the failure of which would provide serious consequences for those individuals. That is why we are here, and that is why we should stick to the Long Title without this amendment.

Baroness Fox of Buckley (Non-Afl): My Lords, I am minded to support the amendment, but maybe that is because I am a little uncertain about how we are going to ensure that what we all want, which is to protect the public, is guaranteed by the Bill. I worry about a certain mission creep. At Second Reading, a lot of people quoted Sir John Saunders saying:

"Doing nothing is, in my view, not an option",

but I also quoted Yvette Cooper, the Home Secretary, who quoted him as saying:

"Equally, the Protect Duty must not be so prescriptive as to prevent people enjoying a normal life".—[*Official Report*, Commons, 14/10/24; col. 625.]

As I understand the aim of the amendment, it is simply to ensure that we do not forget what the point of the Bill is. Whether we like it or not, regulatory powers have a tendency of leaving their original aim and growing or going elsewhere. In that sense, I want to ensure that we do not forget what the Bill is about, and that means this amendment. It might seem silly to say that, and tempting to say, "We won't forget what this Bill is about", but a lot of the evidence in relation to the Bill does not indicate that the specific measures in it will actually keep people safe from terrorism. I do not doubt that it puts a huge amount of responsibility on individuals, but I do not know that the end result is going to be what we intend it to be. I was of a mind to think that the amendment might help to keep focus; that is one of the things that I was attracted to.

One of the things that is nagging me—and I am going to raise it here because it seems an appropriate place—is that, if we are going to say that the aim is to protect people from terrorism, we also need to know what we mean by terrorism. I am not being glib. The Government themselves have noted that the Bill is partly in response to the changing nature of terrorism—we now have lone-wolf terrorists; it is not straightforward, so we cannot just rely on the secret services and so on—so the changing nature of those terror threats requires this regulation. However, I do not know that we are closer to knowing what that definition of terrorism is. We can all say, as we all will, that we want to pass a piece of legislation that will keep people safe from terrorism, yet we have decided that we do not know how to define terrorism.

Let us think of the official confusion in relation to Axel Rudakubana. As one journalist pointed out last week, saying that he was known to the authorities is an understatement. The noble Lord, Lord Carlile, pointed out that this is about putting responsibility on individuals but, in that instance, it is hard to name an authority or individual who did not know the threat embodied by that young man, including the police, social services, mental health services, counter-extremism services, education establishments and Childline. He actually said, "I am going to be a mass murderer", and we know about the ricin, the al-Qaeda manual, and so on. Yet he was not labelled a terrorist. I worry that, if we are confused about our definitions, in relation to this Bill as well, there could be problems.

I have a final point on this. I also worry precisely because we have decided, or declared, that terrorism is changing—I do not challenge the idea that there is something in this—such that somebody who created ricin and had an al-Qaeda manual was not labelled a terrorist. He did not fall through the net—he was caught in the net—yet, none the less, as has been pointed out, nothing was done.

At the same time, we have an expansive slippage between the notions of extremism and terrorism. It has become very unclear what we mean. It might be a joke, but it was revealed over the weekend that the report commissioned, albeit rejected, by the Government, featured a reading list indicating dangerous, far-right extremism that could lead to terrorism. A viewing and watch list was included, featuring Michael Portillo's "Great British Railways" programme and "Yes Minister" as potentially indicating a problem.

You know, that is, like, "What? How mad". The reason I am mentioning it is that I do not want mission creep in relation to definitions, or in relation to the regulatory aspects of this Bill. I am terrified of the unintended consequences for community organising, civil society, venues and so on. I just think there is nothing wrong with a very specific reminder of what we want this Bill to do. That is what attracted me, at least, to this amendment.

Lord Sandhurst (Con): My Lords, I of course approve of the Government's overall intention behind the Bill. However, I have serious concerns about how it will be implemented and whether it is necessary to have this wide range of powers on quite small organisations, events and places that will have events coming within the scope of the Act—when it is an Act—only once or twice a year. We could have real problems there.

My concerns are similar to those of the noble Baroness, Lady Fox, from whom we just heard. There is a real need for focus, and for the Secretary of State, when making regulations, to get them sharply on the point. This is especially so in relation to the likely impact on smaller businesses as well as voluntary and community-run organisations in the standard tier premises. There is a lack of evidence that the Bill will adequately reduce the threat of terrorism to smaller organisations, if indeed they are likely to be at risk.

There will be problems too for one-off and occasional events, which may attract quite large numbers, but in informal surroundings. There will be a big burden on them. How will it really work? So, the purpose is necessary. Just because there are going to be 850 people at an event, do we really need the whole panoply of this Bill?

In 2023, the House of Commons Home Affairs Committee produced a report, which, for those who have not looked at it recently, is well worth looking at. It was a careful and well-evidenced report that addressed the then draft Bill. I know that things have moved on since then, but the conclusions reached by that committee on the evidence to which the report referred highlight areas that need to be addressed in the approach to be adopted today.

The committee pointed out that in the 2010s—a slightly different period from the one that my noble friend Lord Davies opened on—there were 14 terror attacks. A lot of those involved knives; there were also vehicle attacks, bombs and one firearm. This was in the 2010s. The majority were out of scope of what is in the Bill: they were on the streets, on Crown premises such as barracks, or on transport. Those would not be covered by the Bill, yet they were the bulk of the attacks. This Bill is irrelevant to them.

5.30 pm

Neil Sharpley of the Federation of Small Businesses pointed out to the Committee that the potential costs were far greater than those anticipated by the Home Office and feared

"a real danger that costs will escalate".

Costs, as he said—rightly, I suggest—would

"vary from business to business, but because of the enormous numbers of … small and medium-sized businesses involved, a significant number will experience significant costs".

He thought that the estimates given as to costs would be likely to rise seriously.

The cost for both standard and enhanced-tier premises of implementing these proposals is relevant. It has been estimated by the Government but, certainly in 2023, that committee considered that those estimates were

"disproportionate to the level of threat, particularly for"

those smaller businesses

"captured in the standard tier".

I know that the standard tier was only 100 people and is now 200, but we really have to look at that because 200 is not very many if you go to a village event, to take a practical example.

Mark Gardner from the Community Security Trust recognised that

"any legislation is going to have to set arbitrary levels"

but the threat, he said,

"does not depend on the size of the premises. The threat depends … on the nature of the premises"—

we have heard that the Bill will not catch many where terrorist events have occurred—but also on who is entering them.

There are some practical things, too. When we come to it, the stages of implementation will be important and the regulations must focus on that. It should be enhanced tier first, the big boys and then the small players. There should be annual reviews of how it is working to look at not only the burden but effectiveness. There should be proper provisions for training to ensure that exercises really are not box-ticking but are relevant. They should be focused for that reason and must be relevant. The precise details of duties must be meaningful and practical. The Government have to give proper consideration as to how voluntarily-run organisations will be impacted: village halls, and so on.

A purpose clause will focus the mind of the Secretary of State to ensure that the regulations made and the activities of the regulator, whoever that may turn out to be, are truly relevant to the purposes of this legislation, namely: to protect against an attack, where practicable, and ensure that proper measures are in place in the event of an attack. However, they must be realistic and proportionate. We cannot make this a perfect world, and I have lived in London and worked here since 1971.

Lord Harris of Haringey (Lab): My Lords, I have to admit to being unclear, after what I hope will be a short debate of 20 minutes, as to what exactly this amendment is for. It may be that the noble Lord, Lord Davies of Gower, wanted a mini-Second Reading debate, because that is what we have had. I remind him, and noble Lords who have spoken, that this is Committee and not Second Reading. The arguments should therefore be addressed to the amendment concerned.

I am also unclear, when I look at Amendment 1, what it actually adds. The noble Lord, Lord Carlile, said that the Long Title of the Bill really spells it out. If that is too much for anybody who is unclear what the Bill is about, simply look at its title: "Terrorism (Protection of Premises) Bill". Does that not really rather sum it up? Why do we need this clarificatory line to say:

"The purpose of this Act is to protect premises from terrorism"?

You just have to read the title of the Bill; it says that already.

Noble Lords have talked about mission creep and the problems of defining terrorism. Can I just make one point quite clear? If, as a citizen, you become involved in an act of violence, you are not going to worry about whether the individual concerned meets a particular category of terrorism. What you want is immediate action and somebody coming to protect you. The Bill is about trying to prevent that initial act of violence. This amendment adds nothing and is pointless. The noble Lord, Lord Davies of Gower, whom I respect on so many issues, said that the Opposition's purpose is to get the Bill implemented as soon as possible. I suggest that introducing amendments like this will not add to that cause.

Baroness Hamwee (LD): My Lords, the noble Lord, Lord Sandhurst, made one point with which I agree. It is that there is a need for focus. Unfortunately, this amendment is not focused. He talks of the threat of terrorism: the Long Title and the text use the term "acts of terrorism", and that is where the focus needs to be.

Baroness Suttie (LD): My Lords, this has been a short debate on Amendment 1. If the Committee will indulge me, I am keen to very briefly set out an overall approach from these Benches to Committee stage. I reiterate that we support the Bill. We recognise that families and survivors have already had to wait a very long time to get this important legislation on the

[Baroness Suttie]
statute book, but we believe it is also important to get clarity on certain areas of the Bill and to probe the thinking behind some of the drafting, so that it can be the best Bill possible. I also pay tribute to Figen Murray and the campaign team. They have done an amazing job, but there remain areas in the Bill that are very much a framework. Greater clarity, as well as reassurances from the Minister, would be helpful.

I totally agree with the noble Lord, Lord Carlile, regarding Amendment 1. In fact, I was sitting in my office this afternoon thinking, "Isn't that exactly what the Long Title of the Bill says, so what is the added purpose?". I listened carefully to the noble Lord, Lord Davies of Gower, but I am afraid that I too did not really hear the additional purpose of his amendment. As I see it, the purpose of the Bill is about public confidence and public protection, as well as the protection of premises. In other words, it should be about people as well as just premises.

As the noble Lord, Lord Carlile, said, it is about people taking responsibility for themselves. It is about making sure that people feel safer when they go to a venue or an event. On Saturday, I happened to go to a theatre in central London where I was asked to open up my rucksack. I also went to a very small private museum on Sunday, staffed by volunteers, where I was not only asked to show my rucksack but had it confiscated and put in a locker. These things do not necessarily cost money, since at that museum they were volunteers.

The Bill should be about introducing measures that minimise the risks, making sure that venues and events have a plan in place and a person responsible for implementing that plan

"to reduce the vulnerability of the premises"

as it says in the Long Title of the Bill. The Bill is also about making sure that there is a plan in place in the tragic event that an attack happens. One of the main problems that I see with this amendment is that it sets out only part of what the Bill aims to do. Yes, the Bill is about protection of premises from terrorism, but it is also about having plans in place to minimise the number of casualties in the extremely unfortunate case that an attack occurs. We should remember that people who are involved in an attack have injuries for life—and not just physical injuries. They can also have emotional and mental health injuries. For that reason, from these Benches, I am afraid that we cannot support this amendment.

The Minister of State, Home Office (Lord Hanson of Flint) (Lab): My Lords, I am grateful for this short debate on Amendment 1 in the name of the noble Lord, Lord Davies of Gower. He was right, at the start, to remind us of the reason why this Bill has been put in place, as did the noble Lord, Lord Sandhurst. That is because of attacks on Borough Market, on Manchester Arena and on London Bridge. The noble Lord, Lord Davies, mentioned a death today in Sheffield, about which I pass on my sympathies to the family. I cannot comment in any more detail at this time, but ongoing investigations will take place.

I understand the intention of the amendment, but, if I may, the noble Baroness, Lady Suttie, the noble Lord, Lord Carlile of Berriew, and my noble friend Lord Harris of Haringey have endorsed what I would have said from this Front Bench about the Bill. The Bill has a Long Title, which I which will not read for the convenience of the House, but it is on the face of the Bill, and that is relatively clear as to what the purpose of the Bill is. The Bill is designed, as has been mentioned by a number of noble Lords, to ensure that premises and events in scope are better prepared for an act of terrorism, should one occur. We have taken some expert advice on what that should be, and the consideration is that there are certain measures that could be put in place which, if they were in place prior to a terrorist attack occurring, could potentially save lives.

For ease of Members, although we are jumping ahead slightly, I refer them to Clause 5, which sets down a number of public protection measures that are required. This goes to the heart of what of the noble Baroness, Lady Fox of Buckley, mentioned about what we should do in the event of an attack. In Clause 5, the Bill sets down a range of measures, including

"evacuating individuals from the premises … moving individuals to a place on the premises or at the event where there is less risk of physical harm … preventing individuals entering or leaving the premises or event … providing information to individuals on the premises or at the event".

They are specifically in Clause 5 and, later on, in Clause 6, setting out clear objectives for both public protection procedures and measures. Those procedures are designed to reduce the risk of physical harm being caused to individuals if an act of terrorism were to occur.

I am straying into the sort of Second Reading debate area that we have had, which I do not want to do, but the noble Baroness, Lady Hamwee, the noble Lord, Lord Sandhurst, and others mentioned the issues around the scope of the Bill, the cost of the Bill and other issues there. We have taken a measured approach and have made some changes, based on consultation, raising the level of the threshold in the Bill from 100 to 200, with a later second tier of 800. That will reduce the number of venues taken into the scope of the Bill from 278,900 down to 154,600, with 24,000 in the higher tier; so we are cognisant of the fact that there were, potentially, a number of areas where that would have brought a lot more premises into scope and created much more difficulty for people.

What we are trying to do with this legislation is to establish the principle that we have requirements in place which are there for low-level training and support for individuals to be able to understand what happens in the event of a terrorist attack. Again, I said at Second Reading that, downstream, we have to undertake a lot more work to prevent any attacks in the first place; but, in the event that one happens at a premise in scope, we have to ensure that measures, as in Clauses 5 and 6, are in place. I think that the Explanatory Notes, the Long Title and the clauses that I have mentioned meet those objectives, but that is for the Committee to determine.

I will add one more point, if I may. The noble Lord, Lord Davies of Gower, talked about the two-year period for implementation. By all means, let us have a debate about that downstream, but, again, what this

Committee is trying to do—and what the Government are trying to do in supporting this House and supporting the objectives of Figen Murray and the campaign—is to make sure that the measures in place are effective; are implemented in an effective way; have proper oversight and regulation from, as we will discuss later, the Security Industry Authority; and that we give consideration to all other bodies impacted by the Bill to allow time for them to undertake the training, undertake and understand the legislation and put preparations in place.

5.45 pm

We have said that we think that that will take a two-year period. That is for Ministers to determine later on if the Bill becomes an Act, but I hope that the noble Lord, Lord Davies, will understand why we said roughly two years: it is because of those factors. That goes, again, to the heart of the points mentioned by the noble Lord, Lord Sandhurst, about the concerns for organisations generally. That two-year period will give an opportunity to put them in place. At the end of that two-year period—or, indeed, when we do commence the legislation, the measures in Clauses 5 and 6, and the responsibilities that we are putting on organisations in those two clauses, will not stop a terrorist attack, but will potentially put mitigating training measures in place in the event of an attack such as Manchester, Borough Market or London Bridge. So I hope that the noble Lord will reflect on what I have said, withdraw his amendment in due course and not return to it at a later date, because I think we have covered those points to his satisfaction.

Lord Davies of Gower (Con): My Lords, I am grateful for the participation of noble Lords in relation to this amendment. The noble Lord, Lord Carlile, talked about it being tautological, but it is not intended that it should be a repeat of something. As I said, the idea is to make it a Bill that has clarity, with an articulated objective. That is the purpose of the amendment and, indeed, the noble Baroness, Lady Fox of Buckley, said that it ensured the point of the Bill. Clearly, there is a disparity of opinion in the House, but, for the moment, I beg leave to withdraw the amendment.

Amendment 1 withdrawn.

Clause 1 agreed.

Clause 2: Qualifying premises

Amendment 2

Moved by ***Lord Davies of Gower***

2: Clause 2, page 2, line 7, leave out from ""building"" to end of line 8 and insert "means "building" as defined in section 121 of the Building Act 1984"

Member's explanatory statement

This amendment brings the definition of a "building" in line with other areas of legislation.

Lord Davies of Gower (Con): My Lords, this amendment seeks to bring the definition of "building" in this Bill into alignment with the definition provided in Section 121 of the Building Act 1984. At first glance, this may appear to be a purely technical adjustment, but it is one that holds practical significance and improves the coherence of our legislative framework. Consistency in legal definitions is essential for ensuring that legislation is clear, workable and enforceable. By adopting a well-established definition already enshrined in the Building Act 1984, this amendment offers several distinct advantages.

First, it ensures legal certainty. The term "building" appears across numerous pieces of legislation that deal with construction, planning, safety and environmental concerns. Diverging definitions introduce the risk of ambiguity and could result in unintended consequences or legal disputes.

Secondly, it supports efficiency and clarity for all stakeholders—whether they are local authorities, developers, legal practitioners or enforcement bodies. A single, consistent definition avoids the need for unnecessary cross-referencing and interpretation, reducing administrative complexity and the scope for conflicting judgments.

Thirdly, this amendment aligns with wider efforts to create a streamlined and harmonised regulatory environment. With the increasing need for integrated approaches to construction and building safety, clarity in our definitions becomes all the more vital. Moreover, this amendment ensures continuity. The definition under Section 121 of the Building Act 1984 has stood the test of time and has been tested in practice. It is familiar to professionals across the construction and legal sectors and therefore provides a trusted and robust foundation for any regulatory measures contained in the Bill.

In conclusion, this amendment may seem modest, but its impact on the clarity, coherence and efficiency of the legal framework is significant. I urge your Lordships to support this sensible and pragmatic change, which would uphold the principles of legal certainty and good governance. If the Minister is unable to agree with my proposed definition, I hope that he will at least take on board our concerns about the definition of premises and look to bring forward an improved definition on behalf of the Government so that we can get the Bill right.

I will now speak to Amendment 3, tabled by the noble and learned Lord, Lord Hope of Craighead. This amendment proposes to include in the definition of building any permanent or temporary structure. This amendment draws inspiration from Section 30 of the Building Safety Act 2022. It seeks to clarify that the public protection requirements should apply not only to permit edifices but also to temporary structures, such as those erected for events such as Christmas markets or other seasonal activities.

I commend the intention behind this amendment. The safety and protection of the public must be at the heart of any legislation concerning the built environment. Temporary structures often serve as focal points for large gatherings, where the potential risks associated with terrorism can be just as significant, if not more acute than in permanent buildings. When saying this, I have in mind the horrific terrorist act on 20 December 2024, in which a large 4x4 was driven into a crowd at a Christmas market in Magdeburg in Germany, killing six people and injuring at least 299 others. Equally, we saw over the Christmas period a vehicle attack in New Orleans. I can fully understand why the noble and

[Lord Davies of Gower]
learned Lord, Lord Hope, has tabled his amendment, which is similar to mine, and aims to probe whether the scope of this Bill will apply to temporary structures.

I will also speak to Amendment 20, tabled by the noble Baroness, Lady Hamwee, to Clause 5. This amendment seeks to leave out the words "immediate vicinity" and replace them with "or at the event". This is a probing amendment, intended to clarify the scope and meaning of the term "immediate vicinity". I commend the noble Baroness for bringing forward this important question, as the phrase "immediate vicinity" is inherently vague and open to interpretation.

When drafting legislation, particularly provisions that relate to events, gatherings or the use of premises, clarity is paramount. The lack of a clear definition raises several practical concerns. First, from an enforcement perspective, ambiguity around the term "immediate vicinity" may cause confusion for regulatory authorities and event organisers. How far does "immediate" extend—is it 10 metres, 100 metres or further? Does it take into account natural barriers, such as walls, fences or roads? Without clear guidance, there is a risk of inconsistent application and potential disputes.

Secondly, for those responsible for ensuring public safety or compliance with regulations, the lack of a defined perimeter could lead to uncertainty. Event organisers need to understand precisely which areas fall under their responsibilities for security, crowd control and other measures in this Bill. A clearer definition would also aid in drafting licensing conditions and emergency response plans.

Thirdly, we must also consider the practical realities of modern events, which are often sprawling and multifaceted. Many public events, such as festivals, markets and sporting events, naturally extend beyond a single well-defined boundary. In such cases, the concept of "immediate vicinity" may prove too narrow to cover all relevant areas where public safety measures are required. By replacing "immediate vicinity" with "or at the event", this amendment seeks to broaden and clarify the scope, making it more effective for the diverse nature of events and gatherings.

In the context of this discussion, we need to be very clear about which premises will be affected by the Bill. I have used my amendment to probe this, alongside the other noble Lords who have tabled amendments in this group. There may be existing regulatory frameworks that adequately address the safety requirements for temporary structures, such as those enforced by local authorities or event-specific safety regulations. Care must be taken to avoid unnecessary duplication which could impose additional and potentially disproportionate administrative burdens on organisers of short-term events.

In conclusion, I wish to use my amendment to open a discussion on the nature of a premises. I commend the spirit of the amendments from other noble Lords, which also seek to address this issue. I look forward to hearing from them and would encourage ongoing dialogue with stakeholders to explore how best to address the safety concerns around temporary structures, without placing undue burdens on event organisers or enforcement bodies. I beg to move.

Lord Hope of Craighead (CB): My Lords, I wish to speak to Amendment 3, which is in my name. Like the amendment which has just been moved by the noble Lord, Lord Davies of Gower, my amendment addresses the definition of qualifying premises in Clause 2. My amendment proposes that the definition in Section 30 in the Building Safety Act 2022 is the more appropriate place to look for guidance, given the nature of this Bill.

The definition in Section 121 of the Building Act 1984 was designed for a measure which laid the basis for a wide-ranging system of building regulations relating to the construction of the buildings themselves, whereas the focus of this Bill is rather different. As the noble Baroness, Lady Suttie, said, it is concerned as much with the people as it is with the buildings. That suggests that it is better to look for a shorter definition in the Bill itself, rather than borrowing from the 1984 Act, so that we know exactly what we are dealing with.

It seems to me that a definition is necessary here to make it clear—if that is what the Government wish—that the protection of the Bill should extend to temporary buildings. The noble Lord, Lord Davies of Gower, has done quite a lot in introducing the purpose of this amendment for me in his introduction. Like him, I have in mind the horrifying episode in Magdeburg in December, when a lorry drove into a crowded market and caused appalling injuries to people. When that happened, we had a market in Edinburgh, which was set up as temporary buildings in a fairly crowded space; it was full of people. If you are a terrorist, you look for a soft target and it struck me that that was another extremely vulnerable target, because people would be in considerable difficulty unless arrangements were made for evacuation in a hurry and so forth, and unless there were other measures to avoid the perpetration of acts of that kind.

To an extent, my amendment is a probing amendment. On the one hand, I am seeking an assurance that the Government have considered this problem, given the paramount purpose of the Bill. It must be beyond argument that the purpose extends to securing the safety of members of the public who gather together to visit markets of that kind, where what is on offer is displayed in hastily erected facilities that are here today and will be gone tomorrow. As I said, those who are planning acts of terrorism may see these as soft targets and exactly the places they would want to go. If the protection of the Bill is to extend to these places, it is better that the Bill should make this plain.

There is another reason I suggest that it would be helpful to include the words in my amendment. The public protection measures provided in this Bill need to be enforceable if they are to be effective or, to put it another way, they must be capable of being enforced. It would be unfortunate if attempts to extend these measures to temporary buildings of the kind that I have in mind were to be frustrated because it was open to argument in a court that they did not fall within the meaning of a building for the purposes of this Bill. One wants to avoid uncertainty of that kind, which is why it is better to spell it out in this Bill in the very few words I suggest.

I also have in mind the point the noble Lord, Lord Sandhurst, mentioned when discussing Amendment 1. One has to be very careful not to overload the people who are trying to provide entertainment services to the public with measures that make these enterprises either too difficult or too expensive to operate. There is a real question for the Government to consider on whether temporary situations of this kind are to be protected in the way the Bill is designed for.

My amendment is probing because I suggest that this issue is one that needs to be carefully thought about. I look forward to the Minister's reply. It may well be that he will return on Report with an amendment, if he thinks that is right. It might be my amendment, or—the noble Lord, Lord Sandhurst, might be fond of this—it might be that it does not extend to temporary buildings, which is another way of looking at the problem he has raised.

6 pm

Baroness Hamwee (LD): My Lords, we are with the noble and learned Lord, Lord Hope, on this. If the market to which he is referring is the one I am thinking of, dispersing people from that site would be very difficult, with a bloody great rock and a castle in the way.

I am grateful to the noble Lord, Lord Davies, for his support of my amendment, but I am afraid I am going to question one part of his amendment. The section in the Building Act 1984 refers to a

"permanent or temporary building, and … any other structure or erection",

including

"a vehicle, vessel … aircraft or … movable object"—

there is mention in the section of hovercraft. I find it difficult to see how this would be quite the right reference for the Bill.

We have Amendment 20 in this group, which seeks to take out the reference to "immediate vicinity", and is a probing amendment. This would mean that the objective would not include reducing the risk if an act of terrorism occurs in the immediate vicinity of premises or an event. That is not what we are aiming to achieve; we are aiming to understand, and allow interested organisations to understand, what "immediate vicinity" means. A lot of organisations that briefed us are concerned about this; owners and operators want to comply with the law, take all reasonable steps and do the right thing, but they are not quite sure what that means.

We have heard about grey space, which is the public space outside a building where, by definition, event organisers and security personnel have no control, and only the police can control them—for instance, an area where people queue on a pavement to enter premises but are outside neighbouring premises, or queues which cross over one another.

I assume that the words

"so far as is reasonably practicable"

are the key to what immediate vicinity means in any given situation. Does that phrase mean only what is physically practicable, as a matter of physical layout and the scope for protective measures, or where it is appropriate for an owner to control what goes on, or is it also what is financially practicable, and is that related to the scale of an event or the activities taken over a period as a whole, or to the financial position of an owner of operator? The Explanatory Notes say that what is reasonably practicable is to put in place particular procedures, but I am not quite sure that that answers the point.

It strikes me that what is in the immediate vicinity of any building may affect insurance issues, such as the premium payable by the owner or whether a claim by an owner is met by insurers.

As well as the Minister clarifying the point today, if he is able to, can he tell us whether the Home Office has considered the need for guidance, perhaps with examples of what is in the immediate vicinity? However, as I typed that, I thought that that could be confusing, because if an example is not there then people may think that it would not apply. What help can the Home Office give, or ensure that the Security Industry Authority gives, to help the assessment of whether an area is within the immediate vicinity of premises?

Lord Carlile of Berriew (CB): My Lords, I will deal with Amendments 3 and 20; I do not wish to say anything about Amendment 2.

So far as Amendment 3 is concerned, I am sure we have all attended many events that have taken place in large, demountable premises. It is a long time since I have been to the International Eisteddfod in Llangollen, but certainly the last time I attended the arena was a demountable premises—I would have called it a building—that could be packed up on lorries, taken away and stored somewhere. We have all been to sporting events in premises like that. It is a bit of a puzzle to me as to why, in Clause 2(2), the Government diluted the word "premises" by referring to buildings in Clause 2(2)(a). I urge the Government to consider, before Report, putting a definition of premises and/or buildings in the interpretation section at Clause 33. It is my belief that, subject to whatever decision we reach in your Lordships' Committee about the number of people attending an event which brings those premises within this Bill, we need to include demountable premises.

I turn next to Amendment 20. I mean it when I say that anything that the noble Baronesses, Lady Hamwee or Lady Suttie, say, I treat with great seriousness, having known them for a very long time. When I hear the noble Baronesses say something together then I treat it with even more respect. However, I have looked at their amendment, alongside Clause 5(2). I urge the Government to consider whether their amendment dilutes the effect of this Bill, rather than achieves their aims—and I do not wish that to happen.

Baroness Hamwee (LD): My Lords, I will respond to that very quickly, because I was waiting for the "but". It is a probing amendment. I looked for ways to introduce the concept of immediate vicinity in order to question it, and this was the first time where I could do so. I hoped that that would be clear. I certainly am not seeking to dilute the Bill, merely to seek clarity.

Lord Carlile of Berriew (CB): I understand and accept what the noble Baroness was attempting, but Clause 5(2) refers to

[Lord Carlile of Berriew]

"if an act of terrorism were to occur on the premises, at the event or in the immediate vicinity of the premises or event".

To me, that seems to fulfil all requirements.

Baroness Fox of Buckley (Non-Afl): My Lords, I am slightly wary, because I want to probe what we mean by the definition of buildings. I find these issues interesting. but I am less interested in them technically and will probably be accused of steering into Second Reading territory.

I genuinely think that trying to clarify what we mean by "building" is important. It speaks to my fear that the Bill might unintentionally dampen down civil society, have an impact on grass-roots activity and lead to a hyper-regulation of public spaces. I do not think that is what it intends to do, so I urge the Government not to expand beyond a narrow view of what a building is.

I was struck when a village in Lincolnshire was forced to cancel its Christmas fair, after it had been told to block off roads due to the risk of a potential terrorist attack. In a discussion on this, somebody noted that it was because there were worries about the impact of Martyn's law, when it becomes law. I did a little digging and discovered a number of organisations that said that councils and other organisations were citing Martyn's law guidelines—as we know, it is not a law—in a risk-averse way, pushing back against large gatherings such as bonfires and so forth.

My nervousness is that this law will be used to push a precautionary principle when it comes to civil society. I get anxious about that, so the last thing I want to do is to interpret any gathering, temporary or otherwise, where there are a lot of people, as a building or structure. Somebody just made a point in relation to markets and Christmas markets. One organiser said, "If this carries on, I doubt we will continue, as it takes all the joy out of it". I just remind the Committee, to go back to the Home Secretary's point, that the aim of the Bill is not to destroy the capacity of ordinary people to gather, because that would be to let the terrorists win. So, whatever way we come down on our definition of buildings, let us not forget that there is a cost to pay if we overinterpret this to say that, "There is a large group of people; terrorists can attack them; close everything down". In which case, the terrorists will have won, and what is the point of that?

Lord Sandhurst (Con): My Lords, whichever way we look at this, I suggest that it is absolutely plain that we need a clear definition of "building". A number of good points have been made. The noble Lord, Lord Carlile of Berriew, made a good suggestion. The amendment of the noble and learned Lord, Lord Hope, is also a good one. There is merit also in taking at least part of the Building Act, but "building" needs to be defined. Thus, I think it must be clear, when one considers it, that Section 121(2) of the Building Act is not completely apposite, because it does include the words,

"a vehicle, vessel, hovercraft, aircraft".

One could include the definition there but exclude expressly those words or any other bits. One could do it by reference to the Building Safety Act, or it may be that the best route is to go to the definitions section at the back, look at the two existing statutes that are in place and take a good definition combining those where appropriate. I suggest that we certainly need a proper definition of "building" at the back, which must include demountable, collapsible buildings—things that very often look almost like a tent. Are large tents to be included, or a circus site event which could hold 500 people? If we are going to protect people, let us get it right.

Lord Harris of Haringey (Lab): My Lords, I think the noble Lord, Lord Sandhurst, has put his finger on it. It seems to me that, if it is a large tent and 500 people are gathered within it, then somebody ought to be making arrangements to ensure that people are protected. That is what the Bill is about. I have listened with great fascination to the discussion about where we draw the definition of "building". I always tend, because I am prejudiced that way, that when the noble and learned Lord, Lord Hope of Craighead, gives us a view on definitions, we should take serious note of that, because in my experience he is usually right. I leave it to the Government to come forward with what they think is a satisfactory definition that embraces what we need.

Ultimately, what we are trying to say with this legislation is that people who organise public events, whether they are formal events, community events, concerts or whatever else, should be thinking in advance, "Is this going to be secure?" That also means thinking about what I will do if somebody over there commits a terrorist act that has an implication for the people who are gathered in my event. I hope that my noble friend, when he replies, will say that the Government will look again, will gather together all those with strong views on the definition of "building", temporary or otherwise, tents or not, and work out what works best. I think that our objective here is quite clear: that people should have a responsibility for the protection of people when they have gathered them together for whatever purpose.

Lord Hogan-Howe (CB): My Lords, I shall speak to Amendment 20. First, I say in passing, on the concern of the noble Baroness, Lady Fox, about the scope of the Bill, that terrorism is very well legally defined. It is either violence or the threat of violence for a political purpose. How that is interpreted depends on the political purpose and the act. It is a broad definition, and some may wish to change it, but it is well understood within the criminal law.

6.15 pm

On Amendment 20, I took the definition of "immediate vicinity" to be enabling. First, it is saying to the person who has the premises not only to consider the safety of the people in it, but also people nearby who might be hurt from a terrorist act within it. We might imagine a bomb or a firearm that is discharged from the building. The organiser has to think about these things when planning the event.

Secondly, Clause 6(3) says, and it is repeated elsewhere in the Bill:

"'Public protection measures' are measures relating to the monitoring of the premises and the immediate vicinity".

I suppose that would enable CCTV monitoring in areas adjacent to the premises, for which there is no obvious legal justification. Of course, in discussions with such people as the facial recognition commissioner and the Data Protection Commissioner, the people who occupy these premises need some legal basis on which to have that discussion. I took it that this enables them to have that discussion, because the law has given them a duty. At the moment, it could be argued that they have no duty. So, I take both things to be facilitating things and not intrusive things. Yes, there might be a limit to how far that immediate vicinity is, but a bomb can damage things for an awful long way. It is a very serious matter, and I think that to define it by metres would probably be unwise.

Viscount Brookeborough (CB): My Lords, I may be accused of intruding, because I have not been here for the whole thing. It just interests me that, on one side, we are talking about what is in Clause 5, what we do when a terrorist incident takes place, and on the other hand, the noble Lord, Lord Harris, was mentioning how we prevent it. From a Northern Ireland perspective, we had places and events every day of the week that were open to terrorist attack. Yes, having the facilities in place to enable us to take action if it takes place, but then there is also what we do to try to stop it taking place, making it more difficult for the terrorists to do it. We therefore channelled them, unfortunately, into working around what we have put in place.

When we are talking about buildings—I am sorry that I am not technical enough—what about the places outside where people are waiting? I do not understand why we need a building, alone, for the Bill, because people are under threat when they come together in large numbers. That is crucial. We had many events that did not involve buildings at all. Listening to this, I just think that we are not quite linking the two things together to make a good argument, a good reason and a good result for, first, trying to prevent it and then making sure that our protection is far enough away that it does not endanger people.

I shall give a simple example and then I will stop. We had vehicle checkpoints on the border, and they were easy to bomb and blow up to begin with, because people drove into them. It was not suicide, so it is not that far different, but proxy, where people drove into the middle and blew it up. Then we started using electronics—I know these cannot be used for every event—where we moved the protection further away, so that people had to come through that first. But then you create a queue on the other side. All I am saying is that to me, the lay person, I am not sure that we are not slightly confused about where this terrorist attack is going to take place. I cannot think that they consider only buildings.

Lord Sentamu (CB): My Lords, I was not going to be involved in this, but I have a history of ministry in this country, including over the summer months, and after Easter, there are many gatherings that all meet in large tents. Big tops can house up to 10,000 people. If the clause is limited to buildings, so many vulnerable places and open spaces will be left out.

In this country in the summer, there are incredible gatherings—particularly of young people—that do not take place in what you would call a building. They will be in the big top. Subsection (5) tries to define "premises", which is a much more flexible word than concentrating on "buildings". Of course, some meetings will be taking place in buildings. The heart of all of this, however, is large gatherings of people—particularly of young people in the summer. Noble Lords would be absolutely surprised by how farmers lend their land for these kinds of concerts, which can go on for a while.

The people who organise these events, such as spring harvest, hold the responsibility for the protection of people, as laid down in the Bill—not because it takes place in a building but because of the event itself. So I would want to look for a tighter definition than what a building is, because I think we know what a building is. I want the events, where they take place and those responsible to have the same due regard as those who have big theatres. So, will the Government continue their flexibility in their definition as they did in subsection (5)? They may borrow some of the phrases from these amendments, but just remember that we get gatherings that are just so vast, you would not actually be providing protection against terrorism for that many people.

Baroness Suttie (LD): My Lords, I have three brief points to make in response to this rather interesting short debate. My first point relates to Amendment 20, in my name and that of my noble friend Lady Hamwee. As my noble friend said, it is very much a probing amendment that resulted from organisations that organise events and have premises but are unclear as to the definition. They are people who want to do the right thing but want a greater explanation on the record from the Government as to what it actually means in practice.

My second point continues the flattery of the noble and learned Lord, Lord Hope. If the noble and learned Lord is asking a question, I feel it is one that has to be answered. He is asking the right question although, as he acknowledges, perhaps he has not come up with the right answer yet in terms of the wording. I hope the Government will return to this before Report with some of the suggested wording, taking on board the various points that have been raised.

My third and final point relates to the noble Baroness, Lady Fox. In many ways, the noble Baroness hits the nail on the head; we should not let the terrorists win. But that is what the Bill is about: it is about getting the balance right between not letting terrorists win and yet letting the public feel safe to go to events and public buildings and not worry, because they know that somebody, somewhere has thought about what to do in the case of an attack.

Lord Hanson of Flint (Lab): That was an interesting group. I thank noble Lords for tabling the amendments; they are worthy of discussion and I hope I can answer each point in turn.

Essentially, there are two issues: the definition of "building" and the definition of "immediate vicinity". I will try to answer the points raised by the noble

[Lord Hanson of Flint]

Lord, Lord Davies, the noble and learned Lord, Lord Hope, and the noble Baronesses, Lady Hamwee and Lady Suttie, in their amendments.

Amendment 2, in the name of the noble Lords, Lord Davies of Gower and Lord De Mauley, seeks to amend the definition of "premises" in Clause 2(2) so that the term "building" refers to the definition at Section 121 of the Building Act 1984. The Bill has carefully defined qualifying premises and qualifying events to ensure that it is able to appropriately catch the wide range of premises and events that there are, and the definition in the Building Act sadly does not align with this.

The noble Baroness, Lady Hamwee, sort of stole my notes on this, because she commented that the amendment from the noble Lord, Lord Davies of Gower, includes a number of moveable objects, such as transport items and transport purposes. I confess I did not know that before the amendment was tabled, but research helps on these matters. Having looked at what the noble Lord, Lord Davies of Gower, has said, there are parts of the definition in the Bill that are not replicated in the Building Act. The term "building" is commonly used and the Bill relies on this ordinary meaning. We do not want to over-define terms that are already well understood, particularly where doing so may create confusion or indeed loopholes.

For those reasons, as mentioned by the noble Baroness, Lady Hamwee, the extension to transport objects—including hovercraft—means that the definition of "building" in Section 121 of the Building Act 1984 is not really appropriate for this definition today. I hope the noble Lord can accept that and I hope my comment reflects what has been said in Committee today.

I turn now to Amendment 3, tabled by the noble and learned Lord, Lord Hope of Craighead. It was interesting, and I understand the intention of his amendment. I have not been in this House long, but I sense that the noble and learned Lord's contributions are ones the House listens to; so I understand and accept the point he has brought forward today.

Clause 2(2)(b) specifies that "qualifying premises" must be wholly or mainly used for one or more of the uses specified in Schedule 1. These uses cover activities where the premises are accessible to or used by the public. I hope I can reassure the noble and learned Lord that temporary buildings can form part of such premises. I hope that will give him the reassurance he seeks in relation to his amendment.

The amendment would extend the scope of Clause 2 to include temporary buildings or structures even if they are not a feature of the usual activities undertaken at the premises. For example, where a field is not in scope, erecting a very temporary structure for the purposes of an event, such as an annual village fete, could draw the field into scope of Clause 2 under this amendment. It may not normally meet the conditions elsewhere, by the very nature of the building being put up, but it would then be drawn into scope by his amendment.

The Government are mindful of the many temporary and one-off events that occur across the UK, many of which will draw large crowds and consist of temporary structures such as tents and staging areas. It is the Government's intention to capture these events under Clause 3. We have carefully designed the criteria to do so, in a way that strikes a balance between achieving public protection and avoiding undue burden on businesses, organisations and local communities, as we have heard from a number of noble Lords, again including the noble Lord, Lord Sandhurst.

To that end, we are not looking to legislate for all events and Clause 3 carefully clarifies this. As such, open access events that do not have such checks in place will not be in scope of the Bill. The Government do not consider it appropriate or practical for events that do not have these types of controls and boundaries in place to be in scope. Again, I understand why the noble and learned Lord tabled his amendment, but I hope that on reflection he can accept the points I have made and will not take his amendment further.

Amendment 20 is important, because it asks for genuine clarification. I hope I can give clarification to both noble Baronesses, Lady Hamwee and Lady Suttie, on this amendment, which seeks to examine the meaning of "immediate vicinity". I want to first reassure that the duties under the Bill do not require responsible persons to implement procedures or measures that are beyond their control. Self-evidently, there are some things in the immediate vicinity that will be beyond their control: for example, erecting safety equipment on pavements or other land for which they are not responsible outside the premises.

As I have already set out, the purpose of the Bill is to require people in control of qualifying premises and events to take steps aimed at reducing the risk of physical harm to people in the event of a terrorist attack that might directly impact their venue. An act of terrorism close to a building may also result in physical harm to people inside that building, as well as to people queuing, entering, exiting or even just passing by. Therefore, when considering appropriate procedures and measures to reduce physical harm from, and vulnerability to, terrorism, it is right that duty holders also think about what they should do for their premises in the event of an attack taking place just outside.

We have not deliberately chosen not to define "immediate vicinity" for the purposes of this Bill. The Bill relies on what we term the ordinary meaning of those words. What constitutes the immediate vicinity of a premises or event will depend on its specific circumstances. If the Bill were prescriptive and, for example, to stipulate a certain distance from the premises, it would undermine the flexibility with which requirements can apply to a range of venues in an array of different places. For example, the procedures appropriate for an inner-city pub are likely to be quite different from those for a sprawling visitor attraction in the countryside.

6.30 pm

On the noble Viscount's point, the dynamics of an attack cannot be predicted but the steps taken to prepare for a response to those attacks can be. For example, for a nightclub that regularly experiences queueing on the pavement outside, this is in the immediate vicinity of the premises and it does not have full control over the area, but what the person responsible might reasonably have is consideration over the entrance policies, which could be changed to avoid the queues

happening in the first place—for example, whether the queues are in the least vulnerable location, whether security or front-of-house staff have procedures to identify and report suspicious activity, and how to communicate with customers gathering in the immediate vicinity of a premises, such as those queuing outside, in the event of a lockdown or an invacuation or evacuation procedure.

Just before Christmas, I attended the Paul McCartney concert, where I queued outside for a long period. That was entirely in the gift of the Manchester Arena, because it arranged the entrance so that the queue was outside. The Bill sets down criteria to allow the persons responsible to review the immediate vicinity of a premises over which they have control by changing some of the policies within the premises. I hope that will reassure the Committee. It is key to reiterate that the persons responsible for the premises and events are required to put in place appropriate procedures and measures so far as is reasonably practicable. While the importance of examining such a concept is recognised, this amendment risks removing an important feature that the Bill seeks to achieve. I hope I have reassured the noble Baronesses, Lady Hamwee and Lady Suttie, and the noble and right reverend Lord, Lord Sentamu, with regard to that.

It is not about the physical things on a road outside of the control of a premises but about what measures the responsible person in the building might put in place in response to the type of attack that the noble Lord, Lord Hogan-Howe, mentioned or the issue of queues outside, for which they are directly responsible because of the actions of the organisers of the premises. There are ways in which we can examine the "immediate vicinity" while not putting responsibilities on people for things they do not have responsibility over. I hope that will reassure the noble Baronesses and that they will not press their amendments further.

As ever, I hope I have answered the three amendments in this group. I sense that the noble and learned Lord, Lord Hope, wishes to intervene, so let me see if I can satisfy him still further.

Lord Hope of Craighead (CB): I am grateful. Will the Minister undertake to think again on the point I made about certainty when you meet resistance from people with a temporary facility wondering whether they have to go through all the trouble and expense of complying with the measures in the Bill. The problem is that it is quite easy for a lawyer to construct an argument to point to the Building Safety Act, which says that "building" means any "permanent or temporary" building. It does not say that here, so it raises a question as to whether temporary things are covered at all. The way to cut out that argument completely is to include those few words, which I am not sure would do any harm at all to the Bill.

I am not asking for an answer now, but I would be grateful if the Minister would consider very carefully whether there is an advantage in certainty, given that it is important that these measures are capable of being enforced, to avoid arguments going round in circles as to what "building" really means.

Lord Hanson of Flint (Lab): I am grateful to the noble and learned Lord. I have tried to impress on the Committee that we think that the type of circumstance that the noble and learned Lord has suggested is covered by the Bill. I will obviously examine *Hansard* and the contributions again in the light of the discussion, but I remain convinced that the Bill meets the needs that the noble and learned Lord is concerned about. However, reflection is always a good thing and I will certainly examine his comments in detail.

I had a sense of a looming intervention from the noble Lord, Lord Carlile, before I sit down, but I am obviously just generally nervous of his potential interventions coming my way.

I hope I have satisfied noble Lords and the noble Baronesses, Lady Hamwee and Lady Suttie. With that, I hope that the amendments are not pressed. I will look at *Hansard* and at the comments made.

Baroness Hamwee (LD): My Lords, I will not try to answer any points about Amendment 20. The noble and learned Lord, Lord Hope, mentioned it but did not really emphasise whether his amendment, or a similar amendment referring to temporary structures, would do any harm in this context. I do not think it would, but it is a discussion that we should have.

The Minister is quite right to be wary of any body language demonstrated by the noble Lord sitting immediately opposite me—you never know what is coming.

Lord Hanson of Flint (Lab): The noble and learned Lord, Lord Hope, has made his case and I have made mine. His words are always worthy of examination, and that I will do.

Lord Davies of Gower (Con): My Lords, Section 30 of the Building Safety Act 2022 or Section 121 of the Building Act 1984, that is the question.

The noble and learned Lord, Lord Hope, makes some strong points, particularly in regard to whether it is capable of enforcement. That is an extremely important point. A number of other important points have been made by noble Lords. The point made by the noble Baroness, Lady Fox of Buckley, about people attending events without having to worry and having a relaxed time is very important. The noble Lord, Lord Sandhurst, makes an extremely helpful point about wanting a good definition, which includes collapsible buildings, and he talked about circuses with up to 500 people. All in all, this is a definition that requires some further discussion. The noble Lord, Lord Harris of Haringey, is right that it is for the Government to come forward with a definition that satisfies us all. On that basis, perhaps we can go away, have a discussion, and come back at Report with something that satisfies all of us. For the time being, I beg leave to withdraw my amendment.

Amendment 2 withdrawn.

Amendment 3 not moved.

Amendment 4

Moved by ***Lord Sandhurst***

4: Clause 2, page 2, line 11, leave out "from time to time" and insert "not less than once a month"

Member's explanatory statement

This amendment and the other in the name of Lord Sandhurst to Clause 2 seek to remove the reference to "from time to time" and provide a benchmark by which the attendance at a premises may be measured.

Lord Sandhurst (Con): My Lords, I can be quite short on this. The purpose of this amendment is to address the use of the words "from time to time" in the context of defining the premises to which the obligations will apply—whether from time to time 200 or more individuals may be present or, in the case of the enhanced duty, 800. It is a probing amendment. I acknowledge straight away that "not less than once a month" may not be the right definition, but there had to be something, and "from time to time", I suggest, is simply too vague.

Is it to be once a year? If you have an event every year, that is "from time to time". As is presently defined, the premises are caught if

"it is reasonable to expect that"

a given number of individuals may be present "from time to time". An annual event might be caught, but what happens if it is just someone who does something from time to time? As a lawyer, I am very uncomfortable with this, and I can see the arguments that lawyers much cleverer than me will produce.

The premises are ordinarily qualifying premises only in the sense that they have a capacity of 200 or 250, but they may have an annual day to which 750 come one year and 900 come another. Will that come into this category? They may even have an annual day to which a bit over 800 might be expected. If that is so, the full panoply of the Act will fall: not just to the qualifying premises events but to the enhanced premises events. It is important to be clear about what you want to catch, who will be subject to enhanced obligations, and what is proportionate and necessary to keep people as safe as we reasonably can without creating unnecessary barriers and boundaries. I ask the Government simply to look very carefully at the words, "from time to time", and to consider whether a better definition could be employed.

Amendment 11 suggests a provision that, where premises are

"assessed as low risk by an independent safety assessor",

they are to be

"exempt from the duties imposed under this Act"—

in other words, you can have an opt-out. It might be that that would be applicable only to lower categories of events, but it is certainly worth looking at. If you have a good record, you would not do it tomorrow. However, in a year or two, everyone will have experience of how this works—the regulator will have that experience—and, if they see that a given place is well regulated and well run, it will not need to be within the full panoply of the Act.

Lord De Mauley (Con): My Lords, despite supporting the Bill in general, I strongly support Amendment 11, which I will speak to. An assessment of risk, which is generally agreed to be appropriate in all aspects of modern life, seems to be absent from the Bill. Any premises or event, regardless of the real risk of it being attacked, must take a series of potentially very costly precautions.

It is worth noting that of the 15 terrorist attacks to which the impact assessment seems to refer as the main basis for the Bill, six were in London, two in Manchester and one in Liverpool, and all were in urban areas. In fact, all of them were in areas that had tarmac underneath them; not a single one was in a rural area. Does that suggest that it is right to treat events in rural settings as being as high risk as those in urban areas? It is like applying 20 miles per hour speed limits throughout the entire country: it might marginally improve safety, but at a cost of bringing the economy to its knees. In their search for economic growth, is this really what the Government want? I urge them to introduce a little good sense and allow there to be an assessment of risk in these situations.

Baroness Fox of Buckley (Non-Afl): My Lords, I will be very brief. I urge the same in relation to that amendment: having a specific risk assessment and some flexibility and common sense. I will ask the Minister about how you can have that flexible attitude to buildings.

I was very impressed by the letter from the Minister on places of worship. It was very sensitively handled, and it understood, as it said, the unique work of faith communities and so on. It did not say that no faith community buildings would be exempt, but it understood that they could be treated differently, with a certain sensitivity for what their roles are. We heard a number of very good speeches on that at Second Reading which asked the question, "Well, if you can look at a church or another place of worship in that way, why can't you look at somewhere else like that?"

6.45 pm

Can the Minister explain why we cannot have more of that: a specific risk assessment for types of buildings, and an assessment of the importance for communities of certain buildings, without that meaning that you are being cavalier about people's safety or public protection? Already, the Government have conceded that not all buildings—not just places of worship but schools and educational facilities—are being treated the same. A few of us, especially me because I organise events, would rather that he did that a bit more across the Bill.

Baroness Suttie (LD): My Lords, I too shall be very brief. We believe that all three amendments would have the effect of watering down this draft Bill and reducing the number of premises that would be covered by it. These amendments are working on the assumption that smaller events and venues are less at risk. Can the Minister say whether the Home Office has done any analysis on whether it is indeed the case that smaller venues are less at risk from terror attacks? Is that not, in itself, an assessment of the unknown? It seems to be the case that terrorism and extremist-related attacks are increasingly unpredictable and random in nature.

Noble Lords have talked about the compliance burden. Again, I would like to know a little more about how the Minister would see that in reality. Am I right in assuming that, in the 24-month rollout period before the Bill is implemented, the Government will continue to carry out extensive consultation with

the sector and adopt a pragmatic, realistic and common-sense approach, following their consultation with the industry?

As I said earlier to the noble Baroness, Lady Fox, I feel that this is about striking a balance between not discouraging creativity and not causing a considerable financial burden to small venues and small events, while maintaining a sense of security in the public. Public confidence and a sense of security play a huge role in people's minds when they consider whether they will go to an event or venue. People feeling unsafe is not good for business.

Lord Davies of Gower (Con): My Lords, I will speak to Amendment 11, standing in my name, as well as Amendments 4 and 9 in the name of my noble friend Lord Sandhurst.

Amendment 11 seeks to establish an exemption for premises which have been assessed to be in a low-risk category by an independent assessor. As the Minister knows, we have concerns about which premises will be required to implement security measures under the Bill, and we feel that there should be some flexibility for the premises that are affected by it.

It may be that the correct flexibility would be delivered by Amendment 22, in the name of my noble friend Lord De Mauley, which will be debated later in Committee, or by Amendment 8, in the name of my noble friend Lord Murray of Blidworth. However, the overriding point here is that there must be some flexibility in approach.

Not all premises that are currently caught by the Bill are in need of these additional measures, and it equally may be the case that the Bill as drafted will miss a number of premises that are in need of them. We hope the Government will listen to these concerns and engage positively so that we can ensure that the right premises are required to put in place the appropriate measures to protect the public from the risks of terrorism. This amendment would make this judgment an independent one, taking the discretion out of the responsibility of the department and giving premises that are at low risk access to a route to exemption. I will listen carefully to the Minister's remarks in response to this debate, and I hope he will engage with me as we seek to deliver the flexibility I have spoken about today.

I will now speak to Amendments 4 and 9 in the name of my noble friend Lord Sandhurst, which seek to clarify the Bill's language around the frequency of a premises breaching the capacity threshold. As drafted, the Bill says that the measures will apply when a premises reaches the threshold in the Bill "from time to time". This is far too vague, and the organisations affected by the Bill need clarity now. My noble friend Lord Sandhurst has rightly seized on this point and argued forcefully for the need for clarity today. While I expect that the Minister will tell us that this can be addressed through guidance, it is important we get clarity in the Bill.

To establish a way forward, I ask the Minister to set out what timeframe the Government expect to appear in the guidance. If the Government can answer that question today, can he explain why that timeframe cannot appear in the legislation itself? It is our view that setting the timeframe in law would give businesses and other organisations which will be regulated under the Bill certainty that this definition will not be altered through guidance. I hope the Minister can see how the lack of clarity on this point in legislation could leave space for the timeframe to be changed over time, which could see more venues caught by the rules than is appropriate, and Parliament would have no input in that process.

As I said in the opening debate in Committee, the seriousness of the issues involved in this Bill means we must get the legislation right. We will listen carefully to the Minister's response to this probing amendment and look to table constructive amendments to Clause 2 where necessary at Report.

Lord Hanson of Flint (Lab): I am again grateful to noble Lords for the constructive way in which they have approached the amendments before us. If I may, I shall start with Amendment 11, which is in the name of the noble Lord, Lord Davies of Gower, and which was spoken to by the noble Lord, Lord De Mauley. The first and foremost point I want to make on Amendment 11 is the one that is made to me as Minister by the security services. The threat to the United Kingdom from terrorism is currently substantial. Terrorists may choose to carry out attacks at a broad range of locations of different sizes and types, as attacks across the UK and around the world have shown. As I have explained during the passage of the Bill, the Bill is not about preventing terrorist attacks—that is the job of our security services and the police. The objective of the Bill is to ensure that public protection procedures and measures are put in place to reduce the risk of physical harm if an attack occurs and the vulnerability of premises and events to attacks.

The key point for the noble Lord is that this is not related to the particular premise or a particular time, be it rural or not and inside or outside the scope of the Bill. It is about ensuring that the threat, which is substantial, is recognised, and that can happen at any premise and at any time. That is why we believe the amendment to be well-intended but not in keeping with the objectives of the legislation, so the Government cannot support Amendment 11 for those reasons. If the Government took a position on setting a size threshold in the Bill and considered the noble Lord's amendment the right approach, we would end up discarding a large number of premises that could, due to the threat being substantial, be subject to attack. That point was made very clearly by the noble Baroness, Lady Suttie, in her contribution.

Amendments 4 and 9 have been tabled by the noble Lord, Lord Sandhurst. They would change the provision of Clauses 2(2)(c) and 2(3)(a), which provide that, to be in scope as qualifying premises, 200 or more individuals must be reasonably expected to be present on the premises at the same time in connection with uses under Schedule 1 "from time to time", as we have stated. The amendments proposed by the noble Lord would change "from time to time" to refer to the number of individuals expected "not less than once a month". This would change both the number and range of premises caught by the Bill either at all or at enhanced duty premises.

[Lord Hanson of Flint]

The Government's intention in bringing forward the Bill is to ensure that we examine that, where significant numbers of people gather at premises, steps have been taken to protect them against terrorism. This should be the case whether the relevant thresholds are met on a daily or monthly basis or less frequently. An assessment based on the number of people expected at least once a month would not take into account the myriad ways in which different premises are used and attendances fluctuate over the course of a year. For example, there is the seasonal nature of sports grounds and visitor attractions, and a monthly assessment would take those premises out of the equation.

Therefore, I hope the noble Lord is again offering me a probing amendment to examine, but I cannot support its current phraseology.

Lord De Mauley (Con): So, is once a year "from time to time"?

Lord Hanson of Flint (Lab): We are trying not to define what "from time to time" is because, for example, if a premise on one day of the year met the threshold, that would be from time to time, or it might be monthly or daily. The amendment of the noble Lord, Lord Sandhurst, would mean a prescriptive assessment on a monthly basis, and that in my view would not be sufficient, given the substantial level of the threat.

Lord De Mauley (Con): I understand the difficulty that the Minister is in, but the point I am trying to make is that it is important that those operating the premises know what they are required to do. Unless they know what "from time to time" means, it is very difficult for them to do that.

Lord Hanson of Flint (Lab): Without straying into other parts of the Bill, I would hope that people and premises that fall within scope of the Bill, be it a 200 or an 800 threshold, would have clarity over their responsibility areas. If they look at Clause 5, "Public protection procedures", they will know exactly what is required of them for those public protection matters that fall within the scope of the Bill. So, whether it is "from time to time" as in one day a year or as in every week or every month, if we are more prescriptive, as would be the case under the amendment of the noble Lord, Lord Sandhurst, we would take out a number of premises that—even if it was only one day a year, as the noble Lord, Lord De Mauley, mentioned—would still meet the criteria of the scope of the Bill. My judgment is that the measures in Clause 5 are important but not onerous. They are about training, support and examination of a number of areas. Therefore, if from time to time, one day a year, a premise falls within scope to meet the objectives, the responsible person needs to examine the premise and look at the measures needed in place. That is the reason.

I say that not because I want to impose burdens on a range of bodies but because the terrorist threat is substantial. While the terrorist incidents have occurred in large cities, there is no likelihood that they may not occur in other parts of the country. Therefore, those measures are required within the scope of the Bill. From my perspective as the Minister responsible for taking the Bill through this House, it is important that they are required on a "from time to time" basis, not on a very prescriptive monthly basis. That is why I urge the noble Lord not to press his amendments.

Lord Sandhurst (Con): In the case of an enhanced premises, where there is an event of 1,000 people once a year but for the rest of the year there are never more 200 or 300 people going through, does that bring it into that category? You are normally just "qualifying" premises and so must have the facilities and systems in place to deal with a terrorism event if, heaven forbid, such happens, but if, now and again, you get to 800 people, does it mean that you have to search everyone coming and going throughout the year or is it only when there is the event? That is where I have concerns.

7 pm

Lord Hanson of Flint (Lab): I hope that I can help the noble Lord. There are two categories. There is a 200 threshold and an 800 threshold. If a premise crosses the 200 and/or the 800 threshold, it will be responsible for undertaking certain activity as prescribed by the Bill, common to which are the items in Clause 5. From time to time, if an event is over 800, it will have to go to the levels of the Bill for those thresholds of businesses and premises over 800. That is the nature of the proposal before the House in this Bill.

Lord Davies of Gower (Con): My Lords, regarding Amendment 4 tabled by the noble Lord, Lord Sandhurst, we need to define exactly what we mean by "from time to time". Is it a decade? It must be defined if organisations are to understand their responsibilities. At the moment, it is unclear. In my Amendment 11, I seek merely to establish an exemption for premises that are assessed to be in a low-risk category by an independent assessor. We have genuine concerns about which premises will be required to implement security measures under the Bill.

I have heard what the Minister has said, but I am not entirely convinced. This is an issue that we will take away and consider before Report. For the time being, I beg leave to withdraw my amendment.

Baroness in Waiting/Government Whip (Baroness Anderson of Stoke-on-Trent) (Lab): My Lords, the amendment leading the group was moved by the noble Lord, Lord Sandhurst, so he should have replied and he must formally withdraw it.

Lord Sandhurst (Con): I formally withdraw my amendment.

Amendment 4 withdrawn.

Amendment 5

Moved by ***Lord Frost***

5: Clause 2, page 2, line 11, leave out "200" and insert "300"

Member's explanatory statement

This amendment would raise the minimum threshold for a premises to be a "qualifying premises" to 300.

Lord Frost (Con): My Lords, without making this a Second Reading debate, as we have discussed, I want to repeat the degree of scepticism that I expressed at Second Reading about the value of this Bill. Of course, the threat of terrorism is real; of course, it is important to deal with it by every possible means, but it is equally possible that this Bill will end up with a lot of bureaucracy, paperwork and assessment without doing anything to deal with the threat of terrorism whatever. However, it is the Bill that we have, and we need to do all that we can to make it workable and get the detail right. That is why I have tabled Amendment 5.

I can be quite brief, because this is a fairly simple concept and a core provision in the Bill—as to where premises are caught and affected by the standard duty. This threshold will determine the success or failure of the Bill; it is this threshold that will capture popular opinion about the Bill when it eventually comes into force, and it is this threshold that determines whether, if you are a volunteer or run a business of any kind, you can carry on as you did before, being prudent about the terrorist threat, or whether you have a new set of formal legal duties that you must pay attention to. As I said at Second Reading, when you make something law, you are telling people that they must pay attention to that above the purpose of their organisation. That is what making it law means.

This is where the Bill is going to bite. This is the area where volunteers may decide that they no longer want to continue in what they are doing. It may be the area where they give up. As the noble Baroness, Lady Fox, said, it may be the area where it takes away the fun, the point, the raison d'être of the activity from those who do it. Therefore, it is important to get the threshold right.

As I said at Second Reading, I accept that the Government have taken a step, raising the threshold from 100 to 200, which has significantly improved the Bill. However, my Amendment 5 would raise that threshold to 300. I have two points to explain why that higher threshold is worth considering.

First, I do not think that we have had a proper explanation yet of why 200 is the right number. The shadow Minister raised this question in Committee in the Commons. The responding Minister's only explanation was that

"300 would significantly impact the outcomes of the Bill, and particularly what the standard tier seeks to achieve".—[*Official Report*, Commons, Terrorism (Protection of Premises) Bill Committee, 31/10/24; col. 68.]

That is obvious, but why? We need a little more understanding of why it is 200 rather than 300 and why it is any particular figure other than the arbitrary seeking of a number. One Minister said something like that in the Commons: "We've got to decide a number, and this is that number". However, it is such an important number that it deserves some proper thought.

Secondly, lots of activities are still caught by this 200 threshold. The impact assessment says that it is 154,000. That is down by nearly half from what it would have been at 100, but it is still a lot—that is one premise for one activity for every 450 people in the country. For a threshold of 200, that is quite a significant figure. An occasional capacity of 200 people is quite a small number of people. One in eight village halls are still caught by this threshold. The Music Venue Trust says that a sixth of its premises are caught between the 200 and 300 thresholds. These are not small numbers, but they are still relatively small activities. That is the point. We must try to set the threshold at a point where we are not capturing those who do not need to be caught by it.

Is the Minister confident that the threshold really must be so low? Can he give a clear explanation for why it has to be set at that level? Can he go beyond explaining that it is simply arbitrary, that it has to be set somewhere and that 200 is the right number—end of discussion? We need a little bit more debate than that and I hope that we might get it now.

Lord Udny-Lister (Con): My Lords, Amendments 6 and 7, in my name, follow a similar line to the amendment from the noble Lord, Lord Frost. His request is that the threshold moves to 300; mine is that it moves to 400 or 500. The truth is that I do not think there is a magic number. I think the number was first 100, and I am grateful to the Minister for moving it to 200, but as the noble Lord, Lord Frost, said, there is no particular reason for this number. It can be almost any number; it is just that you capture more and more businesses, village halls and voluntary organisations by going for the lower number. I want to push for this to be debated fully this evening, because this is one of the core issues within the Bill and something that needs a lot of time.

The amendments seek to increase the threshold and exempt smaller venues. That would be so important for so many of them. It is about viability and costs, as many businesses are struggling with all the costs that face them. The Government should be trying to protect them and these premises from further resource pressures. Therefore, it is the damage that is going to be done that I ask the Government to think about. By raising the threshold, these amendments would alleviate the administrative and financial responsibilities involved and associated with implementation, while concentrating resources and efforts on larger premises, which will always be higher-value targets for terrorist activities.

The noble Baroness, Lady Fox, made a very important point in an earlier group. Every time we do anything like this, we say to the terrorists that they have had another victory and done something more, by making us start to change our lives—that is what is happening here. I feel very strongly that we need to minimise the effect on the people of this country, as much as we possibly can, and go for the largest number that can possibly be considered. I cannot believe that there is not an argument we could have which would enable the Government to accept a number of 400 to 500; they may wish to consider the 800 number, but that is another issue. I am less concerned about that; I am concerned about smaller organisations—the voluntary organisations and smaller business—and the chilling effect that this will have.

Baroness Fox of Buckley (Non-Afl): My Lords, when I heard about this Bill originally, one could see and understand that it made sense for Wembley Stadium or somewhere of that nature. But when under the last Government, not this one, I saw that the figure of 100 was being used, I realised how many small businesses

[Baroness Fox of Buckley]
and small organisations such as church halls would be affected. It made me ask a question, which the Government have rightly answered. All the consultations and pre-legislative scrutiny, and all the trade organisations that were asked, have said there is very little evidence that, for the safety of small venues, this legislative regulatory framework will keep people safe. What it is guaranteed to do is stymie entrepreneurship and volunteering in local areas, and make people think that it is just not worth organising events or staying open.

I congratulate the Government on having listened to that and for raising the standard tier from 100 to 200 people. Having done that, the question is why they stopped at 200—why not 300 or 400? These numbers are not rocket science, and this is not a glib or silly point or playing games. That is why I raised—rather badly, a moment ago—that, on the numbers game, education settings and places of worship are classified as standard duty premises, regardless of their capacity, because they are different kinds of premises.

We know that it does not have to be this number or that number otherwise people will be killed in terrorist offences. The Government are prepared to be subtle and flexible, and this Bill can be the same. It is worth us probing why the Government stopped at 200. I would go higher, because I am very worried that it will stymie community organisations and small businesses, which will just fall apart.

The Government have a mission of growth and keep saying that they believe in it. They do not want to be saying to new companies or to the hospitality industry that they are going to have to fulfil overregulatory bureaucracy to survive. It is not that such organisations do not care about their clientele or staff; it is that this Bill does not just demand that they think about that but that they must fulfil, under threat of law, a particular set of regulatory mandates. It is difficult; that is what they have all said.

7.15 pm

Lord Murray of Blidworth (Con): My Lords, Amendment 8 similarly seeks to raise the threshold for mandatory compliance with the requirements of the Bill to

"300 people, or, if smaller",

where

"the Secretary of State determines that the premises are at a heightened risk of terrorist attack".

This is a more flexible measure than the amendments proposed by my noble friends, although I entirely agree with the sentiment of the speeches that we have heard from my noble friends Lord Frost and Lord Udny-Lister, and in an earlier group by my noble friend Lord De Mauley.

As the noble Baroness, Lady Fox, observed a moment ago, the Government were entirely right to increase the threshold from 100 to 200, but I suggest that 200 is still too low and will cause disproportionate expense and disruption to small businesses. In particular, I will focus on the potential impact on community volunteering.

In engaging in the balancing act of the protections which this Bill will afford, one must look at the history of the type of terror attacks that we seek to address. As my noble friend Lord De Mauley observed in his remarks, they are largely urban and at large venues. While the Minister is right to say that attacks can happen at any premises at any time, it is also right to say that there is a greater risk at certain types of venues and in certain locations, and that is borne out by the history of terrorist attacks. It is therefore incumbent, I suggest to the Committee, that this legislation adopts a flexible approach to risk. I have sought to reflect that in my Amendment 8.

I suggest that we must have a proportionate approach, or this legislation will have the effect of closing largely community venues, much valued by people up and down this country. One needs look only at the Home Office's own impact assessment, produced with the Bill. At page 9, the authors note that among respondents to the survey of premises with a capacity of 100 to 299—the owners of smaller premises, places of worship, village halls and community centres—only four in 10

"agreed that those responsible for premises within the standard tier should have a legal obligation to be prepared for a terrorist attack",

and

"Around half … reported that the revised requirements would be difficult to take forwards … Six in ten … were at least somewhat concerned that the cost of meeting the standard tier requirements will affect their organisation's financial ability to continue operating".

This Bill is a sledgehammer that is going to crack the nut of our village halls. I ask the Minister: if, two years down the line, after the implementation of these procedures, we find it is very difficult for village halls to find trustees and volunteers who are prepared to take on the legal obligations of the enforcement regime that this Bill imposes and those village halls start to close, what will the Government do to undo the damage wrought to our communities by the closure of these much-valued venues?

I strongly commend my amendment and a measure of flexibility to the Government and the Committee this evening.

Lord Carlile of Berriew (CB): My Lords, not for the first time in a debate on terrorism in your Lordships' House, I have to say that I do not want to be the person who in a few years' time says, "I told you so". This Bill is about terrorism. If a terrorism act resulted in the deaths of 20, 30 or even two or three people in a hall that was holding a qualifying event that had 232 people, for example, in the audience, in both Houses we would be saying, "Something's got to be done. We got this wrong".

I remind your Lordships that one of the most notorious and most damaging terrorist attacks this country has ever seen took place in a public house in Birmingham. So the idea that we hold a sort of numbers auction on the capacity that qualifies under the Bill is, I am afraid, foolish and wrong. Indeed, I am very concerned about this debate on numbers, because it runs the risk of being part of a playbook for terrorists to read—and many terrorists do read very carefully, both on the internet and elsewhere, when they are making their decisions.

Baroness Fox of Buckley (Non-Afl): On that basis, there would be no numbers, no tiers and no distinctions at all in this piece of legislation. One of the most

shocking and barbaric actions happened recently with the group of—what was it?—40 young children at a dance class. Those of us trying to seriously probe what regulation would mean based on numbers—because there are numbers in this Bill—does not mean that we want to encourage terrorists to go in and kill people in any circumstance. It is wrong, because a lot of the terrorist things that have happened recently have happened because we did not do something before, not because of the numbers of a venue and regulation—for goodness' sake.

Lord Carlile of Berriew (CB): If the noble Baroness had waited until the end of my next sentence, I would have answered her question. I recognise that we have to set some number. It was suggested that there was no reason for a figure of 200. Can I just remind your Lordships—because it has not been mentioned yet in this debate—of part 8, volume 1, of the Saunders report? Sir John said, at paragraph 8.43, which I am sure all noble Lords will have read with care:

"An important question for the government will be whether setting the level for the Protect Duty in the first category at venues with a capacity of 100 or more is workable. Very different issues will arise for venues capable of accommodating an audience of only 100 people and one capable of accommodating many thousands such as the Arena".

That is the Manchester Arena.

The stated aim of the consultation on which those comments were based, said Sir John,

"is for 'light touch' regulation. While that may be justified when dealing with smaller venues, it seems to me that different considerations should apply to larger commercial premises. Not only are the potential consequences so much more serious but, for that reason, these premises are more likely to attract the attention of terrorists. They are also likely to have greater resources to put protective measures in place".

In the final part of what I regard as a very important quotation from Saunders, he says, at paragraph 8.45:

"I recommend that when considering the shape of the legislation, the government considers whether it will be necessary to have further categories above the 100 capacity. While categorising by capacity may be the most straightforward way of deciding on the nature of the Protect Duty to be imposed, there may be other factors that need to be considered. For example, it may be appropriate to use different capacities depending on whether the venue is indoors or outdoors. This will need to be considered".

I also know, as many other Members of this Committee will know, that Figen Murray and those such as Brendan Cox, who have been the backbone of her campaign, have researched these matters with care, and they were asking, on the basis of the evidence they obtained, for a lower figure of 100. I accept that we have to have some figure, but it must not be one which is part of the encouragement or playbook of terrorists.

The Government have accepted that that figure of 100, which Sir John Saunders had in mind and which was adopted by Mrs Murray, should be raised to 200 and have nuanced the legislation in various parts of this Bill, exactly as Sir John Saunders anticipated and recommended should be done. I therefore believe that this is a reasonable balance and that we should now recognise that this is a proportionate and nuanced provision and stop playing about with these numbers.

Viscount Brookeborough (CB): My Lords, I too recognise that inevitably we have got to fix a figure, and that is for this House and/or another place to do. I would just like to say one thing about Amendment 8, in the name of the noble Lord, Lord Murray, where he says,

"if smaller, the Secretary of State determines".

One has to see the reality of that, which is that this would probably happen anyway—although I support his amendment—to the extent that how or why would the Secretary of State intervene? He would intervene only because of intelligence.

We have to remember that it is not just what we all think in here. Our intelligence services have kept us safe—touch wood—we are told from many planned incidents over the last few years. Therefore, regardless of the number being six or 800, we rely on them to come through and tell us where the threat is. We have been talking about whether it is a small premises that is attractive to terrorists or a large one, or whether it is a significant name of an event or whether it is the people attending. They will go first to find a target that will gain them the maximum amount of attention. They then say, according to what happened with us and I am sorry to go back to it, "Which one is easy for us to go for?".

We cannot decide that in here. But we must put the numbers down. I agree with Amendment 8 from the point of view that it recognises that the Secretary of State must have the power to intervene on any event, and not just necessarily the Secretary of State but the police and the intelligence that leads to some form of action on it. So I do support the amendment.

Lord Harris of Haringey (Lab): My Lords, I am pleased that we are having this debate. I am not going to decry the three previous groups, but this actually comes to the nub of what I suspect what this Committee stage will be about.

I listened very carefully to what the noble Viscount just said. I have to say that it is quite possible that, under any set of circumstances, the police or the security service will have identified a high risk. Under those circumstances, I hope they would intervene and I hope the organisers would take it extremely seriously and respond—and actually, I suspect that in every single case they would. But the fundamental issue, which is raised by this set of amendments, is not what is the burden of this but what is the risk appetite that the people who are organising this event, and that we as a nation have, about the event concerned?

Every organisation, when it considers its risk register, will consider its risk appetite: what are we prepared or not prepared to tolerate? This figure is, of course, arbitrary. It could be 100; my personal belief is that it should have remained as 100, but the Government consulted very widely, listened to the views that were expressed and came up with this number. So we are presented with 200. A terrorist attacking a premises of 199 is potentially going to kill a very significant number—as many as were killed at the Manchester Arena. They may not be able to injure quite as many as at the Manchester Arena, but they could cause immense damage.

7.30 pm

The choice for your Lordships in this Committee, for the Government and for any of the venue organisers is: what is your risk appetite for such an attack? What

[Lord Harris of Haringey]
are you prepared to tolerate? The argument from a number of noble Lords is that the limit should be not 200 but 300, 400, or maybe even more than that, but the reality is that you are saying, "Our risk appetite, by accepting that higher number, is that we are prepared to tolerate that number of people potentially being killed because no precautions were taken". That is not to say that those precautions will have been necessary in every case, but it is a decision that has to be made about risk appetite. That is not easy. Boards and committees I have been on have struggled over what their risk appetite should be, because they do not really want to accept any risk whatever, but that is what you have to do. There is a trade-off between safety and the consequences of putting these obligations on to the people who are organising these events. That is the choice we have to make.

A few years ago, I produced a report for the Mayor of London on London's preparedness to deal with a terrorist incident. The question he wanted me to answer was whether he was putting enough armed support officers in the capital to deal with the sorts of attacks that had taken place in Paris and Brussels in recent years. I think he wanted to be in a position where he would be able to say, should something dreadful have happened after my report, "Well, I asked that Lord Harris to do a report for me and he said it would be okay". I am afraid that is not the answer that I gave the mayor. I said, "Ultimately, it's down to you. What is the risk appetite that you have for coping with this? Of course you could reduce the risk significantly by doubling or quadrupling the number of armed support units, but what is your risk appetite to do that and what do you think the consequence is?" That is exactly where we are on this Bill: what is our risk appetite?

Lord Murray of Blidworth (Con): What is the noble Lord's risk appetite for closures of community venues and village halls as a consequence of these provisions if the threshold is set too low?

Lord Harris of Haringey (Lab): That is what it means to consider your risk appetite: you consider the risk of something dreadful happening and the risk and the consequences associated with trying to address it. That is the choice we must make. I suspect that ultimately we are going to disagree on this. My risk appetite, because I do not really like being killed in the name of some terrorist or other ideology, is that I would prefer the number to be smaller; I would prefer it to be 100. I accept that some noble Lords opposite would rather see the figure set higher. We have a different view of the risk appetite.

My answer to all these amendments is that the Government have consulted widely and responded to that consultation. They have increased the number from 100 to 200. Personally, I am prepared to accept the risk judgment made by Government Ministers on that basis. That is the way in which we should approach it. We will all have different numbers in mind and different views of risk appetite, but ultimately we expect our Government to take a sensible, balanced risk appetite, and I believe that this is it.

Lord De Mauley (Con): My Lords, at the risk of incurring the ire of the noble Lord, Lord Carlile, while we are on the subject of nickel-and-diming over numbers, how did the Minister settle on a figure of 800 attendees, above which an event becomes a qualifying event and compliance becomes significantly more expensive? It is quite a specific number. One might have expected a round number, such as 1,000. What specifically led the drafters to go for 800?

Baroness Suttie (LD): My Lords, as other noble Lords, including the noble Lords, Lord Harris and Lord Carlile, have said, there are many who feel that 100 would have been a better threshold, including many of the families of the victims. There is no amendment to reduce the threshold to 100, which is a shame, not least because I know it is what many in the Martyn's law campaign group would have liked to see.

We should recall that the House of Commons backed 200, which is probably an acceptable compromise because, as the noble Lord, Lord Harris, said, we ultimately will not agree on this, but it has to be about a compromise and the House of Commons overwhelmingly supported 200. Pushing the threshold up to 400 or 500 would destroy the whole purpose of the Bill.

It is, of course, important, as some noble Lords on the Conservative Benches said, that we do not overly add to the burden, or add unnecessary obstacles to creativity or to developing a sustainable business model. But encouraging people in charge of venues or events to think through what they would do in the event of a terrorist attack surely makes good business sense. There is in what the noble Baroness, Lady Fox, proposes the risk of unintended consequences. There is a risk that raising the threshold would put people off going to small venues and small organisations of, say, under 200 or even under 100, because they will know they have not been covered by the Bill.

We on these Benches will support the Government in their threshold of 200 unless, in the course of further debate, there can be really compelling reasons to change our minds.

Viscount Goschen (Con): My Lords, when the Minister comes to answer this short group of amendments, could he comment on what assessment there has been of the SIA's capacity to advise and regulate these potentially hundreds of thousands of applications, and on the capacity of the security industries and consultancies that will provide expertise to assist applicants in putting forward their detailed plans?

We have had a very emotive discussion on these amendments, which I regret to a degree, because this is an incredibly important discussion about where the line falls. There does have to be a line, but one consequence of moving it from 100 to 200, or 200 back to 100, or to 500, or whatever it may be, is around the actual pragmatic capacity of the regulatory body, the Government and the industry that will provide consultancy services to enable what everyone in this Chamber wants to happen. I would be grateful if the Minister would address that point when he comes to respond.

Lord Davies of Gower (Con): My Lords, I support the amendments to Clause 2 tabled by my noble friends Lord Frost, Lord Udny-Lister and Lord Murray of Blidworth. I am sorry that the Government have declined to give this group a proper title and referred to it as the "degroup". For the benefit of the Committee, it would have been better for this group to have been given a proper title, such as "capacity of premises". I hope the Minister will take this back to officials, so that we can have proper titles for groups of amendments going forward.

These amendments collectively seek to adjust the minimum threshold for qualifying premises under the Bill and to ensure that the legislation strikes a careful balance between security and proportional regulation. Amendments 5, 6 and 7 propose raising the threshold from the current 200 person capacity to 300, 400 and 500 respectively. These are important proposals that merit some serious consideration. The current threshold of 200 people is relatively low and risks imposing unnecessary and disproportionate burdens on small venues, community spaces and independent businesses.

I particularly have in mind when communities come together to protest at public meetings called at short notice in community halls, often with more than 200 and perhaps more than 300 people—I see the Minister smiling; we have all been there.

Small and medium-sized enterprises, including restaurants, cafes, independent theatres and community halls, are vital to the social fabric and economic vitality of our communities. Many of these premises operate on razor-thin margins and simply do not have the financial capacity or staffing resources to implement the comprehensive security measures that may be required under this legislation. Compliance with the regulations could entail significant investment in security equipment, personnel, training and operational changes—costs that could be ruinous for smaller businesses.

It is also worth considering the administrative burden that a low threshold may impose on both the businesses themselves and the enforcement authorities tasked with overseeing compliance. By setting the bar at 200 people, the current provision potentially captures a vast number of venues that pose a relatively low security risk. This dilutes resources that could be better focused on higher-risk premises where security efforts would be more impactful. Moreover, we must take a proportionate and risk-based approach to security policy. If we overburden smaller venues with costly and complex requirements, the unintended consequences may be that many of them are forced to reduce their operations or even close altogether. That would deprive communities of essential spaces for social, cultural and economic activities, particularly in rural and underserved areas where small venues play an outsized role.

Raising the thresholds to 300, 400 or 500 people, as proposed by these amendments, would ensure that security requirements are applied where they are most necessary—namely, at larger venues with higher footfall and greater potential risk. It would also signal that this legislation is responsive to the concerns of business owners and recognises the practical realities of running a small venue in today's challenging economic climate.

It is crucial that we approach this matter with pragmatism and proportionality. A higher threshold would help protect businesses, community spaces and cultural venues from unnecessary regulatory burdens while maintaining a clear focus on enhancing public safety where it truly matters. We must recognise that many smaller establishments operate on tight margins and have limited resources. Mandating extensive security measures may be feasible for larger venues but could place an unsustainable financial and administrative strain on smaller premises. Raising the threshold would help to ensure that security requirements are applied where they are most necessary: namely, at larger venues with higher footfall where the risks are more significant.

That said, I appreciate the wisdom in Amendment 8, tabled by my noble friend Lord Murray of Blidworth, which he spoke to with some passion and which takes a nuanced approach. This amendment proposes a dual system where the default threshold is raised to 300 people but the Secretary of State retains the discretion to designate smaller premises as qualifying if they are at

"heightened risk of a terrorist threat".

That flexibility is crucial. Although larger premises are generally more attractive targets, we must acknowledge that smaller venues can also be vulnerable under specific circumstances, whether due to their location, the nature of the events they host, or intelligence indicating a credible threat. Granting the Secretary of State this discretionary power ensures that the legislation remains responsive to evolving security challenges without imposing blanket requirements on small businesses.

Furthermore, Amendment 8 reflects a thoughtful understanding of the need for a risk-based approach to security. Security should be proportionate to the threat, and, by incorporating an element of ministerial discretion, we can achieve a more targeted and effective framework.

In conclusion, these amendments collectively represent a pragmatic and balanced approach to enhancing public safety while safeguarding the viability of small businesses and community spaces. I urge the Government to give serious consideration to adopting a higher default threshold alongside a discretionary mechanism to ensure that security measures are applied where they are most needed.

Lord Hanson of Flint (Lab): Again, I am grateful to noble Lords. A range of amendments have been brought before the House and the nub of the arguments is about the threshold for qualifying premises. That issue was quite rightly debated in this House at Second Reading and was also debated in the House of Commons.

7.45 pm

I begin my contribution by agreeing with the noble Lord, Lord Carlile of Berriew, because, again, I do not want this debate to be about a numbers game. I want it ultimately to be about the responsibilities that organisations have to help protect themselves in the event—which still remains unlikely—of a terrorist attack. That is what the nub of this debate should be about.

As noble Lords mentioned, at Second Reading some noble Lords supported the 200 threshold that the Government have settled on; my noble friend

[Lord Hanson of Flint]
Lord Harris of Haringey suggested today that he would have supported a lower threshold of 100; amendments in the names of the noble Lord, Lord Frost, and others, suggested 300; and the noble Lord, Lord Udny-Lister, suggested 500. Ultimately, the Government have to make a judgment on those figures—there is no right number.

I say to noble Lords across the House that the Bill is the end product of a long period of consultation. The Bill was considered following the public inquiry by Sir John Saunders, which the noble Lord, Lord Carlile, mentioned. It is the product of legislation considered by the previous Government, of consultation in draft, of Home Affairs Select Committee scrutiny, and of two wider consultations that took place with the public in 2021 and 2023. It is also the product of discussion with impacted stakeholders, which included premises with capacity above 200, 300, 400, 500 and, to take the point of the noble Viscount, Lord Goschen, up to 800 and beyond—all those figures were discussed with stakeholders over that period of time—and of discussions with security experts. This Government inherited a Bill on 4 July that we have made changes to. Again, they will potentially not find favour with all Members of this House, which includes raising the threshold from 100 to 200. Ultimately, we have to land on a figure, and the Government have determined that that figure should be 200.

Self-evidently, there are different views and debates in this House. But, as the noble Baroness, Lady Suttie, mentioned, any figure above 200 for the threshold will, by varying degrees, whether at 300, 400 or 500, start to degrade the impact of this legislation and to take premises out of what I would still term the "good practice" that will need to be adopted by organisations in the event of a terrorist attack.

The noble Lord, Lord Murray, has again made suggestions and is concerned about the impact on a range of small businesses or organisations. I fully understand that concern, but I hope I can reassure him that the figure of 200 and the measures requested by the Bill are important measures that I still regard as good practice. Let him look at Clause 5 and at what the Bill requires, and he will see that that is good practice. I accept that at over 200 a range of issues will need to be considered, but my contention to the House is that the consultation we have undertaken means that 200 is a figure that should be stuck to. When I am in the position where I have noble Lords behind me saying 100 and noble Lords in front of me saying 300 or 400, I find myself thinking that maybe the Government are in the right place on this, and maybe we can have the benefit of the doubt on that. We think the figure is in the right place.

The noble Viscount, Lord Goschen, mentioned the 800 figure. For the very same reason that the 200 figure—

Viscount Goschen (Con): My Lords, I do not think it was me.

Lord Hanson of Flint (Lab): I thought the noble Lord mentioned 800.

Viscount Goschen (Con): It was the other one.

Lord Hanson of Flint (Lab): Sorry, I left north Wales at 7 am, so it has been a long day already. The noble Lord, Lord De Mauley, mentioned the figure of 800. Why have we come to our figure? I can make all sorts of justifications. Two hundred takes into account the greatest number of large premises, so it is a figure that we have determined accordingly. We have to set the figure at a certain level and we have done so following the wide range of consultation that has taken place.

Lord Murray of Blidworth (Con): To what extent has the department made an evaluation of the impact on volunteering of the measures as they are currently proposed, with a threshold of 200? Does the Home Office have a threshold for the number of trustees that they think will go unfilled, or the lack of volunteering in community ventures and village halls, as a consequence of the threats and burden imposed by these measures?

Lord Hanson of Flint (Lab): The measures that we have accepted are part of the consultation that we have undertaken. The noble Lord was a Minister standing at this Dispatch Box in this department during the genesis of this Bill, so he will know that there has been wide consultation on these matters. Again, I point him to Clause 5 on public protection measures. Clause 5(3) refers to

"evacuating individuals from the premises … moving individuals to a place on the premises … preventing individuals entering or leaving the premises … providing information to individuals on the premises or at the event".

Are those onerous issues? Or are they things that, even in our own assessment, are relatively low cost in terms of training? That relatively low cost is, essentially, in person hours when determining what those requirements are.

Again, we could fix a number. If I fixed the number at 300, 400 or 500, we would take even more premises out, but that would dilute the purpose of this legislation, which is to set good practice for the prevention of an attack when an attack is occurring and the steps that can be taken to save lives. People's experiences—not mine, but those in the consultations of the public inquiry—mean that the 200 figure we have now settled on is the right one. I commend that figure to the House and hope that noble Lords will support it in due course when it comes to the final decision by this House before Third Reading.

Lord Frost (Con): I thank everyone who contributed to this section of Committee. I thank the Minister for his thoughtful comments. I appreciate that there is a degree of arbitrariness in this number, but, equally, it is our task to try to make it as non-arbitrary as possible and make sure that the number we eventually choose is as well grounded in reality as it possibly can be.

Perhaps I might be permitted just one remark before sitting down. I say that because there is pressure for risk aversion, and we have heard some of that in your Lordships' House today. It is important to be careful what we are doing here. We need to keep in mind what the threshold number means. If we set it at 200, for

example, we are not saying that we are prepared to tolerate the risk of 199 people being killed in a terrorist attack. That is not what the threshold is about. The risk that we want to tolerate of that is the number zero.

What we are saying is that there is a trade-off. The costs to businesses and society of complying with these measures are justifiable above a certain number when we take the broader risk of terrorism into account. As the Minister said, the risk of a terrorist attack is unlikely in any individual case. We have to be able to debate this number prudentially while understanding exactly what the threshold means. We have debated it and I suspect we will so again. Meanwhile, I beg leave to withdraw the amendment.

Amendment 5 withdrawn.

Amendments 6 to 9 not moved.

House resumed. Committee to begin again not before 8.54 pm.

Stock Market: First-time Investors

Question for Short Debate

7.54 pm

Asked by ***Lord Lee of Trafford***

To ask His Majesty's Government what plans they have to encourage first-time investors in the stock market.

Lord Lee of Trafford (LD): My Lords, it is a privilege to open this short debate on encouraging first-time investors. I have been a private investor for 65 years, investing solely in United Kingdom companies. Through books, articles and platforms, I like to think I have been something of an evangelist for the private investor. I am also privileged to be the patron of ShareSoc, the premier body representing private shareholders.

We all know the problem. Research by Abrdn, the old Aberdeen fund manager, has indicated that, whereas one-third of Americans' personal wealth is in equities and mutual funds, the comparable figure here in the United Kingdom is only 8%. Yet there is no shortage of money here: 22 million people have £120 billion in premium bonds, and research by Barclays, using FCA data, estimates that, after contingencies, there is no less than £430 billion in cash held by 13 million individuals.

So we have to change the climate and the culture of investing and encourage new investors, break down barriers and be much more creative. The consumer duty Act of 2023 made it very unattractive for traditional stockbrokers to take on new clients, so I welcome the Chancellor's determination to move the dial, telling regulatory bodies to deliver

"a mindset shift on regulation".

Indeed, I have to say that, had we been able to buy shares in the regulators, they would have been great growth investments.

I have seven specific suggestions. The first deals with young people. It is absolutely ridiculous that grandparents are not able to take out junior ISAs for their grandchildren. At present that has to be done through parents, and that restriction should be abolished immediately; I see no merit in it.

The second is on financial education in schools, which has been and is abysmal. The Government still own something like 8% of shares in NatWest. When the previous Government were in power, I and a number of Members of your Lordships' House wrote to Jeremy Hunt with the idea of gifting £5,000-worth of NatWest shares owned by the state to willing state secondary schools, to be held for the long term. The idea was that this £5,000 would deliver a £350-a-year dividend and the pupils themselves—this was the whole point—would decide how to spend that dividend. That would be transformative and of modest cost, and for the first time it would make youngsters aware of what a bank, a dividend and the stock market were. There are only approximately 4,000 state secondary schools in the country, so the cost would be a relatively small £20 million.

Unfortunately, of course, the general election intervened, but Rachel Reeves could still deliver this, because the Government still have 8% of NatWest, as I previously indicated. Parallel to this, I would like to encourage regional public companies to gift shares or cash to their local schools—schools from which they will recruit and where perhaps their employees' children go to school—to enable those schools to become shareholders in those local companies, thus building bridges and raising awareness.

So far, I have discussed it with only one public company, the flavours and fragrances company, Treatt, based in Bury St Edmunds, where I am a shareholder. It gives something like £100,000 a year to charities. It is considering this approach and applauds the concept. It is happy to be quoted on this. I hope that the Quoted Companies Alliance, the trade body for smaller regional public companies, will support and promote this idea and take it forward.

Next, I come to television. There has been a near failure—indeed, a total failure—of television over the years to cover the stock market or investment opportunities. We have so many exciting UK companies to invest in. On television, we have any number of gambling advertisements and advertisements for medallions of dubious value, but virtually nothing on the stock market. I think television producers and similar are fearful of the regulations. I urge the Government to call in television and media chiefs and challenge them to deliver programmes to encourage private investors and, in the nicest way, to tell the regulators to back off.

Fifthly, we should aim to encourage and increase employee share ownership. The Government should take up the sensible and positive recommendations of ProShare, and encourage companies to disclose the level of employee share ownership in their annual reports.

Sixthly, in parallel to notifying premium bond prize-winners, as currently, that they have won a prize and that they have the choice of taking cash or buying more bonds—unless they have the maximum number—I

[Lord Lee of Trafford]
suggest that we could, and should, inform them of the possible routes to stock market investment, giving information on possible investment platforms and such things as ISAs.

Finally, I come to ISAs themselves, which have been such a wonderful tax-free wrapper over the years. They have been a huge success, and I am certainly a grateful beneficiary. However—and I know this will be controversial—I would suggest that all future ISAs should be restricted to only UK-quoted shares. If people want to invest overseas, that is fine, but why should we give them tax relief to enable them to do so? To be clear, I am not suggesting that existing ISA holders should have to divest their overseas holdings; that would be retrospectively unfair and administratively messy. Perhaps, it is also time to look at cash ISAs. Is there a case for making them less attractive, taxation-wise, than stocks and shares ISAs?

These are very much personal ideas of mine, and, I repeat: I am sure that some of them are controversial. I very much look forward to hearing contributions on boosting share ownership from other colleagues in the short debate this evening.

In the nicest way, I do not expect the Minister to be able to answer in detail a number of these specific points. However, she is a Leeds lass and a very respected former Leeds City Council leader. Therefore, she will certainly know the Chancellor, who of course is a Leeds Member of Parliament, personally. All I would ask of her is that she endeavours to draw the attention of the Chancellor to the suggestions that I am making and that other colleagues will be making during this debate. It would be very disappointing if our ideas were lost in a Treasury in-tray or, even worse, perhaps, in a Treasury wastepaper basket.

8.03 pm

Lord Davies of Brixton (Lab): My Lords, I very much thank the noble Lord, Lord Lee of Trafford, for introducing this short debate and I look forward to hearing other speakers.

I have been reading the *Financial Times* for nigh on 60 years and, for many years, one of the highlights was the columns written by the noble Lord about investing on the stock market. The headline on his last column—which, unfortunately, has now ceased—was:

"The first ISA millionaire says there are only two essentials in investing: common sense and patience".

Clearly, he knows what he is talking about, but there is a problem: an inherent conflict is involved.

I am going to put words into the mouth of the noble Lord now but, as I understand it, what the noble Lord, Lord Lee, advocates for investing is patience, resilience during market downturns and an unwavering commitment to high-quality companies, reinforcing the belief that wealth is built over time rather than through frequent trading.

That is clearly right, but it is not easily transferable. Investing is a skill that, I suspect, is not readily available to large numbers of people in our country. I am not against people investing in the stock market; if people choose to do so with the necessary knowledge and information, that is good. However, the Government should not put themselves in the position of, in effect, proffering financial advice. That is not the Government's job because, while the potential gains are real, so are the risks of the downside.

Everyone needs to start from somewhere, and training and education are clearly important, but the key is that we need people to understand that, while investing in the stock market offers opportunities to grow your money and build financial security, the risks are just as real. There are so many stumbling points at which people will lose out. The previous debate was about risk; another key to successful investment is understanding the risks.

I return to the point that I made initially, which is exemplified by the noble Lord's own career: the need to understand that investing takes time. There is no quick fix to successful investment on the stock market. It is not a shortcut to wealth; it requires patience, learning and discipline.

8.07 pm

Lord Leigh of Hurley (Con): My Lords, I congratulate the much respected and admired noble Lord, Lord Lee of Trafford—no relation, I add—on securing this debate. It is an issue on which he has campaigned tirelessly and ceaselessly with good reason, and we wish him well with it.

Our whole system of capitalism, which has served us so well for hundreds of years, needs to be explained to our fellow citizens as early as possible in their lives, with every effort made to include them all so that they can benefit from its success and determine for themselves who to back with their own savings.

"Capitalism" has become a word that some regard as a negative—nearly always people who are employed by the state and regard equality as the most important focus. They fail to recognise that all our prosperity is enhanced by a market system that rewards success and, yes, allows for failure, which is sometimes painful. The incentivisation to succeed is a basic, natural desire of us all to do better for ourselves, our dependants and our communities.

Some critics complain that the drive to capitalism is the enemy of the environment, but they are so wrong. The market created Outlook for email to replace paper. The market created electronic vehicles to replace the combustion engine. For further prosperity, which we have to accept will not necessarily be spread equally, we need to encourage investment. The current discussion by left-wing politicians seeking to penalise people who have what they call "unearned income" is a flashback to the dark days of the 1970s, when two classes of income were taxed differently and, in my view, unfairly. In particular, we need to teach kids that so-called "earned income" is paid, weekly or monthly, without any risk whatever, while "unearned income" is typically generated from an investment, which involves risk to capital and, therefore, deserves greater reward.

As interest rates begin to fall again, we must make the case for people to move out of cash into riskier but more rewarding investments, and, in that respect, stop putting people off with all the mandatory and unnecessary disclaimers. It is as if when people are buying shares in companies, they are at the same time lighting a cigarette and inhaling deeply. They are not.

By the way, the same damaging and discouraging risk could be said for the mountain of bumf which public companies, even AIM ones—I declare an interest as the chairman of one—have to include in their annual reports. This just serves to frighten off anyone, in the unlikely event that they actually read it. It is another barrier to an efficient market, as huge resources are spent providing irrelevant information on issues irrelevant to success; it just highlights incredibly unlikely risks.

In 2017, an aspiring young MP wrote a paper for the Centre for Policy Studies. The author, a Mr Rishi Sunak, pointed out that 55% of the US population was then invested in the stock market, as opposed to 19% in the UK—broadly similar to the figures of the noble Lord, Lord Lee. As a result, our markets are currently failing us. I declare an interest as the senior partner of Cavendish, and my investments are as in the register.

The Conservatives had an excellent idea to facilitate investment with the proposed British ISA. Labour abandoned plans for it last September, which was a shame, because before the election a Labour spokesman said that the party had no plans to drop it. There was justified criticism of the British ISA, but it needs another look. I urge the Minister—who has been outed as part of the Leeds mafia—to look at this again through the spectrum of investment by young people, possibly as an extension of the junior ISA. Children should be taught how investment creates growth, which can help them as the economy grows but, more excitingly, can benefit them as investors.

The current Government are on a dangerous course of sucking money out of British business, through initiatives such as the much-reviled national insurance scheme, to spend on public sector initiatives. There is no chance of economic growth with this route. What we need to do is create interest, connection and passion in the free markets and capitalism, and investing in businesses at as early a stage as possible.

8.11 pm

Baroness Bennett of Manor Castle (GP): My Lords, in following the noble Lord, Lord Leigh of Hurley, I have to go briefly to a report from the Intergenerational Foundation, which notes that the current UK tax regime strongly favours unearned income over earned income.

I thank the other noble Lord, Lord Lee—with a different spelling—for securing this already interesting debate. I invite noble Lords to imagine seeing billboards on their trip home this evening, whether on the Tube or along the side of the road. They will find advertisements directed towards retail investors for investments in the stock market or elsewhere. They might see a widely smiling young woman from a minoritised community, holding the latest iPhone and looking like she has just won the Esports championship, even though the advert is for an investment app. They might see signs on these adverts saying, "Earn up to £100 as a welcome bonus", "No minimum balance", "Robo-advice" and "Coaching services for all", or perhaps they will feature the old traditional piles of spilling gold coins. There is no hint here of the skills and patience to which the noble Lord, Lord Davies, referred as a necessary part of retail investing; you will not find that in those adverts.

If noble Lords have a quick look at the work of the Advertising Standards Authority, they will find plenty of rulings against companies that are not even following our limited law. They are not putting—in a small and hard-to-read font in the most obscure corner—a warning about the initial investment being at risk, or an acknowledgement that the product is not covered by protective legislation. It is the Wild West out there, and I have not even got to TikTok and Instagram, where our regulators are at least starting to catch up. Last year, there was a crackdown on so-called finfluencers, a handful of whom, with a collective Instagram following of 4.5 million, were finally caught up with. I do not have time to go into the issue of greenwashing, on which, again, our regulators are just starting to catch up.

As we were reminded just this morning, we live in an age of shocks—geopolitical, political, climate and health—which can have massive impacts on even the most apparently solid investments. What is solid today? As our always clear and succinct Library briefing says:

> "Retail investors are often advised not to buy shares unless they can afford not to access that money for more than five years, to give stock prices time to recover if they should fall".

But that assumes, in this age of rapid technological, social and political change, that they will recover. I start in this debate from a position of concern about the existing vulnerability, under current arrangements, of so many retail investors in today's world. I do not think that we are in a position to boost, as the noble Lord, Lord Davies, suggested; rather, we should be thinking about better protections.

There is one thing that the noble Lord, Lord Lee—to my left—and I can certainly agree on: that financial education in UK schools is abysmal. I have noted already that the *Financial Times* regard it as so bad that it made it the subject of last year's Christmas's appeal. But I suspect the noble Lord might find that financial education would not have the effect that he desires. Understanding of the financial system might well produce more concern about it—a rejection of it, as much as engagement.

I certainly hope that is the case with cryptocurrencies, on which more education is urgently needed. This was demonstrated by the newsworthy fact today that, as calculated by three blockchain analysis firms, entities behind President Donald Trump's crypto coin have accumulated close to $100 million in trading fees in less than two weeks. Meanwhile, tens of thousands of small traders have lost, if not quite their shirts, two-thirds of their "investments".

8.16 pm

Lord Sikka (Lab): My Lords, I thank the noble Lord, Lord Lee of Trafford, for this debate and for his excellent opening speech. This debate comes on a day when stock markets are tumbling and hedge funds have bet billions on a market crash triggered by trade wars unleashed by US President Trump. These events further highlight the casino nature of stock markets, which can easily burn first-time investors. Woe betide any Government which encourage people to gamble on the stock market, especially if people incur losses.

[LORD SIKKA]

Due to inequitable distribution of income and wealth, most people simply do not have the cash to gamble on the stock market. One recent survey suggested that 34% of adults either had no savings or had less than £1,000. Another reported that 66% of adults had average savings of less than £10,000, so buying and selling shares is not really a priority for most people, and they will inevitably look for safer investments.

A key requirement of risk management is to hold a diversified portfolio. That means holding securities that are negatively correlated—a correlation coefficient of minus one would be ideal, but nevertheless they have to be negatively correlated. However, that is not easy to achieve for first-time investors if they are directly investing. Institutions have lunch-table meetings with companies to extract information, but individual investors have no power to extract any information, and they cannot even analyse the publicly available information. The annual report of HSBC is over 400 pages long. I do not how many investors are going to pour over that to make any sense of it, even when this information is publicly available.

Before any Government encourage shareholding, they need to look at the impact of the shareholder model of corporate governance. Shareholders focus on the short term and have no loyalty to any business or community. Some time ago, the *Telegraph* reported that the average shareholding duration in the US was just 22 seconds. Can the UK really be that far behind? How would that stabilise investment and companies? Shareholders really want to resolve uncertainty as quickly as possible, and the way they do it is by demanding returns very quickly. Andy Haldane, one-time Bank of England economist, noted that in 1970 major UK companies paid out about £10 of each £100 of profits in dividends; by 2015, that amount had increased to between £60 and £70, and this was accompanied by a squeeze on labour and investment. Basically, the country's corn seed was being destroyed.

Most corporate investment these days is funded by debt or retained earnings. Annual share buybacks exceed the IPOs. The net result is that the UK languishes near the bottom of the OECD league for investment in productive assets. Much of the daily churning of share transfer money is really transfer from A to B; hardly any of it goes directly into the productive assets of the company.

Therefore, I do not think that the Government should encourage first-time investors to gamble in the stock market without improving people's disposable income and rethinking corporate governance and powers and the rights of all stakeholders, not just shareholders.

8.20 pm

Baroness Bowles of Berkhamsted (LD): My Lords, I declare my interest as a director of the London Stock Exchange. I commend my noble friend Lord Lee of Trafford for securing this debate and for his enlightened vision on school investment portfolios.

For anyone starting to invest, perhaps with an idea or two but wanting diversification, a go-to investment for 144 years was listed closed-end investment companies, which offer a treasure chest of good things. Some offer portfolios of other quoted equities, both UK and international, but over half invest directly into social infrastructure such as hospitals, homes, schools and renewable energy. Some have local connections. How inspiring would that be to be able to visit projects or attend a shareholders' meeting showing, for example, how unrecyclable waste wood is turned into energy instead of landfill? Can we not just get this off the ground? This requires listed investment companies to still be around to inspire all investors, especially in the infrastructure sector.

Let us remind ourselves why they were the jewel in the crown of the City for so long. They are diversified and can hold a wider range of assets than open-ended mutual funds—notably, real assets such as vital infrastructure and housing. They provide permanent capital to the underlying investment because, when investors buy and sell listed investment company shares, the manager does not need to disturb the underlying asset; nor are they exposed to run withdrawals. There are no deductions from investor share value, with market share prices already discounting expected expenses from net asset value. The wisdom of markets scrutinises and sniffs out performance and all other issues with alacrity; they are transparent public listed companies with audited accounts.

Unfortunately, the Government are contributing to killing them off. How? They are doing this by legislating that listed investment companies must be double-regulated; growing the mountain of lost investment to £100 billion while we wait for FCA rules; undermining the stock market and its reputation; opening the door to attack by Saba and their ilk, and not being internationally competitive.

Why? It is because we cling to EU legislation that, since 2022, we alone enforce, counterproductively, so that listed investment companies' internal expenses—already discounted in share prices—are presented as additional deductions to be paid directly by shareholders, when they are not.

The FCA is consulting on change, with products such as open and closed-ended funds being described as substitutable, when they are not. It continues its obsession with comparing costs as the yardstick for selection. Open-ended funds have different mechanisms behind their costs. They have to continually rebalance portfolios. They cannot use leverage. They do not have maintenance cost for real estate. The list goes on, so why compare? It is far better for each to explain what each does.

It is easy for a Government who need growth and a stock market recovery to do one simple thing: end double regulation and return listed investment companies to their original status, when they made small fortunes for countless private savers while supplying essential capital to British infrastructure and industry.

8.24 pm

Lord Empey (UUP): My Lords, such is the reputation of the noble Lord, Lord Lee of Trafford, that when a couple of colleagues heard I was speaking in this debate, they said, "We'll see you tomorrow and get a few good tips".

In the noble Lord's opening remarks, I think he listed seven points, which I obviously cannot deal with tonight, but there were some good ideas. One point he touched on was education. One thing we do not do in this country, generally speaking, is teach our children practical examples of the world they are entering into. We read recently—I think it was last week—that Generation Z do not know how to change a lightbulb. We do not teach people how to interact with their own Government—with Revenue and Customs—and practical things like that. But there are examples, even at primary level, where some far-seeing teachers—even for primary school kids—get them organised to run little businesses in their own schools. We should teach people where money comes from. People assume that it is just there; it is the Government's, and they will provide it.

There is a difference between this country and the United States in the availability of investment. Understandably, we have to protect people, and we know that the stock market is a form of gambling. But we do nothing about the real gambling. When we had the Budget, we had the opportunity to tax the gambling companies; we did not. Instead, we taxed the pensioners, and these people get away with it. We know what the risk is, as the chances of winning are miniscule. At least with a share, there is a chance of a long-term investment and there is usually some asset—not always, but usually.

We have this perverse situation where we put the most vulnerable people in our community at the mercy of companies that are fleecing them. They even have people knowing what to do at 3 am when a certain demographic is unsettled and are watching their programmes. They came and gave evidence to a committee I was on in your Lordships' House and openly told us.

We have to educate, and that has to go right down to the schools. People have to understand where wealth and jobs come from. They do not come from the Government. The Government are taking that money from people who make it, quite rightly, and spending it on public services. We do not connect the dots. If people are not taught that through their education, we lose it.

There is also the fact that there is a vast amount of capital that is unproductive. In some US states, they even forced their pensions to ensure that a certain percentage of their assets were invested in women's businesses, so that women were encouraged to become actively involved in business, and it was quite successful. But we are not focused on business. We are not focused on the competition we are facing. We take this very lackadaisical approach.

The noble Lord, Lord Lee, has raised a flag for a number of issues. It does not simply apply to first-time investors. I think we have our whole reward scheme system completely wrong, as the noble Baroness, Lady Bowles, has just told us with some specifics. I hope that the Government will look seriously at ensuring that our education system teaches our children about some practical things they can do in business.

8.28 pm

Baroness Kramer (LD): My Lords, this has been one of the most enjoyable debates I think I have ever been part of. Let me congratulate my noble friend Lord Lee on grasping a key issue and finding creative solutions. As the noble Lord, Lord Davies, said, his newspaper columns and his children's books on investing are some of the best around. He is both an expert and a communicator, and I love his faith in the young.

I am particularly taken with his proposal to engage young people in investing, or understanding investing, by persuading the Government and companies to donate shares to secondary schools. Youngsters can then, in a very real way, learn the practicalities, opportunities, pitfalls and risks of investing, by managing the portfolios in a place where support and advice are available. This is surely a far better way to build financial literacy than abstract theory, and it can build that confidence which extends into many other areas of finance: understanding the risk-reward spectrum.

Your Lordships will be aware that 18 to 34 year-olds are far less intimidated by financing than older people and have a greater risk appetite, but their knowledge is dangerously limited. Some 46% of young people report holding cryptocurrency—I am shocked by that number—typically with no understanding of the asset they have just put their money into. Young people are now a major target for financial scams, primarily via the internet.

There are good courses in schools. My youngest granddaughter took business A-level and we were really impressed by the sophistication of the finance segments, so it is possible to get it into a curriculum. But most youngsters do not take the relevant courses, and I hope the Government will take that on board when they look at the new curriculum proposals that we expect in the next few months. I suspect we all agree that financial savvy is no longer needed only by a small handful of wealthy people but, frankly, by everybody. At the very least, every youngster will eventually be engaged in pensions.

I also support the noble Lord, Lord Lee, in his proposal for grandparents to be able to set up junior ISAs. But I am unpersuaded by the proposal to limit ISAs to UK stocks. When people need to build a financial bedrock—if they can—they should, to my mind, be able to balance risk effectively and without bias. The lack of current interest in UK stocks is a different and complex issue which we do need to tackle. My noble friend Lady Bowles talked about the travesty of what is happening with disclosure rules that distort the picture on closed-end limited-investment companies. This is an area where we really need the Government to move, and move fast. If the economy is to grow and strengthen, we need to increase our understanding and communication. The appeal of UK stocks will come, not with a kind of special intervention for the UK but with broader education and proper economic recovery and growth.

We have talked for a long time of the need for financial literacy, proper advice, ways to expose scams, and helping people understand risk and their own appetite for risk, and their need to seize opportunity. If we can demystify investment and get people to invest with knowledge, and to start acquiring that knowledge in a very real way when they are young, we will have effectively contributed to the future.

8.33 pm

Baroness Neville-Rolfe (Con): My Lords, I am very grateful to the respected and engaging noble Lord, Lord Lee, for such an interesting debate. In my view, our theme today has two aspects. The first is helping individuals to build their own individual wealth—a worthy endeavour—and the second, equally important, is achieving this while strengthening the British economy. Investing in the stock market offers an important way for people to grow their savings, plan for the future and gain financial independence—all important in a free country and a free economy.

In 2024, some 23% of Brits—roughly 12.5 million people—said they had invested in the stock market, making stocks and shares the most popular investment type. This is a notable increase from 18% in 2023, partly reflecting the fact that last year was a good year for stocks and, of course, in the long run equities yield more than bonds or interest-bearing accounts. It is, however, under half the proportion in the US, as my noble friend Lord Leigh pointed out.

Before addressing the imaginative proposals of the noble Lord, Lord Lee, we should remind ourselves that, for most working people, pensions are the best investment. This is because employers usually at least match individual pension contributions, and because pension savings have tax advantages—albeit that the Chancellor's Budget decision reduced those benefits. I had an interesting meeting with the Pensions Management Institute last week about how defined contribution pensions might be adapted to encourage more savings into both short-term and lifelong national savings plans, in partnership with business. This would also benefit the UK stock market. I understand that the Resolution Foundation has developed some similar ideas. Will the Minister get the new Pensions Minister to meet them, particularly given his Resolution Foundation background?

I strongly believe that we need people to save and invest more, which brings me to the innovative suggestions from the noble Lord, Lord Lee, on how we can encourage young people to invest. The first is to give schools shares in government-owned NatWest stock, or in regional public companies, so that the pupils can use the dividends to invest elsewhere and learn about risk and reward from their experience. He is absolutely right that financial matters need to become part of the school curriculum. This was indeed one of the secondary recommendations in my review of the state pension age.

Some 47% of UK adults do not feel confident about making financial decisions, and 61% of young adults do not recall receiving financial education at school, so they do not understand the glories of compound interest or the associated importance of investing early and of not putting all one's eggs in one basket—the diversified portfolio that the noble Lord, Lord Sikka, talked about. Can the Minister confirm whether the Government will commit to improving the financial education of young people? I sense support for this across the House, from the noble Lord, Lord Empey, and the noble Baroness, Lady Kramer, and even from the noble Baroness, Lady Bennett, who rightly spoke of the dangers of bitcoin.

A second idea relates to ISAs. I have to say that it was disappointing that the new Government decided to abandon Jeremy Hunt's plans for a British ISA. I think that the suggestion of the noble Lord, Lord Lee, of linking future ISAs more closely to UK investments merits consideration, and I agree that grandparents as well as parents should be able to take out ISAs. However, I am against the idea, mooted in the papers, of abandoning the cash ISA, which is a good savings vehicle for those who want to take less risk. I would add that the lifetime ISA, introduced under the previous Government, has seen a notable increase in popularity.

As for the other ideas of the noble Lord, Lord Lee, on non-executive directors, premium bonds and company reports, I understand his good intentions, but they are all new regulatory requirements and we need to be lifting the burden of regulation to drive growth. We need to reduce, not increase, the burdens, a point that the noble Baroness, Lady Bowles of Berkhamsted, with her stock exchange and European background, was making. The path to growth is laden with good intentions and, without great care, new legislation becomes a Christmas tree of burdens, as we are seeing with so many of the new Bills.

However, I thank the noble Lord, Lord Lee, and I believe that we should encourage first-time investors, especially the young, to invest in our stock market.

8.38 pm

Baroness in Waiting/Government Whip (Baroness Blake of Leeds) (Lab): My Lords, I start by sincerely congratulating the noble Lord, Lord Lee, on securing this debate. I agree that it has been an enjoyable exchange of views. It is a very important matter and one that does need discussing. As so many noble Lords have mentioned, I recognise his passion as a real advocate for the benefits of retail investment, and I thank him sincerely for sharing his insights with the House. Indeed, my noble friend Lord Davies expressed very well the respect that is held for the noble Lord. Of course, how could I fail to be taken by his comments about Leeds and my former role there? I will not mention the football result from the weekend. I also thank other noble Lords for their contributions this evening. I am sure we can all agree on the importance of encouraging newcomers to engage with the world of investing in the appropriate way. Getting this right will of course help savers make their money work harder, but it will also drive economic growth.

The Government want to see more people taking part in capital markets and benefitting from the long-term financial security that investing can provide. We know that more people in this country could potentially benefit from moving out of cash and dipping their toe into investing. The Government want to see an investment environment that enables the broadest range of people possible to invest confidently and grow their long-term financial resilience, although I recognise my noble friend Lord Sikka's comments about those who are currently excluded from this area altogether.

As noble Lords may know, the Government are taking forward work to improve the support available to consumers to help with their decision-making when

it comes to investing. The Treasury is working alongside the Financial Conduct Authority and the financial services industry to review the regulatory boundary between financial guidance and advice—an area we have heard a great deal about tonight.

The case for change is clear. In the 12 months to May 2022, only 8% of adults received regulated financial advice, as the noble Lord, Lord Lee, mentioned. With the cost of living being high, financial advice and guidance from trusted professionals is critical to help people make their money go further. That is why, at Mansion House, the Chancellor reaffirmed the Government's commitment to driving forward the advice guidance boundary review, and I welcome those comments.

Together with the FCA, the Government are developing a proposal for a new regime called targeted support, which would allow authorised firms to provide suggestions appropriate to consumers in similar circumstances. For example, financial services firms could suggest that an individual with substantial savings considers opening a stocks and shares ISA. The FCA is currently consulting on high-level proposals for targeted support. This would not only benefit consumers in making better informed decisions but help them engage in UK markets, boost productive investment and support growth.

Our capital markets are at the heart of the UK's economy and our growth mission. Last year, more equity capital was raised in London alone than in the next three European exchanges combined. The UK is one of the largest centres for international bond issuance, with more than 16,000 active bonds trading on our markets, representing over £4.1 trillion across 55 currencies.

At Mansion House, the Chancellor launched a call for evidence to kick-start the co-design process for the first ever financial services growth and competitiveness strategy. The strategy will focus specifically on how to deliver long-term, sustainable and inclusive growth of the sector. The call for evidence, which closed in December, identified UK capital markets and increasing retail participation as a priority growth opportunity. The call for evidence welcomed further information on how to improve consumer engagement with investing, and the Government are considering the feedback provided.

Alongside our work to set a long-term strategy for UK markets and retail investment, the Government are continuing an ambitious programme of reforms, to make our markets more competitive and ensure that we tackle the existing barriers to retail investment. I am sure noble Lords will be aware of the work that is being done around the listing review of the noble Lord, Lord Hill, and the success that has led to.

The Government legislated to empower the FCA to rewrite the rules for prospectuses. The new regime will be simpler and more effective, giving investors access to better quality information and allowing companies to raise funds more quickly. Access to information is one of the key ingredients to ensuring greater and better retail access to markets. That is why, beyond the reforms to prospectuses, we have legislated to enable the FCA to reform the UK's retail disclosure regime for more complex investment products. This will ensure that consumers have access to the most useful information—including on risks, costs and performance—to support their investment decisions. The FCA's consultation is currently open for views, and the Government look forward to seeing the final rules later this year.

A great deal of the discussion tonight has focused quite rightly on financial education, with contributions from the noble Lords, Lord Empey, Lord Leigh of Hurley and Lord Sikka, and the noble Baronesses, Lady Neville-Rolfe, Lady Bowles and Lady Bennett—so many I cannot possibly do them all justice tonight. I want to stress that financial education is central to the Government's thinking on how we can help prepare the next generation for financial capability.

We know it is part of the school curriculum in all UK nations. In England, it is a compulsory part of the national curriculum for citizenship education at key stages 3 and 4. However, we know that it goes beyond the curriculum; Money and Pensions Service research found that 102 financial education programmes are taking place in the UK beyond those delivered by teachers and practitioners. But the emphasis on developing a financial inclusion strategy has to run alongside this. I know the pressure that is on teachers at the moment in all of our schools, and the extra support that will be needed to make this area of work successful.

We know that 6 million children and young people annually are being reached by these programmes and that there is excellent support, as we have heard tonight. Many of the biggest banks provide free financial education resources, as well as financial literacy lessons to children and educators. In 2023, UK Finance members delivered financial education lessons to over 4.1 million children and young people in schools and community settings, as well as providing training for teachers, which is fundamental. I acknowledge that there is still much more to do, and I am grateful for the comments that have been made.

In closing, I will address some of the specific points raised by noble Lords—although I will confess now that I will not reach all the points that have been made. I am happy to respond to the challenge of the points of the noble Lord, Lord Lee, and will respond in writing to those that I do not reach.

The noble Baroness, Lady Neville-Rolfe, is quite right to note the important role that pensions play in building long-term savings and ensuring that citizens have a secure retirement. She will know that the Government's pensions investment review is under way. On the specific point she raised, I note that phase 2 of that review will consider further steps to improve pension outcomes and whether further interventions may be needed to ensure that these reforms benefit UK growth. I am sure that DWP and the Treasury will consider any representations that are made.

The noble Lord, Lord Lee, is right, generally, about the whole aspect of financial education and the need to be creative. However, with regard to the specific proposal about the NatWest shareholding, he will not be surprised that the belief of the Government is that it would bring significant delivery challenges, with the additional resources required to implement such an

[Baroness Blake of Leeds]
approach likely to be disproportionate to its benefit. Furthermore, this approach would complicate the objective of achieving a full exit from the Government's NatWest shareholding, as it would leave a portion of NatWest shares in ongoing public ownership.

We have heard various comments tonight from my noble friend Lord Davies and other Members about the concern around the media, and the noble Baroness, Lady Bennett, raised some graphic examples here. We believe strongly that regulation is important to take it through, and that this should not present a barrier to educational information. We also heard a lot about junior ISAs going forward.

I will quickly pick up the point raised by the noble Baroness, Lady Bowles, some of which we have discussed in Grand Committee. It is right that the investment trusts, like other products that directly market to retail investors, must provide tailored disclosure on costs, risks and performance to support informed decision-making. The FCA will use the flexibility provided by the statutory instrument to ensure that disclosure is tailored to reflect UK markets and firms, and to meet the needs of investors. I emphasise that I welcome her contribution to the debate, as well as that of the noble Baroness, Lady Kramer, and I encourage the conversations to continue so that we can achieve the best possible outcomes.

My time is up, and I apologise for not reaching all the contributions that I would have liked to have responded to. I repeat my sincere thanks to the noble Lord, Lord Lee, for his continuing championing of retail investment. I assure him and this House that the Government will reflect very carefully on the points raised by noble Lords in this very thoughtful debate.

The Deputy Speaker (Baroness Watkins of Tavistock) (CB): Does the noble Lord wish to respond?

Lord Lee of Trafford (LD): Given the lateness of the hour and the time pressure, there is nothing that I would like to contribute. Obviously, I could deal with a number of the points that have been raised, but I do not think that there is time to do that now.

8.51 pm

Sitting suspended.

Terrorism (Protection of Premises) Bill

Committee (1st Day) (Continued)

8.54 pm

Amendment 10

Moved by ***Lord Faulkner of Worcester***

10: Clause 2, page 2, line 21, at end insert—

"(3A) In determining the number of individuals who may reasonably be expected to be on the premises of a railway station from time to time, no account is to be taken of the capacity of any railway vehicle used or intended to be used for the conveyance of passengers."

Member's explanatory statement

This amendment would make clear that the capacity of railway vehicles is not included when calculating the number of people who may be present at a railway station.

Lord Faulkner of Worcester (Lab): My Lords, I will also speak to Amendments 12, 16, 17 and 18. I tabled these amendments with the support of my noble friend Lady Ritchie of Downpatrick and the noble Lord, Lord Parkinson of Whitley Bay, whom I am delighted to see in his place; I hope he will have something to say about them in a moment. I declare my interest as president of the Heritage Railway Association, which is the trade association for 173 heritage lines throughout the United Kingdom and Ireland.

The purpose of these amendments is simply to achieve clarity in the Bill and to avoid, as far as possible, undesirable and unforeseen consequences. There is no question of the heritage sector seeking to be exempted from the Bill's provisions, particularly those designed to make its operations safe. It takes the duty of care to its passengers very seriously indeed.

The heritage sector is run on a small scale and is dependent on an army of some 22,000 volunteers. It brings pleasure to 13 million visitors a year and contributes hugely to the tourism economy, especially in less affluent rural areas. There could not be a greater contrast between its operations and the premises used for major events which attract large numbers of people to an enclosed space such as a concert hall, which, rightly, are the subject of the Bill.

I shall not repeat any of the arguments that I made on Second Reading, except to say that the purpose of the amendments is to make clear what is actually required so that the railways can direct their limited and mainly volunteer resources to fulfilling the purposes of the Bill in the most effective way possible. Most heritage railways struggle to survive financially and need to manage their limited budgets to allow them to continue to operate in a way they can sustain financially.

The Bill, as the short title makes clear, is related primarily to premises and obviously not to railways. Indeed, the national rail network of Great Britain is excluded from the operation of the Bill, as it has its own National Railways Security Programme, run by the Department for Transport under the expert eye of my noble friend Lord Hendy of Richmond Hill. Your Lordships may wonder why the same programme does not apply to heritage railways, but the legislation as drafted does not allow for that. In view of this, it seems reasonable to make clear what the Bill covers and what it excludes.

My noble friend Lord Hanson has helpfully made clear on more than one occasion to me and others that the Bill is intended to cover stations, not trains and tracks. That seems sensible, and the purpose of our amendments is to put that distinction in the Bill. Further clarity is needed in the case of the 40 or so heritage lines which have a link or interchange with the national network; 10 of those share stations. Amendment 16 is simply to clarify that those stations

are not covered by the Act as they are covered under the National Railways Security Programme that I mentioned earlier.

Amendment 18 is necessary because the Bill is drafted to deal with large, enclosed venues, such as the Manchester Arena. Most heritage railways are based at what were originally relatively small country stations, with modest facilities such as a ticket office or waiting room under cover but mostly with open platforms or, in some cases, canopies covering a part of the platform but open on all sides. Here, the risk is significantly less than with enclosed premises such as a concert hall. The amendment makes clear that the Bill applies to the enclosed premises and not to the open platforms.

9 pm

Finally, Amendment 17 is not related to heritage railways but is intended to do the Government a good turn by sorting out an anomaly in the provision. It relates to Translink, the Northern Ireland rail network. While the British national rail network is excluded from the provision of the Act, by defining the exclusions from the Bill in relation to Section 119 of the Railways Act 1993, the Act does not apply to Northern Ireland. Translink remains a railway that has always been in the public sector and it was not included in the British Rail privatisation proposals. Since 1948, it has been managed separately from the rest of the railways of Great Britain and, indeed, has a different track gauge. The amendment simply makes clear that the Bill is not intended to apply to Northern Ireland railways any more than it will to the future Great British Railways.

I commend these amendments to the Committee, hope that they will have support across the House, and beg to move.

Lord Parkinson of Whitley Bay (Con): My Lords, I was very glad to add my name to the amendments which the noble Lord, Lord Faulkner of Worcester, has tabled and has set out very clearly in his contribution. I was glad to see that the noble Baroness, Lady Ritchie of Downpatrick, has added her name to them too.

This issue was touched on at Second Reading. The noble Lord was vigilant in seeking assurances from his noble friend the Minister, and I am grateful for his tenacity in ensuring that we have this tested properly in the way that these amendments seek. He is right to be tenacious on behalf of a sector which is still in many ways bouncing back from the pandemic and which brings a great deal of pleasure to people across the country and is in many areas a linchpin of the local visitor economy, which is so important for restaurants, hotels and so much more.

This year, the sector is marking an important anniversary, Railway 200, which is the 200th anniversary of the first passenger rail journey between Stockton and Darlington. I have said before in your Lordships' House that the railways were a gift from the north-east of England which have transformed the whole world. This important bicentenary is an opportunity to inspire new generations to learn about our railway heritage and to see how they can contribute to the future of the sector and the innovation that it needs.

As the noble Lord, Lord Faulkner, has said, the heritage railway sector, like so many heritage and cultural organisations, is reliant on what he described as an army of volunteers. That is an important reminder, as we look at this Bill and the duties that it imposes, for us to consider how those duties, including the training of staff, will be applied in organisations which are reliant on a higher number of volunteers. We do not want the new duties, important though they are, inadvertently to deter people from volunteering in the heritage sector. There are already too many barriers, including, as I know from discussions with the Heritage Railway Association and others, the cost of petrol for volunteers who drive many miles to give generously of their time to ensure that these organisations are run—and run well.

It is important that we look at the implications for volunteers—not just in the Heritage Railways Association but across the whole heritage and cultural sphere—of the powers in Clauses 5 and 6 which are granted to the Secretary of State to specify further procedures or measures required for a premises or event to be compliant with this new law. There is also the provision in Clause 32 for the Secretary of State to amend the qualifying attendance number at a premises or event. These are things that businesses and organisations will have to grapple with and could be a particular burden to those that are heavily reliant on the army of volunteers that the noble Lord, Lord Faulkner, has rightly mentioned.

The noble Lord's Amendment 12 relates to Schedule 1 to the Bill, specifically paragraph 11, which deals with the railway. We should be equally mindful of paragraph 5 in Schedule 1, which relates to libraries, museums and galleries et cetera. In that paragraph, it says a museum or gallery includes

"a site where a collection of objects or works … considered to be of scientific, historic, artistic or cultural interest is exhibited outdoors or partly outdoors".

That certainly applies to much of the heritage railway sector.

Earlier, I noticed in his place the Minister's new friend, the noble Lord, Lord Lemos—it was a pleasure to see him introduced to your Lordships' House today. He is the chairman of English Heritage; I had the pleasure of working with him when I was a Minister at DCMS, and I know he will be a valuable addition to discussions on heritage in your Lordships' House. I am sure that that definition of "outdoor or partly outdoors" cultural and heritage sites will be of interest to him and many other heritage organisations.

Others have raised the question of whether a ruined building, which of course relates to an awful lot of heritage in the care of English Heritage and others, would count. I do not know whether the Minister would, tonight or subsequently, be able to give a bit more clarification about what the implications would be for something that was a building and is now a ruin but attracts a great deal of visitors. Of course, that sheds light on the fact that heritage buildings, by their very nature, have unique physical characteristics and in many cases have special protections under existing legislation, so it is worth considering the definitions that we are seeing in this Bill and the schedules to it to see what implications that would have for buildings

[Lord Parkinson of Whitley Bay]
which enjoy protections under, for instance, the planning Act 1990 and the listing regime for scheduled monuments. These are important questions to bear in mind.

The amendments in this group relate to mobile heritage, and while I was very glad to add my voice to the cross-party interest in that and hope the Minister can say a bit more to set our minds at rest in relation to railway heritage, I would be grateful if he could also, tonight or subsequently, provide some reassurances about our static and built heritage. Many of the issues which the noble Lord, Lord Faulkner, has drawn attention to through these amendments apply to much more. I know the Minister has a great interest in history as well, and I hope that he can provide some of those reassurances. I was very glad to support the amendments from the noble Lord, Lord Faulkner.

Lord Davies of Gower (Con): My Lords, I rise to speak in support of the amendments tabled by the noble Lord, Lord Faulkner of Worcester, to Clause 2. These amendments seek to clarify that, in determining the number of individuals reasonably expected to be in the premises of a railway station, the capacity of railway vehicles used for the conveyance of passengers should not be included in that calculation. These are sensible and necessary amendments that will help ensure the effective and proportionate application of this legislation. Railway stations are fundamentally distinct from other types of qualifying premises covered by the Bill and, like entertainment venues, shopping centres or other high-traffic locations, railway stations are dynamic environments where the number of people present fluctuates significantly throughout the day based on train schedules, peak travel times and unforeseen delays.

As I have mentioned in some of my remarks already today, there is a need for flexibility in this Bill if we are to get the right balance with appropriate protection of premises without prohibitive and overburdensome measures that actually make it difficult for businesses, charities, sports clubs and events to operate effectively. Flexibility is something we will be exploring in Committee, and I hope the Minister will engage with us constructively to deliver a Bill that gets this balance right.

I support Amendment 10. Including the capacity of railway vehicles in the threshold calculation would be both impractical and potentially misleading. Railway vehicles operate as transient spaces that are distinct from the physical station premises. The fact that a station services trains with a large capacity does not necessarily correlate with a high concentration of individuals on the station premises at any given time. This distinction is critical for ensuring that security measures are proportionate and targeted to actual on-the-ground risks.

Moreover, including railway vehicle capacity would create undue complexity for station operators. They would be required to factor in varying train schedules and seating configurations, which could lead to fluctuating security obligations that are difficult to predict and manage. Such an approach risks creating administrative burdens without delivering meaningful improvements in public safety. Of course, our new publicly owned passenger railway operators will be able to bear the burdens of additional protective requirements but, as the noble Lord, Lord Faulkner, has rightly pointed out, the Bill may hit smaller organisations that will be much less able to implement these measures.

It is also worth noting that security requirements for railway vehicles are already subject to separate regulatory frameworks. The focus of this Bill should remain on the physical station premises, where crowd management, access control and other security measures can be more effectively implemented. By clarifying that railway vehicle capacity is excluded from the threshold calculation, this amendment would ensure that resources were directed where they were most needed—on the station premises where passengers congregate and interact.

Finally, the amendment would provide much-needed clarity to station operators and regulators alike. It would remove the ambiguity around how thresholds are calculated and help ensure a consistent and practical approach to security across the rail network.

I will also speak to Amendments 16, 17 and 18. These clarify important aspects of the Bill concerning railway premises, particularly heritage railways, the rail network in Northern Ireland, and open-air or partially roofed railway stations.

Amendment 16 addresses the position of joint stations shared by heritage railways and the national rail network. Heritage railways are an invaluable part of our nation's industrial and cultural heritage. They not only provide a vital link to our past but serve as tourism hubs that contribute significantly to local economies. These heritage stations often operate under light railway orders or orders under the Transport and Works Act 1992 and are distinct in their function and operations from the national rail network.

The amendment would ensure that these joint stations were not inadvertently caught up in burdensome security requirements that may be inappropriate for their specific operational contexts. Many heritage railway stations are small, community-focused operations run by volunteers who simply do not have the resources or capacity to implement the same security measures as major national rail hubs. The amendment provides much-needed clarity, helping heritage rail operators focus on maintaining their services without undue regulatory burdens.

Amendment 17 seeks to avoid the inclusion of Translink, Northern Ireland Railways, within the scope of the Bill. As noble Lords will appreciate, the railway system in Northern Ireland operates under a different legislative framework; namely, the Transport Act (Northern Ireland) 1967. Including it within the provisions of this Bill risks creating confusion and inconsistency between jurisdictions. By making it clear that Translink is excluded, the amendment helps to respect the distinct legislative and operational framework in Northern Ireland while allowing for a more coherent and targeted application of the Bill.

Finally, Amendment 18 addresses the scope of the Bill concerning railway stations and premises. It rightly clarifies that the Bill applies to buildings and not to open platforms or those covered by canopies with open sides. This is a crucial distinction. Open platforms

and partially roofed stations present different security challenges compared to enclosed buildings. They are inherently more accessible and often lack the physical infrastructure required to implement comprehensive access control and security measures. Attempting to impose building-specific requirements on such premises would not only be impractical but be unlikely to yield meaningful security benefits.

In conclusion, these amendments demonstrate a thoughtful and nuanced approach to the complex and varied nature of railway premises in the United Kingdom. They strike an important balance between enhancing security and recognising the operational realities of heritage railways, the Northern Ireland rail network and open-air railway stations. I urge the Government to accept the amendments and commend the noble Lords who have tabled them for their diligence and foresight. The amendments offer a pragmatic and proportionate solution that enhances the clarity and effectiveness of the Bill without compromising security. I urge the Government to accept them and recognise their importance in supporting the safe and efficient operation of our railway stations.

9.15 pm

The Minister of State, Home Office (Lord Hanson of Flint) (Lab): I am grateful to my noble friend Lord Faulkner of Worcester, the noble Lord, Lord Parkinson of Whitley Bay, and His Majesty's Opposition's Front-Bench spokesman, the noble Lord, Lord Davies of Gower, for their contributions to this debate. My noble friend first drew my attention to his concerns during the pre-discussion of the Bill, as well as at Second Reading. I wrote to him on his concerns prior to Christmas. I hope that I can again assuage his concerns expressed in the discussions we have had this evening.

Amendment 10 seeks to ensure that railway vehicles, such as trains, that are temporarily stopped at a station are excluded from the assessment of the number of individuals that it is reasonable to expect from time to time at railway stations. I hope I can give my noble friend some assurance that a train that stops at a station as part of its journey does not form part of the station premises. Clause 2(2), which sets out what a qualifying premises is, states that the site must consist of

"a building or a building and other land".

If I can put it this way, the train has a temporary interaction with the station as it passes through—rather like it does when I travel through Crewe on a regular basis—but the passengers on the train are not "present on the premises" for the purposes of the definition of qualifying premises. The train and the building are completely separate. A train in use as a train is a vehicle, which is not a building, so the train will not form qualifying premises in its own right either. I therefore hope that Clause 2 is sufficiently clear on what constitutes a premises.

Amendment 12 looks at the definition of a railway station in Schedule 1, which has been drawn from Section 83 of the Railways Act 1993—on which I served at the time; that takes me back 32 years, which is a long time ago—which in turn stems from Section 67 of the Transport and Works Act 1992. A station may include some or all parts of the premises that this amendment appears designed to remove. Furthermore, the words that the amendment would remove are a non-exhaustive list. These areas are already capable of falling within the definition if they are used in connection with the station.

I hope my noble friend will understand why I do not think it appropriate to change the definition for the purposes of this legislation, as it may remove some parts of a station which may form part of its premises. Where there is not already a legislative requirement comparable to the Bill, it is the Government's intention to include such of those parts within scope where they properly form part of the premises for the purpose of the Bill's objectives. Again, the building and the rail are separate entities.

For station premises which fall under Clause 2, the parts that the amendment seeks to exclude may form part of the premises and therefore may be relevant to taking forward public protection procedures or public protection measures, as far as is reasonably practicable. I know from previous exchanges I have had with my noble friend that this amendment seeks to exclude the specified parts of a station premises in order to provide greater clarity that these would not feature in an assessment of the numbers of persons it is reasonable to expect at a station premises. Locations such as a forecourt or a car park are usually transient locations. It would be difficult to envisage a scenario whereby a car park would have great significance to an assessment of the number of individuals present on the premises.

Therefore, I recognise the intention behind my noble friend's amendment, but I do not consider it an appropriate approach. I therefore hope that I have assuaged his concerns.

It may be helpful if I put Amendments 16, 17 and 18 in context by setting out the Government's approach to the application of the Bill to transport premises. Where a transport premise satisfies the Clause 2 premises criteria, it is considered that it is comparable to other publicly accessible premises that the Bill captures, and it is appropriate and necessary, therefore, to include it within the Bill's scope. Paragraphs 11 and 12 of Schedule 1, therefore, include definitions of relevant transport premises for this purpose.

It is expected that, for example, some airports, railway stations and bus stations will, under the definition in the Bill, be qualifying premises required to take forward the Bill's requirements. This is considered appropriate, given that the security of the public at those premises is of equal importance to that of the public at, for example, an entertainment centre or a large retail premise. However, paragraph 4 of Schedule 2 excludes those transport premises that are already subject to existing requirements to consider and mitigate terrorist threats. To do otherwise would confuse and duplicate burdens on operators and give no additional public protection benefits. Excluded premises therefore include airports, national rail and underground premises, international rail premises and port facilities, as described in the schedule.

I turn to Amendment 16 specifically, which I know is of concern to my noble friend. Where there are premises that are shared—for example, where a national

[Lord Hanson of Flint]
rail and a heritage railway station are concurrent or form part of the premises—there may be parts of those premises that are subject to legislative requirements related to mitigating terrorist threats, and parts that are not. If there are premises, or parts of premises, that meet the Clause 2 criteria and are not subject to existing legislative requirements, it is considered that they should meet the requirements of the Bill.

I want to pay tribute to the volunteers and those who run heritage railways. The Llangollen heritage railway is not too far from where I live. The Government consider heritage railways, as described by my noble friend, as primarily visitor attractions that help support tourism and the local economy rather than necessarily means of transportation in themselves. They are, by their definition, very different from the rest of the rail network, which is already required to have appropriate security procedures and measures in place.

As such, it is not considered appropriate that parts of the heritage railway premises at shared or joint stations should automatically be excluded from the scope of the Bill where equivalent safety provisions are not already in place. To do so would mean there would be no requirement for parts of these premises to consider appropriate security procedures and measures, and the security of the public at heritage railway centres is just as important as at any other premise within scope of the Bill.

In previous discussions and exchanges with noble Lords, I have emphasised very strongly that the measures required for the above-200 premise in Clause 5 are important but not onerous measures, and ones that volunteers at railway stations or elsewhere would wish to adopt as good practice, as well as being a legal requirement under the Bill. Evacuating individuals, moving them to a place of safety, preventing them from entering or leaving premises and giving them information, is all good practice, but with the legislative back-up of the Bill.

So I hope that the distinction between trains as trains on the move, and buildings as buildings, is one where my noble friend can understand where the Government are coming from and accept. I hope that is sufficient to persuade him and the triumvirate of noble Lords who raised these concerns not to press the amendment. I can see that the noble Lord, Lord Parkinson, wishes to contribute, so I will certainly let him.

Lord Parkinson of Whitley Bay (Con): I am grateful to the Minister. Is he able to say anything on the points I raised about the secondary powers that the Bill brings about and grants to the Secretary of State to vary some of the conditions, and particularly how that would relate to organisations such as those in the heritage rail sector that are reliant on a large number of volunteers? Would he accept that there is a difference between a business that has an employee who has an ongoing responsibility for following changes in the law that the Secretary of State makes through secondary powers and the burden that is imposed on organisations where volunteers have to keep abreast of changing laws? They may be following closely the deliberations on the primary Act, but the Act provides for a number of secondary powers that would be more difficult for them to follow than an organisation with full-time employees.

Lord Hanson of Flint (Lab): I accept that there will be requirements for guidance. Again, the purpose of the Government is to ensure that we have that guidance in place, and that will be circulated via the Security Industry Association in due course. I hope that will help. The Secretary of State's powers will be subject to further amendments and discussion later on. Hopefully, I will be able to give some assurances on that.

I thought my time was over, which is why I was sitting down, but instead I shall turn to Amendment 17. By virtue of Section 119 of the Railways Act 1993, such requirements as requested in Amendment 17 apply to railway stations in Great Britain. However, as my noble friend said, Section 119 of the Railways Act does not extend to Northern Ireland. Therefore, where there are stations within the Northern Ireland Railways network that meet the Clause 2 criteria, I consider it appropriate that the Bill is applied to those stations accordingly.

On Amendment 18, I understand from my noble friend's explanatory statement that the intention behind it is to exclude stations or parts of stations that are not buildings. There are some important factors to consider regarding that intention. First, to be a qualifying premise within the scope of the Bill, the premises must consist of a building or buildings or the land, and if there are stations or indeed premises that do not meet this condition, they would not be qualifying premises. The formulation of the Bill at Clauses 2 and 3 is to capture premises where there is control and ownership of that venue, not to capture freely accessible open spaces. However, there are obviously many premises that are constituted of a building or of the land that fall under premises defined in Clauses 2 and 3. Where that is the case, it is our intention that those parts of premises that constitute land with a building should be in scope. To exclude those premises at stations or other premises would have a detrimental effect on the aims of the Bill.

Again, I draw all noble Lords back to the basic premise of the Bill, which is to provide a basic floor for conditions for premises over 200 and over 800 where we have the appropriate requirement to ensure that we put in protections in the event of an attack on those premises. I hope my noble friends Lord Faulkner and Lady Ritchie, if she is here, will see the consequences of what I have said. As such, I cannot support the amendment, but I hope I have explained the reasons why.

Lord Faulkner of Worcester (Lab): My Lords, I start by expressing my deep appreciation to the noble Lords, Lord Parkinson of Whitley Bay and Lord Davies of Gower, on the Benches opposite. I think their speeches will be read with great enthusiasm by the members of the Heritage Railway Association, and I am sure that both of them will be welcome at any heritage railway for the next year at least, for understanding so clearly the contribution the heritage railways make

to the tourist economy and in terms of increasing general well-being and satisfaction. I thank them very much.

I also thank my noble friend the Minister. I think we are edging towards an understanding where it may be possible to achieve what the Government want to do, while at the same time not jeopardising the financial circumstances of a sector that is finding life very tough, as the noble Lord, Lord Parkinson, pointed out.

Some of the answers that my noble friend gave right at the end of his speech are quite technical—I hope he does not mind my saying that—and I am going to read those with great care and take some advice on them. Again, I welcome his support for the principle behind my amendments. Whether or not we come back on Report is a matter for further discussion, but for the moment I beg leave to withdraw the amendment.

Amendment 10 withdrawn.

Amendment 11 not moved.

Clause 2 agreed.

Clauses 3 and 4 agreed.

Schedule 1: Specified uses of premises

Amendment 12 not moved.

Schedule 1 agreed.

9.30 pm

Schedule 2: Excluded premises and events

Amendment 13

Moved by ***Lord Moynihan***

13: Schedule 2, page 36, line 20, leave out sub-paragraph (d)

Lord Moynihan (Con): My Lords, the amendments standing in my name refer to sport. The Bill excludes sports grounds that are not designated under the Safety of Sports Grounds Act order and which have no permanent checks that people accessing the ground have paid or have tickets. Designated grounds have a capacity of more than 10,000 for Great Britain and 5,000 for Northern Ireland. I therefore suspect that sports grounds with a proper boundary and paying fans are subject to the Bill, even if they have a capacity of less than 10,000 in GB and 5,000 in Northern Ireland. The Bill uses the Safety of Sports Grounds Act and its order for definitions of both sports grounds and designated sports grounds.

I have worked on an amendment to exclude sports grounds if they are not designated and disapply the provision about paying visitors and permanent checks. This means that sports grounds with a capacity of less than 10,000 in Great Britain and 5,000 in Northern Ireland would be excluded from the Bill. The advantage of this approach is that it relies on fan capacity numbers, which are, first, defined in existing legislation, and, secondly, appear to have been chosen in the past based on whether existing safety precautions should apply.

I fully appreciate that there is a major difference between what this Bill says and what the Safety of Sports Grounds Act 1975 defines—although it is interesting that, on the face of this legislation, the Safety of Sports Grounds Act definition is used to define a sportsground as an outdoor space where people can participate in sport or other competitive activities and where spectators are accommodated. The Act also defines designated sports grounds as those that have a spectator capacity of more than 10,000 people.

These are probing amendments. I will say that I am going back a bit, before even the Minister's reference to 1992-93, because I am passionately concerned about safety in sports grounds. I had the worst day of my life when asked by the then Prime Minister Margaret Thatcher to get to Biggin Hill and go up to Hillsborough, and to witness at first-hand the appalling tragedy that was unfolding on that afternoon. It did not take that to change my mind that there was nothing more important than the safety of the public, but it reinforced my belief that safety was a primary concern to all of us involved in sport, and in society in general. The lesson from Hillsborough and the work that subsequently unfolded was repeated in my next ministerial job when, tragically, again, I had to implement the Cullen report following the tragedy of Piper Alpha and the disaster that unfolded.

I am at one with the Minister and everybody who is behind this Bill to make sure that, when it comes to safety, in this case from terrorism, we go the extra yard if necessary to ensure that the public can be safe. I would draw one lesson from Cullen and from that time, which I think is relevant here. It was touched upon at Second Reading. I owe an apology to the Committee that I was not there for the Second Reading debate; I could not be—I wish I had been—but I read it in *Hansard* and found that some outstanding speeches were made from both sides of the House on that occasion. One point that came through from those speeches was that, as much as we legislate, it is vital to make sure that the public are aware of the risks. It is about people, as the noble Lord, Lord Carlile, said in his opening remarks this evening, as much as premises. Part of what we must try to do through this legislation is create greater awareness of the risks of terrorism. I hope that that can apply equally to sporting events and venues as it does to society as a whole.

I am simply going to ask a series of questions and give some examples. I would be grateful if the Minister could seek to answer them. The first example I want to give emanated from contributions made earlier this evening about the costs of compliance and the resources necessary to comply. One of my greatest friends in politics was Denis Howell. He and I battled for many years, principally in another place, and when we got into this place we were both Tellers on one occasion on the same sporting Bill and saw success. One thing that Denis Howell and I were keen on was an initiative taken by the Labour Party in government to initiate and establish community amateur sports clubs—CASCs.

[LORD MOYNIHAN]

This was back in 2002; these were small groups of volunteers across the country, reaching hard-to-reach communities, supporting grass-roots sport and allowing them, through law, to register as sports clubs and not businesses. That gave them significant benefits: tax reliefs, gift aid and rates relief. There are still some 6,200 of those clubs. They often have numbers that would exceed the threshold to warrant registering, as a result of the legislation before us, but they are at very low risk.

The key point that was made earlier this evening is that this debate is about risk and how proportionate that risk is. In this case, the cost puts at risk those clubs and the people who volunteer. Even on the Government's own figures, we have a substantial annual cost for those in the first category, and in the enhanced category the costs go up to something of the order of £52,000 over 10 years. That would simply not be tenable for many community amateur sports clubs.

I ask the Minister to take away this challenge to encouraging volunteers in different groups—many groups that find it exceptionally difficult to access the sport and recreation that keeps them fit, which is a saving to society. It is very important, in my view, that in this context we look at those clubs and at the impact on volunteering.

If I can go up one notch to schools, having read the Bill I think I am right to take as an example Monmouth School. Monmouth School would be exempt from this provision if it had a rugby match and 600 or 800 people came—which often happens because rugby is almost religion in Wales and no less so at Monmouth School. If Monmouth are playing Brecon or Llandovery, it is quite possible there would be that many people there. If the school had an exemption and the public could come, they could walk into the ground and watch the game. They could then walk across the River Wye and go to see Monmouth Rugby Club play, and yet that club would be designated. So even with fewer people there, to me there is a concern about the risk of terrorism. There is just as great a risk that an event could take place at a school rugby match of that type, with the same number of people as are over the river at a town game, and yet the town club is not exempt. It is caught by this legislation while the school game would be exempt, despite the fact that the public from the town could, and do, go and watch to support their school as much as they do their town club.

Moving further up, I would like clarification on a question that the Minister can easily answer. From a terrorist point of view, focusing on big and highly publicised events such as a marathon or a triathlon makes them more likely, in my view, to be a target than, say, Monmouth Rugby Club. Yet, if I am correct, a triathlon run in London would not be covered by this Bill—or if it is, I would be grateful if the Minister could explain how, so that we can relay back to the triathlon clubs across the country whether they are caught by this legislation. There are, of course, no premises associated with triathlons and those events are organised across the country. Therefore, we need clarity around how the Bill applies to triathlon clubs and to the national triathlon federation. How does it apply to the organisers of the London Marathon, which is a high-profile event?

Other similar challenging questions arise with the boat race—I had the good fortune of coxing in the boat race many years ago. The boat race committee has control over Oxford and Cambridge eights, and it negotiates the television rights, but it has no premises. It is out there in the middle of the river. The riverbank is full: sometimes up to 250,000 people go down to watch the boat race. I know that the Minister will say that it is a major event and the police will be highly proactive at that event, and indeed they are. I am grateful to the police for the enormous amount of work they do at major sporting events across the country every day they occur.

However, the tow-path is not covered, and yet I assume that each of the clubs along the embankment would be covered if more than 200 people came into those clubs that day. The Minister referred earlier this evening to "every so often"; well, that would be once a year—and maybe for another regatta as well—but those premises are there not because of the boat race but to cater for their members. On any other given day, there may be fewer than 200 of the rowing fraternity in their club. But I assume each one of them—the physical premises—would need to be registered and come under this legislation all the way down the tow-path.

There are two things that emerge from that. One is that there is an equally great risk with the public at large on the tow-path as there is inside one of the premises. Secondly, there is a co-ordination point that is important to think through for major sporting events, and that is the co-ordination between the police and a whole host of different people who will be responsible for compliance at each and every one of those buildings. I may have misunderstood it, and perhaps there is not a requirement for each of the clubs—the Thames Rowing Club and the London Rowing Club—to be compliant under this legislation for that event. After all, they are not there because of the boat race. No doubt the Minister will be able to help me by clarifying that position.

Another possibly rather good example is Henley. Quite clearly, the stewards' enclosure for Henley would need to be compliant with this legislation, but the terrorist risk is greater down the tow-path all the way to the start, because access into the stewards' enclosure is already vigorously controlled for safety reasons by the stewards. If a terrorist were going to choose the Henley Royal Regatta to create an incident, it is much more likely that it would be further down the tow-path, where a lot more people would be assembled watching the rowing than in the stewards' enclosure itself. Again, it is about proportionate risk and ensuring close co-operation between the police and those that are compliant, as I am sure all sports clubs will be, with this legislation.

I end by saying to the Minister that I anticipate that there is not absolute clarity on each and every example that I have given. If there is not, will he and his officials work with DCMS in providing guidance to everybody involved in sport—the small volunteer clubs all the way through to the major events and those that do not have premises but organise an event—as to exactly how this legislation is going to work? The world of sport will do what it is told and will be very

supportive and will always recognise, as everybody does on this Committee, that safety and awareness and anti-terrorism measures are all laudable and important, but it would be very helpful indeed to the world of sport to understand exactly how the Government see this legislation working and, where possible, whether they will provide financial support to those most in need. I beg to move.

9.45 pm

Lord De Mauley (Con): My Lords, in respect of Amendment 14, which is in my name, I have to say that Schedule 2 is rather tortuous. Having considered it carefully, I am not sure that my amendment, combined with Amendment 19, achieves what I want it to in light of paragraph 3(5)(b) of Schedule 2.

I am involved in helping to run several outdoor sporting and cultural events in rural England which, needless to say, are all run on a shoestring. Suffice it to say that, like the noble Baroness, Lady Fox, I am seriously concerned that they will be rendered unviable by the provisions of the Bill because of the significant costs of the requirements that will arise as a result of them—for example, putting in place training, barriers and searching equipment. However, because I now doubt that my amendment would achieve what I want it to, I hope that noble Lords will forgive me if I do not pursue it today but return to it later.

Lord Parkinson of Whitley Bay (Con): My Lords, I add my support to the amendments tabled by my noble friend Lord Moynihan. Notwithstanding what my noble friend Lord De Mauley just said about pursing his amendment later, I support the sentiment behind it.

In another Bill before your Lordships' House, the Football Governance Bill, we are looking at the implications for football clubs, particularly those at the lower end of the pyramid. I was therefore attracted to what my noble friend Lord Moynihan said and what his amendment seeks to do by looking at venues with a capacity of under 10,000—the sports grounds and stadia which attract a smaller number of people but still have sizeable crowds. As we discussed in the previous group, they are run by volunteers as much as, and indeed often more so, than full-time staff, with all the implications of that.

My noble friend, in talking about the London Marathon and the Oxford and Cambridge boat race, brought a number of important examples of sporting events which take place in both private establishments and in public. The growing interest in the parkrun movement springs to mind as another example. I would be grateful if the Minister could say a bit more about whether those more informal but regular sporting events which attract large numbers of people would be covered by the Bill, and if so, how.

I certainly agree with what my noble friend Lord Moynihan said in his concluding remarks. It will be very important to have some guidance here. I said at Second Reading that some more sector-specific guidance is needed. My noble friend's suggestion of working with DCMS, on behalf of the many and varied sectors which that department has the pleasure of working with, would be very valuable because that can get us into some of the minutiae that my noble friend's speech just set out. Those minutiae are very important, as the organisations and volunteers that run events are grappling with the duties the Bill will impose upon them.

Lord Murray of Blidworth (Con): My Lords, I also support my noble friend Lord Moynihan. I wish to ask the Minister two questions that arise on this topic that I have found in the impact assessment.

At paragraph 68, there is a description of the enforcement regime in relation to the provisions in the Bill:

> "Enforcement will be delivered via a mainly civil sanctions regime".

In respect of a standard duty premises, we can see that there is a fixed penalty and an ability for the regulator to impose a fixed penalty of £500 per day from the date on which the

> "penalty is due until the date the contravention is rectified or the notice is withdrawn by the Regulator".

There is furthermore a power, in the most "egregious cases" according to the impact assessment, of a criminal prosecution of the relevant person. My first question picks up on a theme in an earlier group. To what extent does the Minister think this will have an impact on volunteering and the willingness of people to take on roles where they would be responsible for facing such enforcement?

My second question is in relation to the funding estimates in the impact assessment. One can see, in paragraph 98 on page 23 of the impact assessment, there is a description of how it is that the civil servants have reached their valuation of what the Bill is going to cost. In the previous paragraph, they discuss the impact of outdoor festivals, but in paragraph 98 they say that outdoor events other than festivals

> "have not been included in the analysis. These events are not included due to the absence of specific and accurate data about the number of events and their respective capacities. This lack of a comprehensive list of these events means that a reliable estimate of the number of events could not be made. Therefore, outdoor events other than festivals have been excluded from the appraisal analysis".

I suggest to the Committee that this is simply not good enough. This is an impact assessment which tells us on its first page that the possible financial impact of these measures is somewhere between £1.8 billion, which is the best case, and £4.9 billion. To simply exclude the valuation from outdoor events because no attempt can be made to assess how many people may attend is simply not good enough. We can see this is a policy that has been developed without the needs of the kinds of small sports grounds that my noble friend has identified. Would the Minister agree that the common-sense position would be to consider excluding completely these kinds of small sporting venues from the operation of the Bill?

Lord Sandhurst (Con): My Lords, I will try to be as short as possible at this time of night. Schedule 2 excludes from the scope of the Bill sports grounds that are not designated sports grounds. So far, so good—but it is not straightforward. The exclusion for recreation

[Lord Sandhurst]
and leisure in part 1 of Schedule 2 applies only where those attending are not members or customers who paid. If it is a members' club, you are not excluded.

Furthermore, a sports ground is defined as being a sports ground within Section 17 of the sports grounds Act, or whatever it is called. The definition in that Act says that it means

"any place where sports or other competitive activities take place in the open air and where accommodation has been provided for spectators consisting of artificial structures or of natural structures artificially modified for the purpose".

The reference to accommodation for spectators could well include a pavilion or some other fairly relaxed accommodation, with perhaps a bar attached and changing facilities, and so on. It does not have to be a pavilion as I understand it, which would include accommodation for 800 people. It is just a sports ground which has accommodation, because you are looking at the sports grounds Act.

So a question arises where there are quite large playing fields, a pavilion and a members' club, and 200 people come from time to time to watch the match on Saturday against other clubs. It is not a lot of people, and children come, and everyone else. From time to time—because that is the wording in the Bill—there is a match against their local rivals, and they bring 400 friends along, and the home team have got 600, so you have 1,000. Are they going to have to search everyone who comes, and every car, and so on?

I am not saying that this is entirely wrong, but I do suggest that thought has to be given to how it will bite. What is the definition of an outdoor event or a sporting event of the sort I have in mind, such as football matches between local villages and towns? Cricket matches sometimes attract quite a lot of people. I am not talking about county grounds but just matches between two clubs that are old rivals on a bank holiday or something like that. This is all in the open air, in a completely unconfined space and, one hesitates to say, not on the highest level of the risk register. I am not going to tempt fate by saying anything else. I ask the Minister to consider this, certainly before Report.

Baroness Suttie (LD): My Lords, given the hour, I shall be extremely brief. I felt that the noble Lord, Lord Moynihan, made some very convincing points, but I am afraid we still basically disagree with most of these amendments, because we disagree with the premise that rural sports grounds are less likely to be attacked. I do not think that there is evidence for that—at least, I remain unconvinced that there is evidence.

My second point echoes that of the noble Lord, Lord Parkinson, about requesting sector-specific guidance. I think that that would be a very useful thing for the Minister to pursue. Having sector-specific guidance for sports grounds would perhaps help with some of the concerns that noble Lords on the Conservative Benches have raised this evening.

Lord Davies of Gower (Con): My Lords, I too will be as brief as I possibly can. I support the amendments to Schedule 2 tabled by my noble friends Lord Moynihan and Lord De Mauley. The amendments seek to clarify and refine the scope of the Bill by excluding certain venues used for open-air sporting and cultural activities in rural areas, as well as sports grounds that are not designated under current regulations. Amendments such as these are vital for ensuring that the Bill remains proportionate and practical, while safeguarding essential aspects of our national life, including grass-roots sports, rural cultural activities and events that are deeply woven into the fabric of local communities.

I will briefly address the amendment from my noble friend Lord De Mauley, who I understand will return to it later. Rural venues face a unique set of challenges. They are typically more remote, less densely populated and often lack the infrastructure and resources available to larger urban or suburban venues. Their security needs and operational realities differ significantly from those of stadiums, arenas and other major event locations. So it is essential that we do not impose disproportionate burdens on these rural venues, which are often run by volunteers or small organisations with limited budgets. They bring significant social and economic value to rural communities, fostering local identity and social cohesion. Requiring them to adopt extensive and costly security measures risks driving many of them out of operation, depriving rural areas of vital cultural and recreational opportunities.

Similarly, the amendment tabled by my noble friend Lord Moynihan to exclude sports grounds that are not designated under current regulations is both reasonable and pragmatic. Designated sports grounds, by definition, already meet specific criteria regarding their capacity and usage, and they are often subject to existing safety and security frameworks. Non-designated sports grounds, on the other hand, are typically much smaller venues, hosting grass-roots and community-level events, so it would be disproportionate to require these smaller, non-designated grounds to implement the same level of security measures as large, professional sports facilities. Such a requirement would likely discourage participation in grass-roots sports and place unnecessary financial and administrative burdens on local clubs and organisations, many of which are already stretched thin.

These amendments are not about weakening security provisions, but rather about applying them sensibly and proportionately. By excluding rural cultural and sporting venues and non-designated sports grounds, we can ensure that the Bill targets resources and security measures where they are genuinely needed: at venues that present a higher risk of terrorism and where the scale and complexity of operations justify the investment.

Finally, I commend my noble friends for tabling these amendments and for highlighting the importance of maintaining a balance between security and practicality. I urge the Government to seriously consider these proposals and recognise the value of preserving the unique contributions that rural venues and grass-roots sports make to our society.

10 pm

Lord Hanson of Flint (Lab): I am grateful for the efforts of noble Lords in tabling the amendments we are considering and the points they have raised. The

intention of the Bill is to provide a framework for security in the event of a terrorist attack: that is its prime focus. I recognise that there will be pressures on volunteers to come to the table on these provisions, but it is part of the scope of the Bill to ensure that that happens and there is good practice.

I can assure the Committee that as part of the development of the Bill, both the current Government and the previous Government have carefully considered where it is appropriate to exclude premises and events from its scope. In particular, we have taken into account the potential impact on smaller community and grass-roots premises. For the reasons the noble Baroness, Lady Suttie, mentioned, we have to draw that line in relation to the Bill as a whole.

On Amendments 13 and 15 tabled by the noble Lord, Lord Moynihan, the Government are conscious that there are many types of premises used for sports activities with different operating models. That is why we have made revisions to the previous draft version of the Bill to distinguish between sports premises which are open to the public to access freely and those where there is some form of control of entry, whether a ticket check, swipe card access or other.

Schedule 2 to the Bill excludes open-air premises which might otherwise be captured. This includes parks, sports grounds and open-air premises used for recreation or leisure where there are no measures to control access. The noble Lord, Lord Moynihan, gave me a number of examples, including the boat race, as it involves buildings and tow paths. I will reflect on his examples. My gut feeling is that buildings are covered, but tow paths and other associated provisions are not, except if—as mentioned in the Bill—payment is made, invitations or passes to access are issued, or individuals must be members or guests of a club or association to gain access. I will reflect on his points, however, and prior to Report—which will not be too far hence—I will make sure the noble Lord has a letter in his hand. He can then decide whether to take action on Report or be satisfied; I hope, of course, it will be the latter.

I have the concern that under the noble Lord's proposals to remove paragraph 3(2)(d) of the schedule, a non-league football match, such as at Flint Town United in the town I live in, with 8,000 people attending, would be out of scope and its security not considered. That is unacceptable, because the amendments could leave only a few hundred premises across the United Kingdom within scope. Again, the purpose of this legislation is to ensure that we put in a basic minimum, which is to provide protection in the event of an attack and steps that can be taken by the associated individual. That is the bottom line, and sometimes it causes reflections that the noble Lord has made.

The costs were touched on by a number of noble Lords. We have estimated that for a standard duty premises the costs will be around £330 per year. That is not cash up front being paid externally; it might just be an assessment of the time involved by volunteers to undertake the training and be the responsible person. Again, there is a judgment to be made, and we have made the judgment that that is a right level of approach. Noble Lords have expressed concerns about that, but I do not think it will reduce the level of volunteers. Nor, having looked at the impact assessment from the Home Office, do I share the concerns that the penalties set out in paragraph 68, for example—which I agree are heavy—will put people off, because we are trying to instil into the system a level of good practice. Downstream, undoubtedly, that will not be administered as a day one fine—there will be discussion between the authority and the regulated premise in due course. I hope that will not put individuals off, but the noble Lord has made his point.

The noble Lord mentioned that officials have drawn up the impact assessment. I pay tribute to the officials for doing that, as they have worked hard, but he will note that the signature on the bottom is of the Security Minister, Dan Jarvis. Political leadership takes responsibility for this document and will continue to do so with the support of officials downstream.

On Amendments 14 and 19 from the noble Lord, Lord De Mauley, the noble Lord himself mentioned that he thinks they need to be reflected on. I will take his word for that and give him the encouragement to reflect on them still further. The Bill sets out that open-air premises which might otherwise be caught are excluded, but he can reflect on his amendments and, if he feels that he wishes to bring them back on Report, a recrafted amendment could be tabled, should he wish to do so. That is his decision and his call in due course.

If I may, I will reflect on all the comments made by noble Lords. There were some detailed questions about the pavilion and reflections on that. I hope that noble Lords will understand that we are trying to achieve a baseline, and we want clarity on that, because clarity means that it serves a purpose so volunteers and others will take the right approach, the SIA will know what it is monitoring, and Ministers and this House will be accountable for the performance. I will reflect on all the points that have been made and, if clarity is required, then we will try and ensure that it happens. I will write to Members and, if noble Lords feel that that clarity is not present in my correspondence, then there will be opportunities later in the day to take action accordingly. With that, I hope noble Lords will not press their amendments.

Lord Moynihan (Con): I thank the Minister for that comprehensive reply. We both share the overall objectives; of that there is no doubt, and I think that applies to everybody in the Committee. I hope that, in addition to the letter, the Minister will give consideration with his colleagues to sector-specific guidance. That would be very helpful in the context of the sport and recreation world.

Lord Hanson of Flint (Lab): I should mention that, if this Bill receives Royal Assent, as I hope it will, then there is that potential two-year implementation period, and we will be looking clearly at guidance to make sure that the wishes of the legislation are reflected in how it can be implemented by a range of organisations.

Lord Moynihan (Con): I appreciate that. By "sector-specific", I was talking about the sport and recreation world, so I hope that that is also taken into consideration

[Lord Moynihan]
by the Minister. My biggest concern by far is the community amateur sports clubs—the CASCs—the volunteers, and the grass-roots sportsmen and sportswomen in this country who give so much of their time voluntarily.

We will go away and consider the response that the Minister has kindly given the Committee. I beg leave to withdraw the amendment standing in my name.

Amendment 13 withdrawn.

Amendments 14 to 19 not moved.

Schedule 2 agreed.

Clause 5: Public protection procedures

Amendment 20 not moved.

House resumed.

Property (Digital Assets etc) Bill [HL]

Reported from Committee

The Bill was reported from the Special Public Bill Committee with an amendment. The Bill, as amended, was ordered to be printed.

House adjourned at 10.09 pm.

Grand Committee

Monday 3 February 2025

3.45 pm

Arrangement of Business

Announcement

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

Heat Networks (Market Framework) (Great Britain) Regulations 2025

Considered in Grand Committee

3.45 pm

Moved by ***Lord Hunt of Kings Heath***

That the Grand Committee do consider the Heat Networks (Market Framework) (Great Britain) Regulations 2025.

The Minister of State, Department for Energy Security and Net Zero (Lord Hunt of Kings Heath) (Lab): My Lords, these regulations were laid before the house on 28 November 2024.

We know that to reach our net-zero commitment and reduce our reliance on international fossil fuels, we must use all the tools we have available. Currently, heating accounts for 23% of the UK's carbon emissions. Two of our key technologies for decarbonising heat are heat pumps and heat networks.

Heat networks present us with an opportunity to enable a more resilient and flexible future for the UK's heat, reducing carbon emissions and our future bills. Heat networks are particularly important, as they are in a unique position to exploit larger-scale and local low-carbon energy sources, such as large, efficient heat pumps and waste heat from industry or from natural sources that would otherwise be dumped. Proven internationally to provide affordable, low-carbon heat, heat networks are especially suited to dense urban areas. The Government expect that about 20% of the UK's heat demand will be met by heat networks by 2050, which will be a significant increase from the current figure, which is about 3%.

We want to do everything that we can to support the much-needed growth of the heat network sector, but we also want to ensure that we deliver a fair deal for heat network consumers. Heat networks currently function as an unregulated monopoly: the 470,000 households that are supplied by heat networks cannot change their supplier if they are dissatisfied with their service or obtain redress if they are unfairly treated. The lack of regulation means that consumers are not guaranteed a fair service: heating is less reliable, suppliers are less transparent and it is harder for consumers to represent themselves or make complaints.

We have been working with consumer groups and have engaged in research that will allow, and has allowed, us to identify where this is happening in the market and what we can do to put in place measures to prevent such activity. These regulations are what we need to put in place to ensure that customers are protected. They stem from the Energy Act 2023, which provides powers for the Secretary of State to introduce regulations across Great Britain that will protect heat network consumers in a way that is rightfully comparable with other regulated utilities.

This statutory instrument seeks to provide protections to heat network consumers that are comparable with activities such as those in the gas and electricity sector. The instrument introduces an authorisation regime to be implemented by Ofgem; this will work in a similar way to the gas and electricity licensing regimes. It takes an outcomes-based approach to reflect heat networks' diversity of scale and their nascent market position.

The regulations ban running a heat network without an authorisation. Existing heat networks are automatically given an authorisation in order to phase in market regulation. The conditions for authorisation are set by either the Secretary of State or Ofgem, and apply rules for running a heat network. Ofgem will be able to monitor compliance with regulations and act where appropriate.

Actions Ofgem can take include issuing information notices for compliance data, investigating suspected non-compliance, inspecting commercial premises of authorised persons and issuing a range of orders requiring remedial action. Consumer redress orders can also be issued, requiring that affected consumers are given compensation.

These regulations require Ofgem to publish statements of policy on how powers are used. Penalties will be proportionate to the authorised person's size and the scale of harm that their non-compliance has caused. Additionally, the instrument gives Ofgem powers to set minimum performance standards. Although the scope of these standards is not defined in this instrument, these will include quality of service, outage minimisation and treatment of vulnerable customers.

This instrument also applies Parts 1 and 2 of the Consumers, Estate Agents and Redress Act 2007, with some modifications to apply them to heat networks. These create the roles of consumer advocacy bodies for heat network consumers, providing access to advice. It also extends the Energy Ombudsman's redress scheme to these consumers. The regulations automatically enrol all heat networks into the scheme.

The commencement dates for some of the provisions are slightly different. This is because delays to the passage of the Energy Act mean that Ofgem cannot commence regulatory activities before January 2026. However, to ensure that heat network consumers are afforded some support before then, we are establishing the roles of the consumer advocacy, advice and redress scheme providers earlier, in April 2025.

Finally, this instrument makes amendments to the Heat Networks (Scotland) Act 2021, following extensive consultations with the Scottish Government. These amendments were made to ensure that Ofgem can regulate consistently across Great Britain.

[Lord Hunt of Kings Heath]

My department has carried out two consultations to inform these regulations. The first consultation was on creating a market framework, in 2020; the second was on consumer protection, in 2023. Across both consultations, broad support for the structures created in this instrument was expressed. There is an ongoing consultation on the contents of the authorisation conditions, the outcome of which will be published before the authorisation regime commences.

In summary, this instrument represents the important first step in introducing comprehensive utility regulation to the heat network market. It lays the groundwork for a much fairer and just sector where heat network consumers are protected. We expect that this will provide a very good foundation for growing the sector in future. Putting consumer protection at the heart of our agenda is, we believe, a way to inspire public confidence. I beg to move.

Earl Russell (LD): My Lords, I am pleased to say that we are very supportive of the heat networks regulations before us. We broadly welcome these moves, which will start to regulate the heat networks market in England, Wales and Scotland.

These regulations will bring in some much-needed consumer controls and protections for the customers of heat networks. As the Minister said, heat networks are a form of deregulated energy distribution, where heating, cooling and hot water are circulated from central sources of generation to multiple endpoints of use. These can include domestic dwellings as well as public and commercial buildings.

Frankly, it is shocking that heat networks have been largely unregulated to date, despite being an essential utility that is presently used by nearly 500,000 households in the UK. The only legislation that currently applies specifically to heat networks are the Heat Network (Metering and Billing) Regulations, which apply only to metering and billing.

Heat network customers have significantly fewer rights and protections compared with any other energy utility customers in the UK. A report carried out by the Competition and Markets Authority in 2018 found that the existing market was, in effect, a monopoly. It raised concerns about customer protections as this market grows and moves forward. To date, this market has been allowed to operate mostly unregulated. In all other aspects, heat network customers have fewer rights and consumer protections than any other energy customers.

We welcome the Government's intention to grow this share of the energy market and we recognise that the extension of heat networks can bring benefits to customers as we make the energy transition. We welcome the use of large-scale heat pumps and novel uses of waste heat, particularly in urban areas. The recently announced Bunhill 2 Energy Centre, which will provide heat and hot water to more than 1,350 homes, a school and two leisure centres in Islington, with waste heat from the London Underground, is an example of this type of innovation. In future, waste heat from industrial processes or data centres could be used to provide new forms of domestic heat and hot water from heat that is currently used just as a by-product and released into the atmosphere.

I note the Government's stated intention to see that some 20% of the UK's heat demand is met by heat networks by 2050. These regulations are about creating those basic consumer protections for heat network customers so that they have the same protections as everybody else. We want to make sure that this heat network market is fit for purpose so that it can grow and new customers can enter it. At the moment, the lack of consumer protection is the main barrier to growing this market, so we fully agree with the Government on these points. The lack of a properly regulated market needs to be resolved, and we support the Government doing so.

This instrument uses the powers in Chapter 1 of Part 8 of the Energy Act 2023. It defines "regulated activities" in relation to heat networks and provides that anyone carrying out these activities needs an authorisation. Authorisations are to be granted by the Gas and Electricity Markets Authority, GEMA, and in practice by Ofgem. Ofgem will also have relevant enforcement powers and authorisations under the instrument. The regulations give it the powers to carry out this role, including investigative powers to collect information and issue different types of compliance notices, consumer redress orders and variable penalties.

What support will the Government give to very small heat networks and small community heat networks, particularly those with fewer than 50 members? Obviously, with new regulations there is some level of new burden, so are the Government aware of that and doing everything they can to support them in the transition?

As the Minister said, these regulations are only the first step in introducing a much fuller regulatory regime in the months and years to come. The authorisation regime run by Ofgem will come into force on 27 January 2026, but the provisions on consumer advocacy and the redress scheme to be operated by the Energy Ombudsman will come into force on 1 April 2025. How will those two systems work together? What will happen in that interregnum? Will the Minister and the Government ensure that, as they move from one regulatory regime to another, consumers will be protected through that transition?

I want to ask about historical legacy issues, in particular the money the Government gave to people in heat networks. Once these regulations come into force, what will happen to any legacy issues, conflicts or problems that pre-date these regulations?

Finally, in a statement in the other place it was made clear, as the Minister has said, that the Government want to grow heat networks to 20% by 2050. This has not had a lot of discussion in this place or the other place. We welcome this policy, but will the Minister take a moment to say how they plan to grow the heat network market? Beyond these regulations and making the regulatory framework work, what steps are planned to help increase the use of heat networks? What investment framework are the Government looking to use to help bring about more heat networks? What other mechanisms do they have in mind to help grow this market? How will it be reported on? What organisations will oversee the delivery of the increase in heat networks? Finally, does the Minister see a role for GB Energy in increasing the number of heat networks?

4 pm

Baroness Bloomfield of Hinton Waldrist (Con): My Lords, these regulations represent a pivotal step in securing the long-term sustainability of heat networks across Great Britain. Heat networks are central to the UK's decarbonisation strategy, particularly in densely populated areas, and are projected to supply 18% of the nation's heat demand by 2050. Presently, more than 500,000 households and businesses are already connected to these networks, which, as the noble Earl, Lord Russell, rightly observed, historically have operated without formal regulation.

The previous Conservative Government made notable progress in modernising this sector, investing £32 million through the heat network efficiency scheme. This funding allowed network operators to replace outdated and inefficient equipment, resulting in improved reliability and more efficient heating for consumers. Heat networks are expected to play a crucial role in reducing carbon emissions, particularly in areas where individual heating solutions are less feasible, such as, as the Minister suggested, dense urban environments.

The measures in the SI seek to establish a structure of regulation for the heat networks market designed to ensure that heat networks operate in a way that benefits the consumer. The key provisions include: the licensing of heat suppliers; stronger consumer protections; regulatory oversight from Ofgem; and performance reviews on data and reporting. Additionally, the regulations will encourage market development to foster innovation, competition and the integration of renewable energy solutions, which will be essential for meeting the UK's climate goals. These provisions are designed to create a fairer, more transparent and consumer-friendly heat network sector, while supporting the transition to clean energy, making it a central pillar in the Government's wider decarbonisation agenda.

Notwithstanding the comments made by the noble Earl, Lord Russell, about the lack of regulation in this market, Energy UK has acknowledged that the current level of regulation is lighter than that for gas and electricity, which is understandable given the market's current stage and variability. However, it also recognised the need for regulation to become more robust as the market matures. While the measures to encourage investment in the sector are welcomed, Energy UK advocates for further efforts to promote wider connections to heat networks and enhance investment, particularly in underserved areas.

Despite the positive progress these regulations represent, several challenges remain. On consumer protection, how can we ensure that vulnerable consumers are adequately safeguarded and fully informed of their rights? Regarding investment and market growth, what additional steps can be taken to incentivise further investment in heat networks and ensure that the sector remains competitive? Could we see measures such as tax incentives or grants for businesses in local authorities looking to develop new networks or to expand existing ones? As the market evolves, how do we maintain the right balance between regulation and innovation—fostering growth without stifling creativity and new ideas? It is essential that these regulations allow space for technological breakthroughs and market experimentation. Finally, given that heat networks often operate as local monopolies, how can we ensure fair competition and prevent consumers being locked into poor-value contracts? The introduction of transparency measures, dispute resolution mechanisms and regulatory enforcement will be essential in addressing these concerns.

In conclusion, these regulations are a vital step in creating a fair, efficient and sustainable heat network market. They aim to protect consumers, encourage investment and support our climate objectives. As we move forward, we must ensure that these regulations continue to adapt to meet the evolving needs of the sector. To that end, ongoing consultation with stakeholders, consumers and innovators will be critical to ensuring that the heat network market thrives, while the interests of the public are protected.

I end with a plea to the Minister to keep a watchful eye on Ofgem, which has seen its workload increase exponentially over the last few years. I hope that his department continues to monitor Ofgem's increasing responsibilities and to ensure that its resources are increased to match.

Lord Whitty (Lab): My Lords, could I ask the Minister one question? I apologise to him: I realised this was being done today only about 20 minutes ago.

A significant number of existing heat networks are run by local authorities or hived-off organisations owned by local authorities. The aim of this legislation, as far as consumers are concerned, I have strongly supported for a long time, including during the proceedings of the Energy Act. I am very much in favour of consumer protection and consumer redress as spelled out in part of these regulations, but I have been told elsewhere that those protections and certainly those forms of redress are different if they are for consumers of heat networks run by local authorities, compared with a private sector or mixed ownership of the heat network. I would like to know whether that is true in principle. If it is at all true, perhaps the Minister could write to me and explain what the situation is.

Lord Hunt of Kings Heath (Lab): My Lords, I am most grateful to noble Lords who have taken part in this short but none the less interesting and, I think, important debate. As the noble Earl, Lord Russell, the noble Baroness, Lady Bloomfield, and my noble friend Lord Whitty have suggested, the development of heat networks is a very important one, and we want to see considerable progress over the next few years.

I also think it is important that the sector itself has broadly supported the regulatory proposals. I believe, and I think it was explicit in what the noble Baroness said, that that confidence will allow them to invest in the future and develop the market, which is what we earnestly hope for and wish to see.

In response to the noble Baroness, Lady Bloomfield, I accept that this is another responsibility that is being placed on Ofgem. I have had quite considerable experience in dealing with regulators in my time in government. I think Ofgem discharges its responsibilities very seriously, and I have confidence in its ability to discharge this new responsibility. In a sense, it is simply extending the

[Lord Hunt of Kings Heath]
principles of the current regulation of gas and electricity to network heating, so it is something I am confident it will be able to do.

In response to the noble Earl, Lord Russell, I make it clear that from April this year, heat network consumers will also be able to seek redress from the Energy Ombudsman scheme and, through Citizens Advice and Consumer Scotland, will have access to advice and advocacy services afforded to the gas and electricity markets. In answer to the noble Baroness, we think this will be particularly helpful to the vulnerable customers she mentioned.

The noble Earl asked me about retrospection. The new arrangements will not be able to be applied retrospectively. The fact he raised this shows why it is so important that we get a move on in introducing these new regulations, and how customers were at risk under the previous arrangements.

As far as fair competition is concerned, again, I very much accept that point. Indeed, this work arose from the Competition and Markets Authority, and Ofgem is well used to intervening in areas where it feels that competition is not being fairly adopted. I am confident that it can deal with that. The data gathered by Ofgem—and, of course, it will have this ability to require data to be provided to it—will enable it to identify emerging issues and trends and adapt regulation as the heat sector develops and grows. As I see it, regulation will be proportionate and organic, marching in step with the way the market itself develops.

I inform the Committee that we will be introducing further regulations this year: first, to introduce protections against insolvency and debt management; and, secondly, to create an entity to implement mandatory technical standards. Putting those together will provide the foundation for this market to grow in future. Market growth seems to me to be a fundamental question, so we are working to expand the existing heat network market through capital funding via the green heat network fund, which will establish heat network zones in key locations. This will allow heat network developers to deploy large-scale district heat networks in dense urban locations, where, as I have said already, they are best suited to provide low-carbon heat.

On support for smaller heat networks, my understanding is that, first, Ofgem will take a proportionate and outcomes-based approach to regulation, providing guidance and supporting small operations.

To come back to the legacy issue and add a bit more information, on legacy issues with existing heat networks, we will take action to guide heat networks through legacy challenges that they face with existing heat networks, with remedial works implemented over time. One advantage of giving authorisation to current schemes is that, once they have been given an authorisation, they then come under these regulations. In one way, if there are pre-existing issues, at some point they will be authorised, and then they can be dealt with under these regulations. So, in fact, although strictly speaking it cannot be retrospectively applied, I hope that that can bring comfort to customers who are really concerned about the situation as it is.

I understand also, in relation to vulnerable customers, that a priority services register will enable vulnerable consumers to access additional support relating to their heat network, including receiving communications in an accessible format, assistance reading their meters and the ability to nominate another person to act on their behalf when dealing with their heat provider.

In relation to the point raised about regulation and customer prices, Ofgem will have direct powers to intervene on prices with a general authorisation condition, to set prices fairly, with data-driven interventions proceeding from January 2026.

On the point raised by my noble friend Lord Whitty, first, I acknowledge the work of local authorities of in some ways even pioneering district heating systems. My noble friend may know that in the heart of the city of Birmingham we had a district heating system that ran right through the city centre, and we can see the potential area. I have also been informed about the South Westminster Area Network, which is being established through close working between Westminster Council and Westminster business improvement districts. That is a new approach to procurement; it took four months to bring forward a partner, which is much quicker than for many of the schemes and developments.

The point that my noble friend raised is a new one to me, and I hope that he does not mind me just checking it out and coming back to him on it. On the face of it, it seems puzzling, but I think that I need to find out some more information about it. But I take his point that we want local authorities to continue to take a lead in developing some of these network heating schemes and, clearly, the public must have confidence in how that is done.

Finally, the noble Earl, Lord Russell, asked me about Great British Energy. He will know that we believe that, in the development of local plans and the role of GBE in doing that, there is clearly potential to give encouragement to community energy schemes and network schemes. I cannot really say any more about that, but I shall draw those remarks to the attention of the start-up chair of Great British Energy.

Baroness Bloomfield of Hinton Waldrist (Con): I should just clarify my remarks about Ofgem. In no way was I intending to imply that its work was anything other than exemplary—I was just commenting on the increasing workload that we are putting on Ofgem.

Lord Hunt of Kings Heath (Lab): I did not take it as a criticism at all. The noble Baroness is absolutely right that we are asking Ofgem to do a lot—but her experience and mine is that it is very capable of doing that.

Motion agreed.

Separation of Waste (England) Regulations 2025

Considered in Grand Committee

4.15 pm

Moved by ***Baroness Hayman of Ullock***

That the Grand Committee do consider the Separation of Waste (England) Regulations 2025.

Relevant document: 12th Report from the Secondary Legislation Scrutiny Committee

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Baroness Hayman of Ullock) (Lab): My Lords, these regulations were laid in draft before the House on 3 December 2024 and confirm the final policy position for simpler recycling in England. For too long, households in England have been presented with a muddled and confusing patchwork of approaches to bin collections. The Government's simpler recycling reforms will ensure that across England people will be able to recycle the same materials, whether at home, work or school, putting an end to confusion over what can and cannot be recycled in different parts of the country.

We are all responsible for addressing our country's waste problem, and we know that citizens want to play their part and recycle as much as possible but that they are frustrated by the limited and confusing recycling services. Through these reforms, we are empowering citizens to turn their good intentions into simple, effective actions. Simpler recycling is one of the three core pillars of the Government's ambitious collection and packaging reforms, alongside the forthcoming deposit return scheme and the extended producer responsibility scheme for packaging. Together, we estimate that the collection and packaging reforms will support 21,000 jobs in our nations and regions and stimulate more than £10 billion of investment in recycling capability over the next decade. The reforms are also estimated to deliver carbon savings of more than 46 million tonnes of carbon dioxide equivalent by 2035, valued at over £10 billion in carbon benefits.

Since 2015, household recycling rates in England have plateaued at around 45%, decreasing to 43% in 2022, so we urgently need to take steps to improve the nation's recycling performance. Simpler recycling will end the postcode lottery of bin collections in England by ensuring that all households and workplaces can recycle the same core waste streams: plastic, metal, glass, paper and card, and food waste, with garden waste for households upon request. Simpler recycling will improve services for householders by introducing weekly food collections for all households in England and kerbside plastic film collections. This will make a significant contribution towards meeting our ambition to recycle 65% of municipal waste by 2035 and our target to reduce residual waste generated per capita by 50% by 2042 compared with 2019 levels. Furthermore, these changes represent a critical first step towards meeting the commitment in our manifesto to transition to a resource-resilient, productive circular economy which delivers long-term, sustainable growth.

I draw noble Lords' attention to the exemptions introduced by the instrument. The legislation to implement the core legislative requirements for simpler recycling was introduced by the previous Government through the Environment Act 2021. This legislation has already come into force; in practice, this means that simpler recycling will automatically come into effect, beginning in March 2025 for workplaces and March 2026 for households.

Sections 45A, 45AZA and 45AZB of the Environmental Protection Act 1990, as amended by the Environment Act 2021, require that the six recyclable waste streams—plastic, glass, metal, paper and card, food waste, and garden waste—are collected separately, alongside residual waste. The legislation states that local authorities and other waste collectors can make use of an exception to collect these recyclable materials together, if it is not technically nor economically practicable to collect them separately or if there is no significant environmental benefit from doing so. However, if using an exception, waste collectors must produce a written assessment to record the justification.

This instrument sets sensible exemptions from this condition, allowing any combination of the recyclable waste streams of metal, glass and plastic to be collected together, at all times. This exemption applies to collections from both households and workplaces. It also allows food waste and garden waste to be collected together from households, at all times. Waste collectors will not have to justify co-collection of any of these materials, as they would have to under the primary legislation as it stands.

We have taken this decision because the Secretary of State has determined, based on the evidence, that co-collection of those materials does not affect the potential for those materials to be recycled. We will not include paper and card in the exemption. This must, by default, be collected separately from the other dry recyclable waste streams. This applies to collections from both households and workplaces. This is because paper and card are particularly vulnerable to cross-contamination from food and liquid commonly found on other recycling materials, which could significantly reduce the potential for collected material to be recycled.

However, we want to provide flexibility for local councils and other waste collectors. Where waste collectors consider that it is not technically or economically practicable to collect paper and card separately, or where there is no significant environmental benefit from doing so, they may collect paper and card together with other dry recycling, if they provide a written assessment to document the justification.

Waste collectors will decide where an exception applies. There is no need to request permission from Defra or the Environment Agency to co-collect paper and card where an exception applies. We have published guidance for local councils and other waste collectors to support their decision-making regarding the co-collection of paper and card with other dry recyclable materials, where appropriate. All exemptions will be automatic and local councils and other waste collectors will not need to apply for them. They will need to produce only a written assessment to co-collect paper and card with other recyclable materials. To reiterate, without this instrument, they would have had to produce written assessments to co-collect any combination of recyclable materials.

These exemptions mean that the new default requirement for most households will be four containers: for food waste, mixed with garden waste if appropriate; paper and card; all other dry recyclable materials, these being plastic, metal and glass; and non-recyclable waste. As we are maintaining flexibility, councils and other waste collectors may choose to separate materials further if this suits local need. We believe that this is a sensible, straightforward approach to the collection of recycling for every household and workplace in England.

[Baroness Hayman of Ullock]

This instrument will also mean that micro-firms—workplaces with fewer than 10 full-time equivalent employees—will not need to arrange for the recycling of the core recyclable waste streams, as required by the Environmental Protection Act 1990, until 31 March 2027. Without this exemption, under the primary legislation, micro-firms would have had to meet the simpler recycling requirements at the same time as all other businesses—by 31 March 2025. We recognise that micro-firms, of which there are an estimated 1.8 million, may face more challenges introducing the changes, so this phase-in period provides additional time for them to prepare.

These are substantial reforms. We will support local councils and workplaces to deliver these new requirements in the most cost-efficient way. Right now, we are focused on raising awareness and providing guidance, including webinars and toolkits, for both local councils and workplaces on how to deliver efficient services. For local councils, we are working to distribute funding for food waste collections as soon as possible; we have already provided £258 million of capital funding, and we will also provide resource and ongoing funding. We will continue to engage with stakeholders in order to understand the challenges that they are facing and to ensure the successful delivery of simpler recycling.

In conclusion, the need for simpler recycling has never been clearer. By simplifying what households and workplaces across England can recycle, these long-awaited reforms will jump-start England's faltering recycling rate, maximising environmental benefits, ensuring that we keep our precious resources in use for longer, and unleashing investment and economic opportunities. I beg to move.

Baroness McIntosh of Pickering (Con): My Lords, I congratulate the Minister on introducing the regulations before us, which I broadly support. I will direct my questions to two specific areas.

The Minister mentioned that guidance will be given to councils on the separate collections. My concern is around what guidance will be given by councils to households in particular. I remember chairing the Environment, Food and Rural Affairs Select Committee at the time of the "horsegate" scandal, where people found that they were eating prepared foods—usually lasagne—made from horsemeat, not beef. It ended, I think, a lot of people's desire to carry on eating these pre-prepared, highly expensive, undernutritious, highly salted foods. However, if you are a householder and you have one of these trays in front of you, it normally goes, I assume, in your food waste because it is highly contaminated—or the packet that the lasagne I have eaten was in will have to be rinsed sufficiently to ensure that it is not contaminated.

Who is going to guide households on what to do with such prepared food, where it is difficult to get rid of the residual food waste? How does the Minister intend to ensure that, if it goes into the paper recycling, which will now be a separate collection, this will not lead to greater contamination? How will guidance be given to households to ensure that there is no cross-contamination? How does the Minister plan to ensure that there will be no increase in cross-contamination because of the contaminated stuff going into the wrong recycling bin or plastic bag—whatever it is called—that we are going to be issued with?

I would also like to press the Minister on ensuring that a strong message will go out from the Government to councils that there will continue to be a mandatory weekly food waste collection. Anything less frequent than that will lead to vermin and a lot of highly undesirable threats to households, through no fault of their own.

Baroness Coffey (Con): My Lords, I made my maiden speech last week simply to make sure that I could speak in today's debate. I congratulate the Minister on bringing these regulations forward; it is fair to say, I think, that they have been a long time in gestation. I recall, back in 2018, the resources and waste strategy setting out the idea of trying to get consistent recycling. I have to say, when I became the Secretary of State a while ago, I worked quite hard on this issue to try to get simpler recycling to achieve the outcomes that the Minister has set out.

4.30 pm

There are a couple of issues I want to raise with the Minister; in particular, the fact that we are moving from a minimum of three bins to a minimum of four bins. At the time when we went through the process of trying to make it more straightforward for people to recycle, the best-performing councils in the country, by and large—I think, seven out of the top 10—had three bins. They did not have four. They had three. This is in significant contrast to certain parts of Wales, where there were up to nine bins. A lot of work was done on this at the time.

Paragraph 7.5 of the Explanatory Memorandum suggests that

"76% of consultation respondents agreed with the proposed exemption to allow co-collection of all dry recyclable waste streams in all circumstances".

It is raised a few times in the impact assessment but, in particular, page 29 talks about how

"paper and card are particularly vulnerable to cross-contamination from food and liquid commonly found on other recycling".

Will the Minister say where that evidence has come from and where is it shared? That has not been the experience of the highest-performing councils in the land. I am conscious that there has often been a psyche, a psychology or whatever phrase is the right one about the worry about consultation that my noble friend Lady McIntosh pointed out, but practice shows that that has not necessarily happened. Indeed, there could be an opportunity for Ministers to revisit this if this was not the case.

I am also conscious that in terms of these regulations, doing a TEEP exercise may seem quite straightforward to people, but actually it takes time, resource and money and is open to legal challenge. That is why I am concerned that we will see councils around the country which had originally thought there were going to be three bins. A couple of months ago, it increased to four. That adds complication to thinking about how you do your bin collection. One thing politicians know is that if you get bins wrong, you are really in trouble with your constituents.

I am just conscious that there has been quite a significant change. It may seem only a minor change. I appreciate that we might not get the answer today from the Minister—I know she a huge remit in her policy portfolio, but not directly this—but I think it would be worth while to share more understanding of why there has been such a change in the evidence that the Secretary of State decided to make that change.

In terms of an extra element of how this transpires, back nearly a year ago, or whenever it was, there was a consultation accompanied by draft statutory guidance, and a decision was made in May last year. I appreciate that it is perfectly acceptable for the Government to change their mind, but that was to remove the statutory guidance that originally was going to be laid alongside regulations to require a minimum of fortnightly collections. That has been dropped, and I say to the Minister that page 14 of the impact assessment refers specifically to the fact that a lot of the calculations have been done on the basis of fortnightly collections.

It was the case that about 80% of councils collected fortnightly and several continued to collect weekly. In fact, places such as Westminster and similar collect more than once a week. We had seen only about seven or eight councils move to three-weekly collections. My fear is that we are starting to see a massive acceleration, particularly in councils led by Greens or Liberal Democrats, towards three-weekly collection of basically residual waste. Of course, food waste will be required to be collected every week but, frankly, I am worried about environmental health issues that will start to arise as we start to see three-weekly collections. Indeed, in Bristol, the council has decided to move to four-weekly collections. I genuinely believe that this could become a real issue and that people might say that this is about money or about trying to require or encourage people to do even more recycling. I genuinely believe it is a mistake, and I hope in many ways I am proved wrong.

It is important to try to get a regular rhythm of collection and to avoid, frankly, quite smelly waste lingering in people's driveways, especially in much more condensed accommodation. While councils can choose to do this weekly at the moment, and I understand some of the economic pressures they may feel under, it would be a retrograde step to go that way. I also do not know what consequences there would be for the impact assessment accompanying the regulations from that likely change away from fortnightly collections across the country.

The Minister and I knew each other for quite a while in the other place, although she has been at this end a lot longer than I have. Overall, I absolutely support the motive to increase recycling rates and have simpler recycling. As I said, I put a lot of my time and effort into making this happen. However, I encourage her to take back to the department that it should have steps looking ahead—to watch out, make some guidelines and be prepared to revisit this issue if necessary.

Baroness Bakewell of Hardington Mandeville (LD): My Lords, I thank the Minister for her introduction to this statutory instrument, which I broadly support. The Environment Act 2021 made provision for household waste to be collected for recycling as one of the main planks of its purpose. We are four years on from that Act. The collection of separated waste on a countrywide basis was moving slowly towards completion at the time of the general election. I congratulate the Government on moving this issue forward and not leaving it on the back burner. I have received a brief from the Green Alliance and seen the report from the Secondary Legislation Scrutiny Committee.

The instrument explains very well what will happen. English waste collection authorities and other waste collectors are to collect plastic, glass and metal recyclable waste streams together in all circumstances and not just where an exception applies. Paper and card will be collected separately from other recyclables to avoid cross-contamination. Food waste will be collected with garden waste; again, not just where an exception applies. This decision is not in line with international best practice nor government evidence. There will be provision for an exception to be applied to card and paper. This will be done by a written assessment. This is not robust enough and is not likely to lead to increased recycling rates generally, as paper and card will be contaminated when mixed with plastic, glass and metal, some of which will have food residues still present. The Minister has already referred to this.

The Government have decided that it is acceptable to collect glass, plastic and metal together and that this will not have a significant impact on the ability of the materials to be recycled. No evidence is provided that this is the case. However, there is evidence that 16.6% of materials at recovery facilities are rejected due to contamination. While the contamination rate for fully separated collected recycling is much lower, the co-collected material contamination rate is 13.5%, compared with just 4% for collections of recyclables kept separate. WRAP suggests this could be as low as 1.6%.

The Environment Act 2021 was clear that recyclable waste was to be collected separately so that recycling rates could increase. Recycling rates have not increased from 44%-45% since 2015, as the Minister referred to. The country therefore missed its target of 50% recycling by 2020 and the target of 65% by 2035 looks extremely unlikely. The public care deeply about the hazard that waste causes to wildlife, domestic animals, biodiversity and our general enjoyment of our environment.

Plastic pollution in particular is damaging our bird and animal species, with reports of plastic in birds' nests and hedgehogs getting discarded strimmer thread caught around their legs. If recycling rates are not increased, our reputation in the light of more efficient schemes in neighbouring countries will be damaged and the confidence of the public will be further dented. If the public believe that, although they are keen to assist with recycling, a proportion of this is still going to landfill, they will be disheartened and stop bothering to separate their waste.

According to the Green Alliance, the cost of contamination to UK recyclers is more than £50 million a year. I lived in a council area that for many years collected weekly food waste and recycling and separated paper and card, cans and metal, glass and plastic, some in bins and some in bags. The residual used to be collected at two weeks and then moved to three weeks; there was no problem. The system should not get

[Baroness Bakewell of Hardington Mandeville]
bogged down in the number of bins that people may have to have. If recycling is carried out correctly, the residual waste should automatically reduce.

I return to my comments about evidence. Is the Minister able to say what evidence there is that contamination will not occur if the waste streams for recycling are collected together? The original impact assessment noted that mixing food and garden waste together affects quantity and quality, which leads to

"lower amounts of food waste being collected and less efficient treatment through in-vessel composting compared to anaerobic digestion, which produces energy and organic soil improver or fertiliser".

According to WRAP research in the Government's impact assessment,

"separate weekly collections of food waste can capture twice as much material per year compared to mixed food and garden waste".

Food waste makes up nearly a third of residual waste. Providing separate collection options is the best way in which to achieve the legally binding target in the Environment Act on waste minimisation. The Environment Act's legally binding targets are not to be discarded without serious consideration of the implications for our wildlife and biodiversity.

Is the Minister able to share the Government's evidence on what led to the exemption for separate waste collections and to what extent the Government expect local authorities to make use of the exemption? Cost alone should not be the overriding consideration. There has been extensive consultation with the industry on this matter, and with the English waste collection and disposal authorities and the Environment Agency. Some 76% of respondents agreed with the proposed exemption to allow collection of all dry recyclable waste streams in all circumstances.

Agreement by the industry does not automatically mean that recycling rates will increase. I note that Ipsos has been commissioned to do an evaluation of Defra's resources and waste policy, including simpler recycling, over a five-year period from February 2022. We are three years into this evaluation. Is there any mid-term update on how it is going?

While I congratulate the Minister and the Government on taking recycling collections forward, I am disappointed that we had static recycling rates at 44%-45% for 10 years under the previous Administration. I am not convinced that the scheme now being introduced will move us forward to the 65% needed by 2035. I appreciate that local authorities and the industries will have to amend the way that they collect and deal with various waste streams, but they had since 2021 to think about this and get ready. I fear that the proposals in this SI are not stringent enough to make the difference that is needed for the sake of our country, its people and its wildlife.

Lord Blencathra (Con): My Lords, if it is Monday in Grand Committee, it must be recycling day. Generally, I am very supportive of these regulations, if they bring about some standardisation in our bin collections around the country, but they raise several important questions about how the changes will be implemented and the potential long-term impact. Permitting English waste authorities to co-collect dry recyclable waste streams—plastic, glass and metal—in a single container is eminently sensible; so, too, is keeping paper and card separate. I have concerns about amalgamating garden and food waste, and I shall come to that later.

The new default requirement for most households and workplaces will be four containers: one for residual, non-recyclable waste; one for food waste mixed with garden waste; one for paper and card; and one for all other dry recyclable materials, including plastic, metal and glass. Although these exemptions are a sensible and pragmatic solution to logistical challenges, they raise a crucial question: how will the quality of recyclable materials be affected by the co-collection of plastic, glass and metal? Co-collecting different materials might cause contamination, making it harder to separate and process them effectively later in the recycling process. I hope that the Government will make it clear to local authorities that we expect co-collection to increase recycling for each of the co-collected products and that they must avoid contamination.

4.45 pm

Experts in the waste and recycling sectors have generally supported these changes. For instance, Michael Topham, the CEO of Biffa, has highlighted the need for a smooth transition to the new system and the environmental benefits that it can bring. However, when it comes to the recycling of paper and card, quality is crucial. It is vital, therefore, that these materials are clean and dry as they enter the waste stream and are not contaminated in any way. Dimitra Rappou, an executive director at the Confederation of Paper Industries, has expressed apprehension about the potential contamination of paper and card when co-collected with other materials.

Mr Andrew Large, the director-general of the CPI, has briefed me that the technicalities around implementation will be crucial. He says that, to date, the technically, environmentally and economically practicable—TEEP—rules' waste separation arrangements have failed to drive improvements in the quality of recyclate due to a lack of standardisation in the assessment process, which has resulted in very few local authorities acting to modify their collection methods. The CPI is therefore calling for standardised, detailed and evidence-based guidance on the application of TEEP. This should include clear specifications for the analysis methods evidence base required from local authorities to ensure greater consistency of results, providing local authorities with adequate flexibility to secure an exemption when one is genuinely required rather than simply for the convenience of the local authority. This guidance should be developed in collaboration with the paper industry and include, as a minimum, mandatory periodic reviews by councils that have obtained an exemption via a TEEP assessment. Furthermore, the Government should actively monitor the implementation of TEEP to ensure compliance and credibility in the conclusions.

The Minister rightly mentioned the exemption for microfirms. The second exemption extends the deadline for microfirms to comply with the new recycling rules until 31 March 2027. Although this delay offers microfirms more time to adjust, it also raises concerns. Will this two-year delay significantly hinder progress toward achieving higher recycling rates in the non-household

sector? Microfirms constitute a significant portion of non-household waste producers, and their delayed compliance may undermine the overall impact of these reforms. Furthermore, what support will be available to microfirms during this extended period? Clear guidance, tailored resources and support systems will be essential to ensure that these businesses can transition effectively without compromising the environmental objectives of these regulations.

These exemptions are part of a broader effort to simplify recycling processes and ensure compliance with the waste hierarchy. However, they also raise concerns about how they will be practically implemented across different sectors and regions. Are local authorities fully prepared for these changes? Do they have the capacity to enforce these new rules consistently and effectively? Crucially, will the Government ensure that local authorities do not abuse Section 57 of the Environment Act and use either the TEEP excuse—that it is not technically, environmentally or economically practicable to collect recyclable household waste in those recyclable waste streams separately—or the excuse that collecting recyclable household waste in those recyclable waste streams separately has no significant environmental benefit?

Additionally, we must ask whether businesses in rural areas will have equal access to recycling services as those in more urban centres. The accessibility of these services is a key factor in ensuring that the regulations are applied fairly across all areas. How will the Minister ensure that these measures are implemented equitably?

We must consider the issue of collecting food waste with garden waste. As a gardener, I like the idea of vegetable food waste and even cooked food being collected with garden trimmings for composting, but I have some concerns. WRAP says that we have 6.4 million tonnes of food waste and that the main items are bread, potatoes, bananas and salad items. That is all great composting stuff. However, WRAP also says that 250,000 tonnes of meat is dumped each year as waste. The main reason people dump raw meat is because it smells, looks off or is past its use by date.

I am very cautious about the inclusion of meat waste, particularly raw meat, in compost bins. As the Minister will know, raw meat, such as pork—we are never supposed to eat pink or underdone pork—can carry the dangerous pathogens of tapeworms, and these pathogens must be neutralized through thorough heating in the composting process. If the composting process does not reach the required temperature to kill harmful pathogens, and that is about 160 degrees Fahrenheit or 71 degrees centigrade, there is a risk that harmful microorganisms could survive and contaminate the final product, but I also understand that if composting goes above 60 degrees it kills off the good microbes, which are essential for good compost. I am quite happy to be shot down by the Minister if the vets and the Chief Medical Officer say that the science and the cooking times are wrong there, but that is what my research suggests and it worries me.

We all read stories at Christmastime about people throwing away whole turkeys— carcasses and bones—because they had gone green. I have used bonemeal in the garden. I use gloves, and I always make sure it is ground down before use. I am not being squeamish about this. I was a farmer's son. I would muck out the pig bins, and I am used to getting my hands dirty, but I would be a bit nervous about handling compost that had undercooked or raw meat in it. I do not expect this to be a big issue. I am not nitpicking here; one might not catch anything, but it requires only one incidence of something happening to undermine the whole recycling scheme. That could negatively affect the public response, so I would like assurance from the Minister. What measures are in place to ensure that raw meat waste will be properly neutralised if it is going in with garden waste for composting?

These regulations represent a significant shift in waste management policy in England, but their success will depend on striking the right balance between flexibility and robust enforcement. While the exemptions provide necessary flexibility to local authorities and businesses, they must be carefully monitored to ensure that they do not undermine the effectiveness of the recycling system. As we move forward, it will be essential to engage with all stakeholders, including businesses, local authorities, environmental organisations, and the general public, to ensure that these regulatory changes lead to meaningful improvements in recycling rates and waste management across England. That is where education is essential. For recycling rates to increase, the Government must engage in an education campaign advising all waste depositors how not to cross-contaminate products, especially paper and card. As noble Lords were speaking, I was thinking of how, when I take things down to the recycling bins in my town of Penrith, a lot of the card there I see is pizza boxes. It is a huge amount of card, but I wonder how much bits of ketchup or cheese baked inside ruins them for recycling. If that is the case, and whole areas of paper and card are rejected, local authorities must make sure that householders know how to keep those things clean and separate because we all want this to work.

I am grateful that the Government have brought forward these regulations, I look forward to clarification on some of the concerns raised by noble Lords and me, and I look forward to seeing the regulation implemented in due course.

Baroness Hayman of Ullock (Lab): My Lord, I thank all noble Lords for their valuable contributions to this debate today and for their support for this statutory instrument. I particularly welcome the noble Baroness, Lady Coffey, to Defra debates in this House. She brings huge knowledge and experience, and I look forward to working with her.

In response to the last question, I will start with cross-contamination because all noble Lords mentioned it in relation to the exemptions impacting material quality. To reiterate, the Secretary of State is satisfied that the impact of contamination is not significant in terms of the overall impact on the ability of materials to be recycled when co-collecting plastic, metal and glass. As I said, separate collection of paper and card will be required by default due to the potential impact of co-collection on material quality. Waste collectors

[Baroness Hayman of Ullock]
will be able to co-collect paper and card with other materials, where justified on technical, economic or environmental grounds. We are going for an evidence-based pragmatic approach to ensure a suitable balance to support environmental outcomes, while providing local flexibility and convenience for households while at the same time looking to increase recycling rates.

Where waste has been separately collected, Regulation 14 of the Waste (England and Wales) Regulations 2011 requires waste collectors to ensure that it is not then mixed with other materials with different properties unless certain exemptions apply; for example, if doing so would not damage material quality. This will ensure that contamination of paper and card is minimal once it has been collected.

The number of councils likely to use an exemption to co-collect paper and card was mentioned. We recognise that there are various technical, economic and environmental circumstances in which separate collection is not practical. In such cases, waste collectors will retain flexibility to co-collect paper and card with other dry recyclable materials but must produce a written assessment to record this justification, as I mentioned earlier.

The noble Baroness, Lady Coffey, asked what evidence there is to support the paper and card decision. We reviewed extensive stakeholder feedback and evidence about plans for collection of dry materials and the Secretary of State concluded that there is some evidence to indicate that simplifying the number of bins can help participation in recycling. But evidence also suggests that systems with one mixed dry recycling bin have the highest levels of contamination, which would affect the recycling rate. Contaminated materials may be rejected after collection if it is not economically viable to reprocess them. As has been mentioned, paper and card are particularly vulnerable to cross-contamination from food and liquid, commonly found in other recycling materials. We do not want that to happen because it significantly reduces the quality of collected materials. That is how that decision was taken.

On monitoring and evaluating, we are committed to monitoring the success of the simpler recycling project and have commissioned Ipsos, in partnership with Ricardo and Technopolis, to carry out an evaluation of Defra's resources and waste policy programme, including simpler recycling, over a five-year period that started in February 2022.

The noble Lord, Lord Blencathra, asked about micro-firms and whether the two-year delay would affect recycling rates. We are proceeding with the exemption to allow micro-firms until 31 March 2027, as I mentioned, but also to allow them to implement in the most sustainable and cost-efficient way. Including micro-firms in scope of this policy is estimated to increase the non-household municipal recycling rate by 9.3 percentage points, as micro-firms are responsible for around 30% of that waste.

The noble Lord also asked about support for micro-firms. We are working with WRAP and representative voices from each sector to develop sector-specific guidance for the Business of Recycling website. It is designed to support businesses as they transition to compliant waste collection services. Four sector-specific guides—on retail and wholesale, hospitality, health and social care, and offices—have been published so far. Three more—on food manufacturing, education, and transport and storage—will be published shortly. We are also working to develop guidance on how to optimise waste services to minimise the cost burden where possible and, in some cases, to maximise any potential cost savings.

Noble Lords asked about local authorities and their preparedness. Councils have been planning to implement simpler recycling since the legislation was passed back in 2021 with the Environment Act. We have already provided £258 million of capital funding to support this and will shortly confirm resource funding for the 2024-25 financial year.

5 pm

We are aware that some councils may find the introduction of the reforms more challenging than others, and we are working closely with local authorities to support readiness for these new obligations. We are also working with WRAP to provide guidance on best practice and to scope additional areas of support.

The noble Baroness, Lady McIntosh, asked how councils will be communicating with households. We think that local authorities are the organisations best placed to communicate the new collection requirements to residents when they are rolling out the services. To support this, we will provide transitional resource funding for food waste communications. Under the extended producer responsibility for packaging, producers will contribute to the costs of public information and any campaigns around packaging waste. We will continue to consider the most appropriate approach to supporting local authorities and other waste collectors with public engagement and communications related to the simpler recycling collections in England and will be providing further guidance on this in due course.

The noble Baronesses, Lady Coffey and Lady Bakewell, asked about bin numbers. The new default requirement is going to be four containers. They can be various types of containers. They could be bins, bags or stackable boxes, so there is flexibility about what that looks like. We think that it is a sensible approach for local authorities to determine how effectively to deliver this through container types, but we also think that the new default requirement of four is the most sensible and practical approach.

The noble Baroness, Lady McIntosh of Pickering, asked whether food waste collections will still be required every week. Amended Section 45A of the Environmental Protection Act 1990 requires local authorities in England to arrange for the separate collection of food waste from all households at least once a week, so all local authorities should provide this service for every household by 31 March 2026, unless they have been given a transitional arrangement for this. I was also asked about garden waste. Local authorities can continue to make a reasonable charge for the collection of garden waste if they choose and householders will continue to make a decision about whether they need it.

The noble Baroness, Lady Coffey, asked about residual waste collections and frequencies. This SI relates only to the exemptions to allow the co-collection

of some recyclable materials in the same container without the need for a written assessment and to allow micro-firms until 31 March 2027 to comply with the requirements, so the residual waste collection frequency is beyond the scope of the SI we are debating today. However, through simpler recycling, all householders will receive a comprehensive and consistent set of waste and recycling services. This is designed to enable householders to recycle as much waste as possible. The Government's priority is ensuring that household needs are met, and we expect local authorities to continue to provide services to a reasonable standard, as they do now.

The noble Baroness, Lady Bakewell, asked about organic recyclable materials and the co-collection of food and garden waste. To maximise flexibility for local authorities and households, we are introducing this exemption to allow the co-collection of food and garden waste in the same container without the need for a written assessment. The Secretary of State is satisfied that this will not affect their ability to be recycled or composted, since the materials can always be processed through in-vessel composting when mixed. The exemption will be automatic, and local authorities and other waste collectors will not need to apply to use it.

On this note, the noble Lord, Lord Blencathra, asked about safety and raw meat in garden waste. The garden waste stream does not include uncooked meat or waste products of animal origin, but food waste does, so these can now be co-collected. Under the existing requirements, waste collectors must always dispose of co-collected food and garden waste at a composting site that complies with the animal by-products regulations to ensure that the pathogen risks are appropriately mitigated. Clearly, we need to ensure that we have the right temperatures for disposing of such waste in order for it to be safe. The noble Lord mentioned WRAP data. We understand from WRAP that at least 41 councils collected mixed food and garden waste in 2022-23. There are ways of managing this in place already.

Finally, the noble Lord asked about rural areas and collections—I apologise if I have missed any of his other questions. Under Section 45 of the Environmental Protection Act 1990, councils are required to arrange for the collection of commercial waste in their area if requested by the occupier of the premises. So, by implementing simpler recycling, we will ensure that all businesses, whether rural or urban, have access to this expanded range of recycling services.

I will check to make sure that I have answered all noble Lords' questions. If I have not, I will get back to noble Lords, but I hope that I have covered most of them. This instrument is necessary to ensure that local councils, waste collectors and businesses are able to deliver simple recycling in an effective and straightforward way. The legislation is already in force, as I mentioned; it will now come into effect from the end of March for workplaces and from the end of March next year for households. I thank noble Lords for their contributions.

Motion agreed.

Armed Forces (Court Martial) (Amendment No. 2) Rules 2024

Considered in Grand Committee

5.08 pm

Moved by ***Lord Coaker***

That the Grand Committee do consider the Armed Forces (Court Martial) (Amendment No. 2) Rules 2024.

The Minister of State, Ministry of Defence (Lord Coaker) (Lab): My Lords, this statutory instrument amends the Armed Forces (Court Martial) Rules 2009 by changing the rank requirements for the president of a court martial board where the defendant is a very senior officer. Before I set out the changes that this statutory instrument will make, it may be useful to the Committee for me to provide some context regarding the role of the court martial board in the service justice system.

The UK's separate system of military justice dates back to the Bill of Rights 1689. Having a separate service justice system enables the comprehensive system of command and discipline on which operational effectiveness is based to be enforced swiftly and efficiently. The service justice system reflects the need to maintain discipline through the sentences which can be imposed by the commanding officer at summary hearings, or in the court martial for more serious offences. The average number of courts martial a year is just over 400.

The constitution of the court martial for trial proceedings comprises the judge advocate and a board of lay members. Depending on the offence or offences being tried, the board will consist of three to six lay members. Their role is similar, but not identical, to that of a jury in the Crown Court in England and Wales, as they are solely responsible for deciding the guilt or innocence of a defendant at contested trial proceedings, based on the evidence presented to them.

The constitution of a court martial board depends on whether the defendant is a serviceperson, ex-serviceperson or civilian. Where the defendant is a civilian and not an ex-serviceperson, the proceedings are usually placed before an entirely civilian board, unless there are exceptional circumstances that justify a mixed or service board. Where the defendant is an ex-serviceperson, the court may consist of either civilian lay members or service lay members or be a mixed board in each situation.

The constitution of the court martial will be assessed on a case-by-case basis. At the sentencing stage, unless the trial was conducted wholly with a civilian board, where the judge advocate would sentence alone, the role of the lay member differs significantly from that of a jury in the Crown Court, as each lay member and the judge advocate has a vote on sentence, although in the event of a tie the judge advocate has a casting vote.

When some or all of the members of the court martial board are service personnel, the president of the board is the senior officer. The role of the president includes that of the foreperson of a jury. They will chair the discussions during deliberations on the verdicts and ensure that all members have an equal voice and one vote. They also have additional functions, which include protecting the integrity of the deliberative

[Lord Coaker]
process by ensuring compliance by all members with the court martial guidance issued by the Judge Advocate-General and the Military Court Service director.

However, it is important to note that, despite the title of the president of the board, the judge advocate presides over the court. An overriding principle is that the constitution of the court should be fair, with lay members drawn at random from the widest potential pool. Crucially, this includes the deconfliction process to identify whether any member knows another member, a defendant or a witness, or has served in the same unit as the defendant since the date of the alleged offence.

A recent case highlighted a risk to this overriding principle of fairness. The court administration unit initially encountered difficulties in finding a president and a board to try a case where the defendant was a major general. As a senior officer, he was obviously well known, and his potential character witnesses included serving and retired OF-9 grade officers who were also known to many in the pool of potential board members. By the time of the trial, however, the defendant had left the Army, so the use of civilians as members of the board was permitted. Nevertheless, that would not have been possible in law had the defendant still been serving.

Although cases involving defendants who are very senior officers is rare in the UK—this was the first OF-7 officer to be tried in approximately 200 years—it is sensible for the service justice system to be ready and able to deal with these cases if and when they occur. This statutory instrument addresses this issue by amending Rule 34 of the 2009 court martial rules, which sets out the requirements for the president of the board. Currently, Rule 34 requires that, where the defendant is of rank OF-6—that is, a commodore, a brigadier or an air commodore—or above, the president of the board must be of a superior rank to the defendant. That can include the president holding the same rank as the defendant if the president is more senior to the defendant within that rank.

5.15 pm

The statutory instrument before us changes this requirement and broadens the pool of potential presidents so that, where the defendant is the rank of officer six or above, to prevent a conflict of interest, a more junior officer with a minimum rank of officer six can act as the president of the board. We will put policy in place to ensure that, wherever possible, the president of the board will be the highest appropriate ranking officer available.

This is a small change to the constitution of the court martial, but it is important and sensible. It will ensure that, where the defendant in the court martial is a very senior officer, it will always be possible to select a president of the board with the appropriate seniority for the important duties and functions of that role. With that explanation, I beg to move.

Baroness Bennett of Manor Castle (GP): My Lords, I thank the Minister for his clear and comprehensive introduction to this statutory instrument, which makes, as he said, a small change to the existing system. However, the fact that this statutory instrument comes before your Lordships' Committee today provokes me to rise with a single question for the Minister: does not the fact that this small change is being brought here today mean that the Government are prepared to look at bigger changes in future and are looking at the entire system of military justice?

I ask that specific question because, earlier today, I was at an event with the Child Rights International Network, the Centre for Military Justice and Salute Her UK. The Child Rights International Network was expressing great concern about events at the Army Foundation College and the level of offences, particularly sexual offences, there. More broadly, there was a sense at the meeting that the service complaints and justice systems in the military are broken; that units are marking their own homework; and that there are serious problems with the investigation of rape and sexual assault cases, as well as with the experiences of black and racially minoritised personnel.

I have no objection to the statutory instrument before us but, at that meeting, something was said that I found very disturbing. A representative of female personnel serving in the military and veterans said that they felt as though they had gone back to 2015 in terms of the attitude of military justice, particularly towards female victims of potential abuses in the military. Can the Minister assure me that the Government are prepared to, and will, look much more broadly at the whole system?

Baroness Smith of Newnham (LD): My Lords, when we get to questions of military justice, I normally rely on my good friend, my noble friend Lord Thomas of Gresford, to speak on these matters because he is far more expert than me. So, I am grateful that the Minister gave us the background to this case. Like the noble Baroness, Lady Bennett, I suggest that we accept this amendment as it stands, clearly, but I have a couple of questions, one of which is quite close to the question asked by the noble Baroness, Lady Bennett. Is there a danger that officers of a certain rank will feel unable to act as robustly as they might otherwise do if the officer at the court martial is senior to them?

There is a real question around whether service justice is doing what it needs to do. Clearly, the person facing the court martial needs to be treated fairly, but the Armed Forces still have questions to answer. If we look back to the Atherton report in the previous Parliament, when Sarah Atherton serving personnel and former personnel to come and give evidence—very much with the support of the noble Baroness, Lady Goldie—we see that that was important. If courts martial are being populated by serving personnel, will people feel that they can really act as judge and jury in the way they need to be able to do?

I have another related question. It is noted, in the Explanatory Notes, that part of the issue is a lack of senior officers. As His Majesty's Armed Forces shrink—the size of the Army, in particular, has shrunk—will the problem get worse rather than better? Do we need to think about how to reform military justice, in a wider sense, to ensure that the best practices are in place?

The Earl of Effingham (Con): My Lords, the Armed Forces (Court Martial) (Amendment No. 2) Rules 2024 aim to address challenges in forming court martial boards when senior officers are involved. A court martial consists of a judge and a board of military personnel, similar to a jury in civilian courts. The board determines the innocence or guilt of the defendant and, if they are convicted, assists the judge in deciding the sentence.

Currently, at least one lay member of the board must be an officer who is qualified to be the president of the board, and this president must rank higher than the defendant—particularly when the defendant holds lower ranks. However, in cases where a senior officer is being prosecuted, it may be difficult to find a suitable president who is not personally acquainted with the defendant. Although these cases are rare, the Government have recognised the importance of ensuring that the service justice system is equipped to handle such situations as and when they arise.

This instrument aims to modify these rules to extend the pool of eligible officers who can serve as president, particularly when the defendant may hold a senior rank, such as OF 6 or higher. The primary purpose of this statutory instrument is to improve the flexibility and functionality of the court martial system, particularly in cases involving senior officers. By allowing officers of at least rank OF 6—such as a commodore, brigadier or air commodore—to serve as president when the defendant holds the same rank, this amendment addresses the challenges of forming a court martial board for high-ranking individuals.

Currently, one of the main obstacles when prosecuting senior officers is finding a qualified president who is not personally acquainted with the defendant. In rare cases, the existing requirement that the president must be a higher rank than the defendant, particularly in cases involving senior officers, has proven difficult due to limited personnel who meet the criteria and do not have prior relationships with the defendant. This amendment provides greater flexibility in the composition of the court martial board and ensures that it remains capable of fulfilling its role in these uncommon but crucial cases.

The change also seeks to ensure the court martial system's adaptability, particularly given the evolving nature of military justice. Although such high-profile cases involving senior officers are rare, it is essential that the service justice system is prepared to handle them effectively as and when they arise. By allowing a broader pool of officers to serve as president, the amendment reduces the potential for delays and disruptions, ensuring that justice can be administered without unnecessary obstacles. This amendment applies across the UK, the Isle of Man and the British Overseas Territories—except Gibraltar—thus ensuring its relevance and consistency under service law, regardless of where the personnel involved are stationed.

While this amendment is largely viewed as a practical and necessary update to the rules, several important questions remain regarding its broader implications. First, how has the Minister assessed the potential impact of this change on the impartiality of court martial boards, especially in cases involving senior officers with extensive personal or professional connections to the board members? Secondly, what specific measures will be put in place to ensure transparency, avoid conflicts of interest when selecting presidents for cases involving high-ranking officers and ensure the integrity of the trial process?

In considering this amendment, how does the Minister plan to address the potential for further systemic reforms in the service justice system, particularly with the upcoming Armed Forces Commissioner Bill?

Lord Coaker (Lab): My Lords, I thank the noble Baronesses, Lady Bennett and Lady Smith, and the noble Earl, Lord Effingham, for their contributions and general support for the change that we are making.

I have a couple of points. With respect to the noble Baroness, Lady Bennett, I agree with one thing and fundamentally disagree with another, as she probably expected. This usually happens in our dialogue, but we get on well—up to a point. There is disagreement on her first point, but no disagreement on the need for fairness in the way the service justice system operates. We have seen, as the noble Baroness, Lady Smith, pointed out, the various reviews that have taken place and the changes that need to occur.

I will deal with this before I come to the point from the noble Baroness, Lady Bennett, on which I slightly take issue. She knows that serious offences such as murder, manslaughter and rape should be dealt with in the civilian justice system. There has been discussion about that. With respect to that proposal, the MoD is considering the current model of concurrent jurisdiction between the civilian and service justice systems for serious offences such as rape. That specifically answers those points about serious offences that the noble Baroness made; there is ongoing discussion and thought being given to how that may or may not be taken forward.

There is a debate about 16 and 17 year-olds being able to join the military. Let me say where the Government and a large number of people stand on this. It is common to call them "child soldiers", but the noble Baroness knows that 16 and 17 year-olds are not allowed into conflict. That is the case. With respect to Harrogate, she also knows that some cases have been documented and dealt with, and should there be any cases of bullying or inappropriate behaviour, they will always be dealt with as it is unacceptable. The Army thinks that; we all think that that is totally unacceptable.

I fundamentally disagree with the noble Baroness—this is my opinion, and many will take issue with this both within and between parties—on her point about 16 and 17 year-olds. I have been to Harrogate, as I think the noble Baroness has. She has not. I thought she has, and I apologise. Places such as Harrogate and others, but mainly Harrogate, give 16 and 17 year-olds, many of whom are from the most difficult circumstances, an opportunity that would not be available to many of them. I am not defending any bullying or inappropriate behaviour, but the only way that some 16 and 17 year-olds from some of the most difficult and challenging circumstances have ever got anywhere is because of the training, discipline and structure that were given to them when they were 16 and 17 years old. That is not everybody's view. Some people fundamentally disagree with it, but I will argue that with people time and time again. That is a really important point.

[Lord Coaker]

The noble Baroness disagrees. This is a clash of view and of opinion that may—to go on a little about this—be worth a debate in the Chamber, Moses Room or wherever because it is fundamental. The Government, many of us and I stand firmly behind the principle of giving opportunity to 16 and 17 year-olds through the military in an appropriate way. Therefore, I would be pleased to lead a debate on behalf of those who think that we should take this forward. Notwithstanding that, one out of two points is not too bad. These are serious points: there was the point about the service justice system and the changes that may or may not be needed, and we have our differences on Harrogate.

5.30 pm

The noble Baroness, Lady Smith, made points about the Atherton review and various other things we are trying to take forward. On equivalence of rank, we will always try to find a way of ensuring that a more senior or experienced officer is able to become president of the board—essentially, the chair of the panel—notwithstanding the fact that the judge advocate is always a civilian judge. The president of the board will always be someone of high rank, where possible. The amendment, which I know she supports, simply tries to extend the pool of available officers. We have every confidence that in the context of that panel, with the support of the judge advocate and its other lay members, there will be no intimidation from somebody of a senior rank when the president of the board is of a more junior rank. She will know that, although the change is being made, it cannot go below the rank of officer rank 6, which is essentially brigadier, air commodore and the equivalent rank in the Navy. It can go down to that—for want of a better way of putting it—but it cannot go below. The Committee can be reassured about that.

I think that deals with the impartiality point made by the noble Earl, Lord Effingham. Of course, it is overseen by various other boards, administrators and so on, but impartiality is always there for everyone to see in these courts-martial and boards. Apart from in sentencing, things are open and transparent. If I am wrong, I hope I will quickly be corrected, but the various deliberations of the panel, as appropriate—always a good phrase—will be published and made available. That is of particular importance. The noble Earl made a point about future reviews. As I said to the noble Baroness, Lady Bennett, there are always reviews going on to ensure that the service justice system operates in the way that it should.

There were significant changes under the previous Government, which have been continued under this one, to improve the service justice system and deal with some of the concerns raised about misogyny, sexism and racism. Many of those have been dealt with internally in the service justice system. Those reviews and considerations continue. This SI makes a simple but important amendment that will help with procedures going forward. A problem was identified, and the amendment seeks to address it. As such, I hope the Committee will support it.

Motion agreed.

Register of Overseas Entities (Protection and Trusts) (Amendment) Regulations 2025

Considered in Grand Committee

5.34 pm

Moved by ***Baroness Gustafsson***

That the Grand Committee do consider the Register of Overseas Entities (Protection and Trusts) (Amendment) Regulations 2025.

Relevant document: 12th Report from the Secondary Legislation Scrutiny Committee

The Minister of State, Department for Business and Trade and Treasury (Baroness Gustafsson) (Lab): My Lords, noble Lords will be aware that, since 2022, the UK has kept a beneficial ownership register of overseas entities owning property in the UK, which I will refer to as the ROE. The regulations that we are debating today will strengthen the transparency of trust information on the ROE, improving transparency around the control and ownership of land.

The Economic Crime (Transparency and Enforcement) Act 2022, which I will refer to as the 2022 Act, created the legislative basis for the ROE. The ROE requires overseas entities owning or buying property in the UK to give information about their beneficial owners and/or managing directors to Companies House. Currently, there is no public access to information on trusts related to overseas entities on the ROE, other than the name of the trustee. This approach protects the right to privacy for those who operate trust structures for a variety of legitimate reasons. However, the Government understand the concerns around the use of trusts to facilitate economic crime, partly because their anonymity makes assets easier to hide; that is why we have brought these measures forward for your Lordships' consideration.

I will now set out the two measures contained in the regulations. First, they will enable anyone to apply to access trust information held on the ROE, through applications to Companies House. This marks a significant step forward in transparency, empowering the public and civil society to scrutinise trust beneficiaries on the ROE. Applicants must provide their personal information; the name of the trust related to the relevant protected trust; and the overseas entity's name and ID.

Applicants seeking trust information related to minors or more than one overseas entity in a single application, also known as bulk access, must show a legitimate interest in the requested information. This safeguard protects personal information while providing that critical information is available to those with a valid need, such as investigative journalists. For an applicant to demonstrate that they have a legitimate interest, they must: show that they are investigating money laundering, tax evasion, terrorist financing or the breaching of sanctions; provide a statement that they are requesting the disclosure to further that investigation; and provide a statement of how they are planning to use the information disclosed to them. If no such interest can be demonstrated, the registrar of Companies House may withhold some or all information. The registrar

will notify the applicant of the decision with reasons. If a legitimate interest can be demonstrated, the registrar will release any unprotected information.

As an additional safeguard, the registrar will have the discretion to impose conditions under which the trust information is disclosed, such as restricting its use or further disclosure. Failure to comply with these conditions will be a criminal offence. The registrar may also refuse an application where that disclosure may prejudice an ongoing criminal investigation or adversely affect national security, or where the trust is a pension scheme.

I turn to the second measure. This involves provisions for the protection of sensitive information, which will come into force before the disclosure provisions go live. We are expanding the category of individuals who can apply to Companies House to have their information protected. This ensures that those connected to a trust—settlors, trustees and beneficiaries—who are at risk of violence or harm can have their information protected. Those who are aged under 18 or lack capacity can also apply to have their information protected.

The protection measures will come into force on 28 February this year, while the disclosure provisions will come into force on 31 August. This will allow time for those who are eligible to apply to Companies House for protection. An application for protection does not exempt an overseas entity from full compliance with the requirements of the ROE in general, such as the update duty and filing with Companies House. The registrar will still be able to use their general information-sharing power to share protected information with law enforcement agencies and public authorities for purposes connected to the exercise of their functions.

These regulations further the Government's mission to improve the transparency around beneficial ownership, driving confidence for investment in the UK and exposing bad actors who seek to take advantage of our open economy. I urge noble Lords to support these regulations and beg to move.

Lord Vaux of Harrowden (CB): My Lords, I welcome the noble Baroness to her post, as it is the first time I have been across the table from her. She was not here when we were debating the two economic crime Bills, but I am sure she is aware that the subject of the use of trusts to obscure the beneficial ownership of UK property on the ROE and obscure ownership of UK companies, which this instrument does not cover, was one of the major areas of our debates at the time.

These regulations are a small step to improve transparency around the use of trusts to own UK property. I understand the balance around the protection of minors and others at risk, so I welcome the regulations, but slightly question how much difference they will make in practice. At least the progress is in the right direction.

I will ask a couple of questions about some general, related areas, if I may. I could not resist this opportunity. First, the latest information that I could find indicates that the true identity of the beneficial owner of UK properties owned by overseas entities—there are 152,000-odd—is not published in about 70% of cases, at the moment. For about 35% of cases, the true beneficial ownership is not known even to law enforcement agencies. There may be a number of reasons for that, including simple non-compliance, which accounts for about 10% in the last numbers I saw; the use of opaque corporate structures, which claim no beneficial ownership, or the use of nominees; and the use of trusts, which is the biggest one, particularly in our overseas territories. Transparency International's latest numbers identify about £6 billion worth of suspicious transactions in UK property coming through our overseas territories, using trusts.

Could the noble Baroness provide up-to-date statistics on both level of compliance with the rules and the number of properties where the ultimate beneficial ownership remains unknown, for whatever reason? I am happy for her to write, if necessary, if she does not have the numbers to hand. Is she happy with the level of identification of beneficial ownership as it stands? What impact does she think these regulations will have on that? What further steps are planned to make sure that we know who beneficially owns the properties? In particular, what plans does she have to make the information from our overseas territories more transparent? The British Virgin Islands, in particular, appear to be the jurisdiction of choice for obscuring beneficial ownership, at the moment.

Of those entities that have not complied—10% was the number that I saw, which is about 15,000 entities—how many have been fined? Of those, how many have paid those fines and gone on to comply subsequent to payment? How many charges have been taken against the properties in relation to non-payment of the fines? In other words, does Companies House have sufficient powers to deal with non-compliance, and is it using those powers effectively?

Secondly—and I hope that the noble Baroness will forgive me for going slightly off-piste—another way to hide beneficial ownership is through the use of nominee shareholders. I notice the noble Lord, Lord Fox, smiling; I hate to be predictable, but there we go. This is particularly true for UK companies, where the persons with significant control or PSC rules can be sidestepped by the use of nominees. An entire industry has built up around that. The previous Government accepted that there was an issue around the use of nominees for this purpose and agreed to include a power in the Economic Crime and Corporate Transparency Act 2023 to take further action against the use of nominee shareholders and the industry that supports them, if they felt it was necessary. This is now Section 790IA of the Companies Act 2006. I want to take this opportunity to ask what assessment this Government have made of the use of nominees in that respect and whether they intend to make use of the powers they have under the Companies Act to address it.

Lord Fox (LD): When the discussions were had with the noble Baroness about her becoming a Peer, I wonder whether they mentioned that she would be in the Moses Room presenting statutory instruments. I bet they did not. But I welcome her, and thank her for the clear explanation as well as the Explanatory Notes, which worked very well. To some extent, the Minister is at a disadvantage—or perhaps it is an advantage—in that the three speakers in this debate

[Lord Fox]
are the old gang getting together. We were all involved very extensively in both this and the predecessor Bill that came though.

5.45 pm

Given that that was some time ago, it begs the question of what has been going on between when the Bill became an Act and when this very important part of the powers that were agreed arrived. Yet there is half a year or more before the process comes in. If I were burying treasure, I would have had plenty of time to dig it up and bury it somewhere else. What was the process that the new Government went through when they inherited the drafts that were already under way? Has something changed or has it just been due process? Along with the noble Lord, Lord Vaux, I ask the Minister what the new Government's assessment is of what they seek to do and whether it is any different from what we discussed before.

A lot of this turns on the legitimate interest element of the powers, which is the crucial element, as well as the adjudication by Companies House of that crucial element. The Minister went through some examples of that legitimate interest. I forget whether we discussed what the powers of appeal would be in either direction. I might be a journalist seeking information or I might be someone seeking, legitimately or otherwise, to obscure that information. If Companies House ruled against me, I assume that there is a recourse to judicial review or otherwise. I would be interested to know that.

Clearly, the second part of the statutory instrument, whereby groups of people can ensure that they maintain their anonymity, is an important quid pro quo to how this works, but also a potential source of abuse. How will Companies House and others seek to maintain a handle on what is happening under that second part of the statutory instrument or even understand whether abuse is going on? Because everything is obscured, it will be very difficult to know how real it is, and the powers of investigation into an application for anonymity will be crucial.

A discussion that we have had before to which the Minister has not been party is the change in the nature of the work that Companies House is required to do. It has gone from being a filing cabinet to being an accreditation agency at least, and an investigation agency perhaps more so. Coming new into this role, is the Minister and are the Government satisfied that Companies House has the ability to make those decisions? In the past it has not been asked to make them, so it really is a massive change.

I suppose that also takes us to the administrative workload. This will certainly increase that workload so, again, are the Government satisfied? There was an increase in staff in Companies House and an increase in investment under the last Government, for which they should be given great credit. Is the Minister satisfied, given that all this will be more work, that the horsepower is there to do it? Are there streamlined administrative processes that can be used? Are the Government fully investigating the options, not for reducing what happens but for making it more efficient and more streamlined? Clearly, there is almost an unlimited amount of work that can be done here, so focusing on what needs to be done and doing it in the most efficient way will be absolutely essential.

If my colleague, my noble friend Lord Wallace, was here, I could not go without mentioning overseas territories. We all understand how overseas territories have been used and abused, and we all still know that there is much work to be done to bring them in line. There have been many promises and deadlines missed on this. Will the new Government undertake to finally bring the overseas territories into a system where there is not an increased opportunity to obscure ownership? It is absolutely what is happening now and, until we sort that out, there is such a big loophole presented to people.

On that basis, we welcome this. Clearly, the devil will be in the detail of how Companies House administers it. Some sense of how we can know how it is going would be helpful in future. If the Minister came back to give us a report on progress, either at the end of this year or early next year, that would be really helpful.

Lord Sharpe of Epsom (Con): My Lords, the register of overseas interests—the ROE—was introduced under the Economic Crime (Transparency and Enforcement) Act 2022, which, if I may say, is an excellent Act. I know this to be true because I took it through the House of Lords with considerable advice and assistance from the noble Lords, Lord Fox and Lord Vaux—I have been looking forward to saying that, if I am honest.

The aim of the Act was to increase transparency regarding overseas entities, as has been noted—and let me thank the noble Baroness for her extensive introduction to these regulations. The primary objective was to ensure that beneficial ownership information was accessible, so that the public and authorities could better understand who owns land in the UK. However, as we consider these regulations and whether these measures truly enhance transparency or complicate the process and introduce further risks, we have a couple of concerns that are legitimate to raise.

The Government justify these amendments as a means to protect individuals at risk of violence or intimidation, while simultaneously permitting greater access to information on trusts. The reality is that these changes appear to broaden the scope of who can apply for protection as the noble Lord, Lord Fox, noted. That would make it easier for individuals to hide behind the shield of protection, even when they do not necessarily have a legitimate interest. It reads as if it is potentially an invitation to game the system. So I ask the Minister: are the Government convinced and happy that these regulations, as currently drafted, are robust enough to prevent that potential risk?

Additionally, the amendments propose new mechanisms to address trust information, but the conditions for such access, especially in bulk applications, also raise concerns about the potential for misuse. While the intention might be to make certain information available to those with a legitimate interest, the Government have only partially clarified what constitutes a legitimate interest, which we think leaves room for exploitation and, potentially, unnecessary legal battles.

There is also an application question as, again, the noble Lord, Lord Fox, mentioned. How will the registrar judge things such as how the disclosed information will be used? What criteria will they use to judge legitimacy? For example, is it okay if it was the *Times* of London asking and would it not be okay if it was some obscure online publication? How exactly will that situation be resolved? It is something I will come onto in a second, but will it be explained in greater detail in the explanatory guidance that will be published shortly?

These measures are proposed to expand the category of individuals who can apply to Companies House to have their information protected, where it may be disclosed under the register of overseas entities. It would also enable trust information on the register that is currently restricted from public inspection to be accessed by application if certain conditions are met.

A significant measure is that of the protection of information. Although expanding the categories of individuals who can apply for protection may sound like a good way to shield vulnerable persons, we are concerned that it risks creating opacity in the system where more people, beyond those in positions of risk, can hide their information from the public eye. The original purpose of the economic crime Act was to shed light on overseas ownership and its implications; we worry that that is now at risk of being undermined by this expansion.

As I and other noble Lords have noted, the Act aimed to simplify and enhance transparency, but these proposed changes seem to introduce additional layers of potentially complex bureaucracy. The process for accessing and protecting information could become more complicated, adding unnecessary burden both for the authorities responsible for managing the data and for the public. Will these changes create a more efficient system in the end, or will they merely add unnecessary red tape to an already complex regulatory landscape?

The Explanatory Notes say:

"Guidance will be made available".

Can the Minister tell us when it will be made available and whether it will address some of these concerns, such as by going into considerably more detail on the definition of and circumstances surrounding "legitimate interest"? We agree with the Explanatory Notes that, if this measure is to work, extensive and expansive communications are absolutely key.

Broadly speaking, we support these regulations, of course, but we have legitimate questions. The noble Lords, Lord Fox and Lord Vaux, also asked legitimate questions, including about exactly how these regulations will be applied and so on.

Lord Fox (LD): I have one further question, which I meant to ask earlier. The Minister talked about national security interests in the context of legitimate interests. How can national security interests be reflected in Companies House when it is almost certain that nobody there will have sufficient security clearance to be told what the national security interest is in order to apply it in its decision-making process? Clearly, it will not forward every single application to someone who does have security clearance, so how on earth will this be mechanically organised?

Baroness Gustafsson (Lab): First, I thank noble Lords. It is a pleasure to hear from what was clearly the dream team, back when this was established, of the noble Lords, Lord Sharpe, Lord Vaux and Lord Fox. I am privileged to be in a Room where we all agree on the importance of balancing the transparency around and the privacy of the information being provided.

The noble Lord, Lord Fox, asked whether I saw myself, when I joined the House of Lords, standing here in front of noble Lords delivering a statutory instrument. I could not possibly have begun to comprehend what it involved, but I will now do my best to answer as many of noble Lords' questions as I possibly can. I promise to follow up in writing for any that I miss.

The noble Lord, Lord Vaux, asked whether we have an update on some of the metrics. Since the register was launched, we have 31,827 entities as of 24 January 2025, which reflects a very good rate of compliance. Notably, non-compliant overseas entities can no longer easily sell, lease or raise finance over their land until they comply. Furthermore, with regard to those that are non-compliant and the extent to which we are following up by issuing fines, we have issued 4,800 penalty warnings since 26 June 2023, along with 440 penalty notices, worth £20 million, of which 70 have been redacted. I hope that this demonstrates that, although it is imperfect, we are making progress on establishing more transparency in the register and enforcing that transparency wherever we are available and able to do so.

On the question of whether further steps are necessary, particularly regarding the British Virgin Islands, this is a constantly evolving and moving landscape. I regret that, whatever structure is put in place, a lot of people with a lot of brain power will be there trying to find a way around it and get through the process. This measure will, therefore, be under constant review and constantly evolving. We will conduct a post-implementation review at a later stage to evaluate the overall impact of the register of overseas entities, including the specific effects of the regulations on trust transparency. We will also conduct ongoing engagement with stakeholders, whether it is lawyers and accountants, the registrars themselves or civil society who require this information. This will be an ongoing dialogue as we constantly battle out the balance between privacy and transparency.

6 pm

The noble Lord, Lord Fox, had a question about nominee shareholders. I do not have the information to hand to be able to answer it, but we will follow up with the noble Lord separately. The noble Lord also asked about the process of appeal, including on what happens if you make an application that is ruled against, how you would follow up and whether the applicant is shut out from making that application again. If an application cannot demonstrate a legitimate interest, the registrar has the authority to reject it. The registrar will provide clear reasons for that rejection, offering applicants clarity and an opportunity to refine any future application. This approach ensures the integrity of the process and upholds the protective safeguards established by the regulations, so there will be a chance for them to refine and make a secondary request if they choose to do so.

Lord Fox (LD): I asked whether judicial review is applicable. If the Minister is able to write to me on that, that would be helpful.

Baroness Gustafsson (Lab): I absolutely will write to the noble Lord to follow up on that.

I was asked whether Companies House is equipped to deal with this volume of applications and what the administrative burden will be of undertaking a lot of these reviews. It is important to note that most applications for disclosure are going to be fairly straightforward and will not require the demonstration of legitimate interest. This requirement is required only for specific types of requests, such as those involving minors or bulk data, which we talked about. In those cases, applicants must provide evidence that they are investigating money laundering, tax evasion, terrorist financing or sanctions, and must explain the intended use of the information.

Companies House will draw on mechanisms similar to those used by HMRC, where applicants demonstrate a legitimate interest in disclosures from HMRC's trust registration service. The registrar may request additional information or evidence to determine an application or refer a question to another party who they consider may be able to assist in determining the application. With extensive experience in handling sensitive requests, Companies House is well prepared; it has contingency plans to manage any surge in applications promptly and efficiently. I note that a nominal fee will be required of applicants to make sure that this is cost-neutral with regard to the Government. I think that covers most of those questions, but do correct me if I am wrong.

I shall now move on to the questions asked by the noble Lord, Lord Sharpe, about what legitimate interest is, how it is pursued and followed up, and what the application process is. To apply for access to information about a specific trust, applicants must provide their personal information, the name of the trust related to the relevant protected trust information, and the overseas entity's name and ID. Applicants seeking trust information related to minors or bulk access—that is, applying for information on more than one trust in a single attempt—must demonstrate a legitimate interest, such as investigating money laundering, tax evasion, terrorist financing or a breach of sanctions imposed by regulations under the Sanctions and Anti-Money Laundering Act 2018. They must provide a statement to Companies House that they are requesting the relevant protected trusts' information to further their investigation and a statement of how they plan to use the information. Companies House is not obliged to disclose the information if it could prejudice an ongoing criminal investigation or adversely affect national security; if it involves a pension scheme; and where the individual has applied for protection.

With regard to how someone will show that they are investigating money laundering et cetera for the legitimate interest test, applicants are expected to provide comprehensive details of the investigation that they are undertaking, supported by evidence to demonstrate the legitimacy and seriousness of their request. This will help ensure that applications are valid and that the process is not misused.

Lord Vaux of Harrowden (CB): Can I just follow up on that? It occurs to me that there is a potential issue here. What it does not say is who—so you do not have to be a journalist; you could be anyone looking at money laundering. For example, you could be a Russian person with a vendetta against another Russian person who owns a property, and you could simply say that you were looking at the money-laundering aspects of that. The noble Lord, Lord Sharpe, asked whether it had to be the *Times* of London or whether it could be some dodgy website—but it could go further than that. It could be another competing Russian oligarch, or something of that nature.

Baroness Gustafsson (Lab): I think that you talk to the problem at hand, which is how you balance off disclosure from harm. There will often be legitimate reasons for wanting to access this information, but there are also legitimate reasons why you would not want someone to have that information. I do not think that this is a policy where you can describe a single selection, or parameters, that will defend both sides, which is the exact reason for this process, I believe.

The applicant who requires the information has to give full and detailed information as to their identity and why they would need the information, and the individual whose details are being disclosed has the opportunity to write and say that this is information that could cause them harm were it to be disclosed—and proactively make that statement, so that the registrar has the ability to protect those interests. Then it is the registrar's role to take that information and ensure that they are getting that balance right. They have the information about the applicant, and they can make that judgment based on whether something is a legitimate interest and this is not a bulk access—someone trying to get the full list of all the trustees so that they can sell their local accountancy advice, or whatever that motivation is. On the other hand, they also have the register for people who believe that interest would be detrimental to their personal ability. Their role is to balance the two, providing that transparency but also protecting them from harm.

Lord Fox (LD): I am sorry to labour the point, but the way in which it is being depicted is as if people will accept the registrar's ruling and say, "Oh, yeah, right, I understand why you're not letting me do this", or, "I understand why you're letting this person look at my identity". It seems to me that human nature will operate in exactly the opposite direction and that there will quickly be a huge backlog of people who do not agree with the registrar's decision, one way or the other. There does not seem to be a defined appeal process. If it is all getting lumped into judicial review, we all know how long that takes and what it leads to—and if there is no system and it all ends at the registrar, there is huge pressure on the registrar to be right every time, which will be extraordinarily difficult. While I can understand how it is being described, my sense is that it will be a lot messier than that.

Lord Vaux of Harrowden (CB): Just to add to that, I cannot see anywhere in the regulation where the registrar has to inform the subject of the application that an application is being made. I can see that they can, but I do not see that they have to.

Baroness Gustafsson (Lab): To take the second question first, that is correct. The beneficial owner will not automatically receive notice that they have had this request around their information, or that their information has been disclosed, although that information would be available through a freedom of information request. The information is there, but there is no automatic process whereby they would be informed were someone to make that request. I understand why that would be the case, and that it would be something subject to an ongoing review—but, ultimately, I understand why that decision has been taken here.

With regard to the process, there is a judicial review in place for an appeals process. It is something that is going to have to be under this ongoing review about the volumes that are required and whether we are creating a backlog of requests that ultimately end up in that appeals process, which could be indicative that this is not a pragmatic balance that is sat in the middle between transparency and privacy. I still believe that this is a really strong step forward in providing the much-needed greater transparency that all noble Lords in this Room have been important and paramount in creating in the first place. We are just taking the next step in providing that transparency.

Motion agreed.

Community Radio Order 2025

Considered in Grand Committee

6.11 pm

Moved by ***Baroness Twycross***

That the Grand Committee do consider the Community Radio Order 2025.

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Baroness Twycross) (Lab): My Lords, over the past 20 years, community radio has secured its position as an integral part of the UK's radio landscape, providing unique, locally tailored content to the communities it serves. From Resonance FM, which broadcasts new music and arts-based content from just a few miles from here in Southwark, to Spark FM in Sunderland, which broadcasts local news and sports coverage, community radio stations up and down the country are important sources of information within their communities.

Community radio has a strong track record of catering for the diverse needs and interests of specific groups. Fever FM in Leeds, for instance, caters specifically to the Asian community in Leeds and broadcasts in multiple languages. Other community radio stations such as Gaydio serve LGBTQ+ communities in a number of areas across the UK, specifically catering to their interests and experiences. There are now more than 300 analogue community radio services in existence, the first of which launched in 2005 under the then Labour Government. DAB and small-scale DAB have provided further opportunities for more stations to broadcast to localities across the UK.

Community radio has never been just about local programming. It also provides training opportunities for those who are new to the industry, often giving people their first experience of working in the radio sector. These stations are often entirely dependent on the work of volunteers. Working with limited resources and often juggling multiple other commitments, these volunteers are dedicated to providing an important local service for their listeners. These core principles distinguish community radio from commercial radio. The model established in 2005—that community radio stations are local not-for-profit organisations providing social gain to the communities they serve—remains sound and has delivered a wide variety of services with a diversity unmatched in other media. Radio also consistently remains among the most trusted forms of media, with Ofcom reporting that it is rated highly on accuracy, trustworthiness and impartiality. Supporting these valued sources of reliable information has never been more pertinent.

The UK's radio landscape and listening habits continue to evolve as new means of accessing radio and audio content develop. Nearly 75% of all radio listening is now digital and FM accounts for less than 20% of commercial radio listening. The Government believe that, while FM services need to continue until 2030, we cannot ignore the wider implications of these changes and the need to ensure that we support community radio stations to develop their services for future sustainability. Although more and more community stations are now coming on to DAB thanks to the availability of small-scale DAB networks, we recognise that analogue broadcasting continues to represent the vast majority of community radio listening and is likely to continue to do so over the coming years. It is therefore essential that consideration is given to the future of these licences and the best way to secure their stability in the medium to long term.

6.15 pm

The previous Government sought views on whether licences should be extended again and, if so, for how long. The consultation ran from 8 November 2023 to 31 January 2024, and received views from current licence holders, industry bodies representing the sector, and relevant community and commercial radio stakeholders. This consultation sought views on whether the Government should make provisions to allow analogue community radio licences to be renewed for a further period and, if so, what the length of this period should be. The vast majority of responses were in favour of continuing the policy of renewals. Most respondents were more strongly in favour of a 10-year licence renewal, as this would provide more certainty for community stations into the mid-2030s.

The consultation also sought views on whether the restrictions placed on community radio's capacity to generate revenue through advertising and sponsorship were still needed. Responses from community radio stations, including from the Community Media Association and the UK Community Radio Network, generally favoured a relaxation of restrictions, while respondents from commercial stations made the case for keeping restrictions in place to ensure fair competition for advertising.

[Baroness Twycross]

Having considered representations from across the sector, we believe that it is necessary to retain an increased restriction on a very small number of community stations that broadcast in areas with smaller markets, where there is an independent local commercial station. However, we are conscious that the restriction has not been reviewed since 2015; as such, the draft order would increase this revenue-raising restriction from £15,000 to £30,000.

The draft Community Radio Order therefore includes provisions enabling Ofcom to extend radio licences by 10-year periods and to remove the advertising and sponsorship restrictions for the majority of stations, which would help to simplify regulations and should help to grow the sector. The order has been considered by the Joint Committee on Statutory Instruments and the Secondary Legislation Scrutiny Committee. Neither committee raised concerns about the legislation.

This Government firmly believe in the value of community radio and that the changes will help support the sector's long-term health and sustainability. These measures will provide stability for the sector, while ensuring a proportionate regulatory degree of oversight. Community radio is an integral part of local media ecosystems; we want these ecosystems to thrive and to remain as trusted sources of local information within communities.

These changes are very much the start of the work we want to do to help support and enhance the role of community stations and small independent commercial radio. We recently announced plans to develop a local media strategy in recognition of the importance of this vital sector. As part of this, we are looking at the scope to enhance community radio and at further measures to support the sector, including the request the sector has made to review the budget for the Community Radio Fund. I beg to move.

Lord Kirkhope of Harrogate (Con): My Lords, I am here because this is really interesting. I declare an interest, as I played a small part in the days of offshore pirate ships when they were broadcasting; and I have a legitimate interest, in that I helped to advise the then Government before the White Paper that came ahead of commercial broadcasting in the early 1970s. I also made a failed application for one of the first commercial radio stations in Tyne and Wear, of which my noble friend will be aware; I think my little group came second. But I also have an interest in hospital broadcasting, which is really the element of community radio about which I want to talk for a moment, in connection with what I think is a very welcome order.

I have been involved for more than 50 years with one of the largest hospital broadcasting entities, Radio Tyneside, which covers an area around Newcastle upon Tyne and for all those years has served a number of hospitals and the patients in them. When community radio became available a few years ago, my hospital broadcasting people decided to apply for a community licence to broadcast in FM, and it was granted. Currently, Radio Tyneside can be received—I am selling it now—on the web, by FM and of course in direct communication with patients.

I mention all that as background because what is being proposed here seems very important. It is giving a greater level of certainty and continuity to those that broadcast in that way. In a way, it aims more for different kinds of community broadcasters, but the extension, in obtaining that FM licence, from merely serving hospital patients to serving the wider community and, indeed, pursuing its well-being and health outside of the health service, as it were, seems a really fine aim and one which, again, fits exactly within the requirements of community radio.

As I say, I generally welcome these provisions, but I have two concerns and questions, the first of which is about extensions on the basis of analogue broadcasting being regarded as running until 2030. The extensions of time on licences are very welcome. I note, by the way, that the proportion of those listening to analogue varies enormously depending on the nature of the people who are listening, the nature of the community broadcasts themselves and the areas of the country served. Although DAB is fine, it presents certain problems for community radio stations. There are technical problems, and there are problems associated with being part of a multiplex, which is not easy at all, particularly for an organisation such as a hospital broadcasting service. While not much is said about it here, it is important that as much encouragement as possible can be given to entities of that kind. Indeed, the Minister mentioned a number of minority areas, as it were, that are well served by community radio, as they should be, but I hope that the whole group of hospital broadcasters, wherever they may be, will be encouraged to continue and to extend their services in the way in which Radio Tyneside certainly does.

Secondly, there is the question of advertising revenue. Most of these entities have a charitable status of some kind, and sometimes the charitable status and the aims of a charitable operation do not allow anything other than voluntary contributions, so that taking advertising, for instance, somewhat conflicts with the activities. They have to rely wholly on donations and, as we are all aware, donations put pressure on in terms of guaranteeing continuity for income and budgets.

There is an element of competition for audiences between different community providers when an increase in the advertising revenue is available but not necessarily achievable in certain areas. There is possibly a certain unfairness in that. Therefore, while I welcome the idea that this would help some community stations continue when they otherwise could not, there perhaps has to be some kind of balancing to help community stations, such as the one that I am involved with, which have to raise money in a different way. Otherwise, I very much welcome these proposals, and I hope that we can make some progress in continuing with community radio in the future.

Lord Parkinson of Whitley Bay (Con): My Lords, the Minister may have had a small audience for her speech introducing this order but, much in the way of community radio, as my noble friend Lord Kirkhope of Harrogate set out, the small listenership has still provided a very important and valuable discussion, and I am grateful to my noble friend—my noble and former piratical friend, I should say—for his contribution.

I pay tribute to his work and that of Radio Tyneside. With a number of relatives and friends back home in the north-east who have worked in the NHS or who have been in hospital for a period, I know how important that radio station, and the work of hospital radio stations more widely, is to patients and the people who work in our NHS.

I am grateful to the Minister for setting out the background to this order. As she says, it follows on from consultation which the previous Government undertook in the last Parliament. She set out the approach that this Government are taking. There are two areas of concern that I want to touch on, which I hope she will be able to help allay.

The first community radio licence was issued in 2005 following the Community Radio Order 2004, which created the regulatory framework. The purpose of community radio is to provide services for the good of members of the public or of particular communities, rather than for commercial reasons. In doing this, community radio stations should provide some form of social gain. They should be not for profit and non-profit distributing. Any form of profit should be used to secure or improve the future of the service, or to deliver a social gain for the community that it serves. I am a little concerned that this order could risk undermining those principles.

The extension of the licences for community radio stations entrenches current operators at the expense of new entrants and could risk locking out competition. Barriers to entry could harm the community radio sector more broadly, particularly in rapidly changing urban areas or rural communities where there is high demand for specific and relevant programming. Extending the licences also eliminates a key check on the service provided by community radio stations. A relicensing process and review of current licences would ensure that current operators are holding up their end of the bargain. They would have to prove that they are delivering social value and serving their communities. New stations would be able to compete for licences, guaranteeing that only those stations which are truly committed to their social purpose are licensed.

Can the Minister set out why the Government are simply extending the licences, rather than taking the opportunity to review the current providers, ensure that they offer the social value that we all want and potentially allow new entrants where there is a need for them? If the Government are committed to these licence extensions, what action will they take to make sure that community radio stations do indeed deliver social gain in future and provide the community-centred public service broadcasting that we all value?

The other area of concern relates to the phasing out of analogue radio in favour of small-scale DAB radio, as my noble friend Lord Kirkhope touched on. Many community radio stations report that SSDAB is unaffordable, unreliable and inaccessible in key areas. As my noble friend set out, it can be very variable across the country. Many stations struggle with poor reception and limited reach, particularly in areas with high-density housing or rural areas with uneven topography. The high operating costs make SSDAB unviable for smaller, social-purpose broadcasters, such as those we are concerned with today.

This lack of coverage means that community radio cannot effectively serve minority or overlooked audiences. Stations such as Panj Pani Radio in Leicester and Rutland and Stamford Sound, which serves the county of Rutland and parts of Lincolnshire, have reported critical DAB coverage issues—in their very different geographical areas—preventing them from serving their target audiences effectively. We saw during the pandemic how important these small community stations are and what important local lifelines they can be to people through the provision of local information. Without spectrum alternatives, these issues jeopardise their survival. Regional DAB costs upwards of £78,000 per year, pricing out many community stations. Would the Minister consider the limitations of SSDAB for many community radio stations? Would she commit to reviewing the policy of pursuing that over FM and AM?

The Minister was right to highlight the important of community radio, not just to their audiences but as a stepping stone for those who are starting out in the industry, whose voices may become well known and trusted. I am grateful to my noble friend Lord Kirkhope for his good question about charitable organisations operating community radio and how the advertising revenue implications of the order might apply to them. With gratitude to the Minister, I look forward to her response.

6.30 pm

Baroness Twycross (Lab): My Lords, I am grateful to both noble Lords who have contributed this afternoon. I am slightly disappointed that more people are not here to debate. We do not get very many opportunities to debate community radio, and I agree with the noble Lord, Lord Kirkhope of Harrogate, that this is an interesting area. I commend his role with the hospital radio he mentioned and, at some point, I would love to understand how he managed to make it from being a pirate to being a Member of your Lordships' House.

It is clear from today's discussion that both sides of the Committee really want to do what we can to secure support for the community radio sector to ensure that it thrives long into the future. These stations are often at the heart of the communities they broadcast to, and we want to do what we can to make sure that they can continue to deliver local content to their listeners.

I turn to some of the questions raised, and I apologise if I do not get through all the questions that were raised. I will write afterwards if there is anything I need to pick up. I will look through *Hansard* and double check that I have covered everything.

The noble Lord, Lord Kirkhope, raised the point about hospital radio, and Radio Tyneside moving from being a hospital service to a community radio station. It is a really important point: small-scale DAB is continuing to grow, but there is more to do to give community stations and hospital radio stations more scope to reach communities. As I said, we are keen to support the sector and see it grow. Officials met the Hospital Broadcasting Association in January this year, and when I was briefed, ahead of this debate, we had a discussion about the important role hospital radio plays. It is important for us to note the role of hospital radio stations in a broader context.

[Baroness Twycross]

The noble Lord, Lord Parkinson of Whitley Bay, asked why we are not seeking to relicense, and why we are looking to extend licences. It is a really difficult balance and the risk is that relicensing stations leads them to fold. Stations are required to report to Ofcom, including on their social gain, in their annual returns. The social gain is a continued requirement and a condition of licensing. The CMA, UKCRN and the sector strongly supported this option, which is one of the reasons we have chosen this approach.

There was an issue around DAB not necessarily being available and it being difficult for stations to access it sometimes. We agree that there may be a role for new FM community radio licences to help support new stations in areas where DAB is not available or is a challenge to install, but it is not straightforward given the very limited spectrum available for new FM services, and the viability of new FM service stations as a result of the significant market shift to digital listening. Therefore, we felt we should leave it to Ofcom to determine the balance between the demand for community radio services wanting to broadcast and the need for a wide range of services across the UK.

This is not the end of the debate, even it was quite a short debate, but this order will ensure that the invaluable work of all these stations is protected and they are able to thrive. We want to foster communities that are home to diverse local media ecosystems. The measures in the Community Radio Order 2025 ensure that community radio can be part of these ecosystems long into the future, contributing to the plurality of choice and to the training of the next generation of radio broadcasters and producers.

I am very grateful to noble Lords for taking part in this debate and for your Lordships' interest in the continued endeavours of community radio services across the UK, and hospital radio as well. I beg to move.

Motion agreed.

Committee adjourned at 6.35 pm.