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PARLIAMENTARY DEBATES
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HOUSE OF LORDS
OFFICIAL REPORT

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

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House of Lords

Thursday 5 May 2016

11 am

Prayers—read by the Lord Bishop of Peterborough.

Elections: Campaigning Question

11.06 am

Asked by **Lord Harries of Pentregarth**

To ask Her Majesty's Government what plans they have to take forward the recommendations of the report *Third Party Election Campaigning—Getting the Balance Right* by Lord Hodgson of Astley Abbotts.

The Parliamentary Secretary, Cabinet Office (Lord Bridges of Headley) (Con): My Lords, the Government are grateful to my noble friend Lord Hodgson for his balanced and comprehensive report, which recognises that third-party campaigning must be regulated so it is open and accountable. We are carefully considering the recommendations, which come as a package of measures.

Lord Harries of Pentregarth (CB): I thank the Minister for his reply. On behalf of the campaigning organisations, I also thank the noble Lord, Lord Hodgson, for taking their concerns seriously. The recommendations in the report reveal that Part 2 of the lobbying Act was a very hastily conceived and ill-thought through piece of legislation and needs radical revision. Therefore, I look forward to hearing from the Minister when the recommendations will come before Parliament, and in particular whether paragraph 2.29 of the report will be taken seriously, in which the noble Lord, Lord Hodgson, says that the key recommendations must be understood “as a package” because it is a very carefully balanced whole.

Lord Bridges of Headley: I echo the words of the noble and right reverend Lord. I once again thank my noble friend Lord Hodgson for his work and thank the many organisations for the contributions they made to his report. The noble and right reverend Lord is absolutely right: this is a package of measures and we need to consider it carefully. There are 28 different recommendations, 13 of which require changes to primary legislation. This needs to be seen in the light of other reports on the last general election from the Electoral Commission and the Law Commission. We are looking at all these. I am unable to give a date with regard to what further steps may be taken but we are looking carefully at them.

Baroness Barker (LD): My Lords, the transparency of lobbying Act implemented constituency-level controls on nationally declared spending by non-party campaigners. The review by the noble Lord, Lord

Hodgson, endorses this approach. When will the Government make elections fair by introducing a limit on so-called national spending at a constituency level on targeted mail, battle buses and that sort of thing by political parties, including the Minister's?

Lord Bridges of Headley: As I say, we are carefully looking at all these recommendations and how they might be applied. Paragraph 6.14, on spending limits, states that:

“The Review found no evidence that the spending of third parties at the 2015 General Election was inhibited by”, those spending limits. The paragraph continues:

“No third party spent up to the new limit”.

However, there are clearly concerns about this and the Government are considering their position.

Baroness Hayter of Kentish Town (Lab): My Lords, the effect was chilling. We also have the chilling effect of the proposed gag—now paused—on the expenditure of grants by charities. However, the one bit that has not been chilled or stopped at all is lobbying by business, the vast majority of which is not covered by the statutory register of lobbyists. When will the Government bring forward legislation to tackle that much bigger form of lobbying?

Lord Bridges of Headley: The Government are always looking at these issues and their implementation. I again thank my noble friend Lord Hodgson for looking into the subject matter of this Question. He has produced a very balanced set of recommendations. As regards the perceived chilling effect, he said:

“It was ... far from clear the extent to which it was the reality of the legislation's provisions rather than the perception of what restrictions they imposed, which affected organisations' behaviour ... nevertheless ... there was an atmosphere of increased nervousness and caution”.

I repeat that the Government are looking at these points and considering their position.

Lord Forsyth of Drumlean (Con): My Lords, can the Minister indicate whether my noble friend's report referred to campaigning in referendum campaigns, and can he take this opportunity to scotch the rumour that the Government are removing from government websites embarrassing quotes from senior Ministers in relation to the European Union?

Lord Bridges of Headley: I have no idea about that second point, but this was about elections, not referenda.

Lord Foulkes of Cumnock (Lab): My Lords, without diminishing in any way the report of the noble Lord, Lord Hodgson, I ask the Minister to comment on the Electoral Commission's reference to more than 30 Conservative MPs who overspent and broke electoral law and why nothing appears to have been done about this in the run-up to today's election.

Lord Bridges of Headley: If the noble Lord is referring to allegations that the Conservative Party broke electoral spending limits in constituencies, as far

[LORD BRIDGES OF HEADLEY]

as I understand, the Conservative Party correctly declared all local spending in the general election. An administrative error was made by not declaring some national spending, but the Conservative Party still considerably underspent the national spending limit.

Lord Brooke of Alverthorpe (Lab): Does the Minister recall that the Prime Minister himself and Mr Clegg, when the coalition Government were elected, were looking at the possibility of having transparency of business lobbying and looking for a register then? Nothing happened in the course of the coalition Government. “We are still looking”, according to the Minister. Can he please give us a clearer idea of when this “look” will come to a conclusion with some recommendations?

Lord Bridges of Headley: When we perceive that there is action that is necessary to be taken.

Lord Grocott (Lab): Further to the Minister’s comment that it was an “administrative error” that thousands of pounds were overspent in local election campaigns, I suggest that it is a poor defence to say that, nationally, the party spent less than the limit imposed. The question was about the very strict limits that have existed on local spending since at least the 1870s. They were the rules that were breached and surely some attention needs to be paid to this by the Government.

Lord Bridges of Headley: My Lords, I am sure that all political parties wish to make sure that their spending limits are accurately presented and have done down the decades—not least the Labour Party. Both the Labour Party and the Green Party were fined by the Electoral Commission for failing to report all their 2014 European parliamentary expenditure. We all need to look at how our processes operate.

National Living Wage: Social Care Question

11.12 am

Asked by **Lord Oates**

To ask Her Majesty’s Government what assessment they have made of the effect of the national living wage on providers of social care.

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): My Lords, across the sector higher productivity, staff retention and better-quality care will benefit employers and care home residents. The national living wage rewards the valuable contribution made by care workers. Out of an estimated 1.52 million adult social care jobs in England, up to 900,000 people are expected to benefit. The department continues to work in collaboration with care providers and commissioners to support effective commissioning, recruitment and retention in adult social care.

Lord Oates (LD): I thank the Minister for his response, but it is a response rather than an answer. Is he not conversant with the BBC research published yesterday, showing that there are 5,000 care homes at risk of closure over the next three years, the recent Moore Stephens report, showing a 34% increase in care home insolvencies over the past three years, or indeed the LGA estimate of a £2.9 billion funding gap in adult social care by the end of the decade? In the face of these figures, why do the Government continue to assert the incredible proposition that it is possible to increase wage costs and regulatory burdens but not increase real-terms per capita funding? When will they end this dangerous fantasy and start addressing the serious crisis in adult social care?

Lord Prior of Brampton: My Lords, the increase in the minimum wage from £6.70 to a living wage of £7.20 has been universally welcomed, I think, including by most Members of this House. Care workers and people who work in care homes do an incredibly difficult job and £7.20 does not seem a small fortune to pay them. It will increase the costs for people in the care sector and there is some evidence that some care homes are closing. The figures I have are that in the past two years 2,000 beds have closed in the care sector, but during that time 600 domiciliary care agencies have opened—so I think that there is going to be a switch in the way that care is delivered from residential care to domiciliary care.

Lord Hunt of Kings Heath (Lab): My Lords, I must say, it is very difficult to know sometimes what planet Ministers live on. That was an extraordinarily complacent answer. The survey yesterday showed that a quarter of all care homes are facing closure because of the financial squeeze. The Minister’s Government decided unilaterally to postpone—probably for ever but certainly for four years—the introduction of the Dilnot care cap. This proved massively disappointing to many people. The Government have put £6 billion into forward programme spending plans. Why not use some of that money to help the viability of the care home sector?

Lord Prior of Brampton: My Lords, if I sounded complacent, I did not mean to. I recognise that there is tremendous pressure on many providers of adult social care, particularly those funded by local authorities. It is for that reason that—disappointingly, frankly—Dilnot has been postponed. We wanted to bring in Dilnot but we decided that the cost of bringing it in was too great for local authorities to finance in the short term, although we are committed to doing it in the long term. The Government have allowed local authorities to raise a 2% precept and will be increasing the better care fund by £1.5 billion at the end of the period, bringing the total to £3.5 billion. It is a tough settlement—no one is making any bones about that—but tough choices have to be made.

Baroness Buscombe (Con): My Lords, related to this is the whole issue of the better care fund. I think that Ministers will accept that while the better care fund is quite right, the delivery of it has not been properly

thought through. In which case, what steps are the Government now taking to ensure that the better care fund is directed towards innovation in social care provision, to stimulate more cost-effective care in the community?

Lord Prior of Brampton: My Lords, the better care fund should be seen in a longer-term context of bringing together health and social care. The sustainability and transformation systems that are now being developed are the logical extension of the better care fund. Until prevention, healthcare and social care are brought together in a single budget, it will be extremely difficult to ensure the right allocation of resources.

Baroness Greengross (CB): My Lords, if a huge number or even a fairly large number of care homes close down—we have been reading about this in the papers—there will be huge pressure on the NHS. That will be the effect. What plans have the Government put in place to deal with what might be a really big crisis in the NHS?

Lord Prior of Brampton: My Lords, the Government are putting £10 billion of new money into the NHS over the five-year period. Clearly, if there is a crisis in social care, that will have a direct knock-on effect on the NHS. We fully recognise that. The CQC has an obligation to keep a very close eye on this and to produce early warnings if a major, hard-to-replace provider looks as if it is getting into financial difficulty. It is an area that we are acutely conscious of and are keeping a very close eye on.

Baroness Bakewell (Lab): My Lords, when these situations have arisen before and there has been a crisis with care homes, there has been a lack of response which has resulted in old and frail people being virtually turned out of the door. This is a crisis and there is going to be a crash—the care sector has warned us that it is coming. The Government have made concessions—the precept and so on—but will they put contingency plans in place so that when the crisis actually hits, old and vulnerable people are not suddenly thrust into a crisis that they do not know how to deal with?

Lord Prior of Brampton: The noble Baroness is absolutely right. Our whole focus must be on the residents of these homes rather than the owners. There are a number of very highly leveraged providers in this sector, which have high levels of debt—often very expensive debt—for historical reasons. The CQC is keeping a very close watch on them. When there are early-warning signs of difficulties, the CQC and the local authorities will put in place alternative plans.

Baroness Smith of Newnham (LD): My Lords, talking to a charity recently I was told that some care homes have already raised fees by £100 a week since the introduction of the national living wage in April this year. What plans do the Government have to look at the relationship between the cost of care homes and the cost to the individual of the economic viability of

care homes, in light of the fact that the target for 2020 is to have a national living wage of £9? We need social care and care homes to be economically affordable.

Lord Prior of Brampton: The living wage will go up over this period of time. The better care fund and the social care precept will of course go up, too, over this period. Clearly there will be some fee increases. Local authorities have an obligation under the Care Act to have a sustainable and diverse market in their area. There will be fee increases to private providers but the main squeeze—the main concern which we in this House should have—is over local authority-funded care.

Banks: Fraud *Question*

11.21 am

Asked by Baroness Doocey

To ask Her Majesty's Government what steps they are taking to tackle banking fraud, including internet and telephone scams.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the Government have set up the Joint Fraud Taskforce, bringing together banks, law enforcement and government to create a strong collective response to fraud. They have also committed to spending £1.9 billion on cybersecurity over the next five years, which includes tackling cybercrime, and have published a guide for consumers on how they can protect themselves from fraud online.

Baroness Doocey (LD): My Lords, a report published by Which? yesterday showed that one in three victims of banking fraud have to wait four weeks for the banks to take action. If banks were forced to compensate customers when their security systems fail, perhaps they would take this problem a bit more seriously. Can the Minister say whether the Joint Fraud Taskforce will take this crucial principle as its guide?

Lord Keen of Elie: I cannot say that any one principle will be taken as the guide to the work of the Joint Fraud Taskforce, which embraces a partnership between banks, law enforcement and government. What I can say is that there is a provision whereby, under regulation, if there is a fraud against someone's credit card the banks can leave that in the hands of the consumer only where there has been gross negligence. The onus lies very much on the banks to deal with these claims and they are doing that. Indeed, the joint taskforce is taking forward further measures to ensure a reduction in fraud.

Lord Wright of Richmond (CB): My Lords, since this Question refers to banking problems, can the Minister update us on the Government's attitude towards a problem that potentially affects every single Member of this House—namely, that we are in danger of being designated as politically exposed persons?

Lord Keen of Elie: There is the question of our status, which banks are addressing, but I am not in a position to say how that is to be resolved.

Lord Harris of Haringey (Lab): My Lords, I declare my interest as chair of the National Trading Standards Board, which works in this area. Can the Minister tell us what steps are being taken to deal with the problems that exist from the trading of victims' lists—suckers' lists—between scammers? The estimate is that there are several hundred thousand, primarily elderly, people whose names are on those lists and who are seen as soft targets by criminal gangs. Within the work that the noble and learned Lord has outlined, what steps are being taken to deal with that problem?

Lord Keen of Elie: I am obliged to the noble Lord. Action Fraud, which is the central reporting point in fraud and cybercrime, is liaising with Victim Support to address the problems for particularly vulnerable persons. That work is being taken forward under the cybersecurity programme.

The Countess of Mar (CB): My Lords, only last Saturday I received a telephone call from my bank saying it thought my card had been cloned and asking me if I had been responsible for a particular transaction, to which I said no. This bank is very alert: it stopped the payment immediately and sent me a new debit card. I cannot express my gratitude to it more—it is HSBC. On a previous occasion, when more than £2,000 was taken out of my account, it did the same and I lost nothing. It needs to be congratulated.

Lord Keen of Elie: I am obliged to the noble Countess. In addition to these initiatives, we also see that telephone companies are taking steps to cut down the time in which a phone line can remain open when a bank telephones a customer, because there are circumstances in which fraudsters will attempt to use that open time to perpetrate a fraud.

Lord Rosser (Lab): I am not sure that the Government's response reflects the severity of the situation. After all, in 2015, financial fraud losses across payment cards, remote banking and cheques totalled, I think, some £755 million—an increase of 26% compared with the previous year. The ONS estimates that there have been 5.1 million incidents of online fraud in the last year. Why have the Government not even started, with the banking industry, to get a grip on this booming area of crime, which is adversely affecting so many people? If the noble and learned Lord believes the Government are taking action, when do the Government expect to see a downturn in such fraud?

Lord Keen of Elie: I am obliged to the noble Lord. In 2015, 70% of fraud was stopped—70%. As regards the numbers, we have seen an increase in reported banking fraud, simply because this Government have instituted far better systems for identifying fraud and breaches of cybersecurity. With respect, it is not going up. The noble Lord observed that there was an increase in card fraud, but that is not the case. In fact, fraud in

respect of credit cards reduced by 4% in the last reported years. Wider reporting of fraud is, as I say, a consequence of our having instituted far better systems for identifying breaches of cybersecurity. I simply remind the noble Lord that it is more than just the Joint Fraud Taskforce dealing with this. We have the national cybersecurity programme, a five-year strategy under which £90 million has already been expended on this; the National Cyber Security Centre; the Cyber Streetwise campaign for online security; Project Bloom for the task force on pension fraud; and the Insurance Fraud Taskforce. Indeed, the Chancellor has committed £1.9 billion to spend on cybersecurity.

Baroness McIntosh of Pickering (Con): My Lords, will my noble and learned friend advise the House of the number of prosecutions? I, too, have been a victim—successfully, unfortunately, when £300 was taken from my bank card within the space of 20 minutes. Will my noble and learned friend explain how many prosecutions are taking place? If the current law is rigorous enough, surely it is for the police to prosecute successfully the perpetrators of this crime.

Lord Keen of Elie: I do not have figures for prosecutions for fraud because it covers a wide spectrum. I will, however, undertake to write to the noble Baroness with such figures as we have, covering in particular banking fraud. Beyond that, I would say that this is the responsibility not just of the police but of Ofcom and indeed of the communications regulator, both of which have powers to impose severe penalties for misuse of cyber and telephone access.

Afghan Interpreters

Question

11.28 am

Asked by **Lord Ashdown of Norton-sub-Hamdon**

To ask Her Majesty's Government what assessment they have made of the treatment of Afghan interpreters seeking to come to the United Kingdom, in the light of the death of Nangyalai Dawoodzai.

The Minister of State, Ministry of Defence (Earl Howe) (Con): My Lords, it is because we recognise a debt of gratitude to our Afghan staff that our redundancy scheme is relocating some 500 eligible staff and their families to the UK. Additionally, our intimidation investigation team in Kabul supports all former staff whose lives may be at risk due to their UK employment. We have supported 400 local staff with security advice and relocated 30 to safe areas in Afghanistan. If an individual cannot be made safe in Afghanistan, a case will be made for relocation to the UK. We keep our approach under review as the security situation in Afghanistan changes.

Lord Ashdown of Norton-sub-Hamdon (LD): My Lords, I am grateful to the Minister for that Answer. It seems uncharacteristic of him to have missed out an expression of regret about the death of Mr Dawoodzai,

but I am sure that he can put that right in a moment. Is it not plain that the Government are hiding behind the Dublin convention in terms of their responsibilities to these Afghan interpreters? Is it not right that there are two Afghan interpreters now waiting for a decision in the UK and a further 10, I understand, languishing in despair in Calais, one of whom was seriously injured in an IED explosion in Helmand? Do the Government agree that there is absolutely nothing that stops them being more generous than the convention requires in order to provide a refuge for these men who have risked their lives to stand beside our troops in the service of the Crown? If they will not do that, does he understand how many in this House and beyond it will see the Government's policy as inexplicable, inhumane and a matter of shame for all of us?

Earl Howe: My Lords, the case mentioned by the noble Lord is clearly very tragic, and no words of mine can ameliorate that. However, as the noble Lord will understand, I am prevented from discussing the details of individual cases. The Government are doing all they reasonably can to help our former interpreters, in addition to our legal obligations under the refugee convention. It is completely wrong to say that treatment has been unfair; we fully accept that we have a responsibility to those who have worked for British forces in conflict zones. We owe them our gratitude and support, and that is why we have offered a redundancy relocation option that does not require local staff to prove that they are at risk, unlike the schemes in other countries. We have an intimidation policy that allows for relocation to the UK, and that scheme is open to anyone who has worked for us.

Lord Fowler (Con): Taking into account what my noble friend has said, did we not face exactly the same issues a few years ago concerning foreign interpreters in Iraq, which I raised at the time in this House? Is not the noble Lord, Lord Ashdown, right in what he says? Surely, the time has come for us to recognise once and for all that we owe a debt of honour to those who have helped this country, often at great danger to themselves?

Earl Howe: I agree with my noble friend that we owe a debt of honour to those people, but I hope that he will recognise that the circumstances in Iraq were radically different from those in Afghanistan. There was no place in Iraq where former staff could safely remain; intimidation claims could not be investigated. Furthermore, the Afghan Government have made it abundantly clear to us that they do not want us to precipitate a brain drain. We have therefore provided finance and training options to help former staff to resettle in Afghanistan, and there is in addition a relocation option for those who have served on the front line.

The Lord Bishop of St Albans: My Lords, does the Minister not recognise that, with this story that is going on, not only do we owe them a debt of honour but what it is going to mean is that, when future conflict is going on, other people will think, "I dare not take the risk"? As well as being the right thing to

do, this is actually in our own interests, because we need these people when we go into conflict to help us and co-operate with us. This is a long-term strategy. Could the Minister comment on that, please?

Earl Howe: My Lords, as I have already said, we have recognised a debt and granted the right to apply for UK relocation to around 500 people, plus their families. Those people are those who operated in the most dangerous zones, who were serving with us when we announced draw-down. Some 270 have already relocated to this country. I do not think that that is a shameful record in the very least, and people looking at our scheme and comparing it to those in other countries will find a favourable comparison.

Baroness Coussins (CB): My Lords, will the noble Earl acknowledge that, although we have a good redundancy scheme, the trouble is that many hundreds of Afghan interpreters do not qualify for it? If some of them feel so threatened by the Taliban that they are willing to pay traffickers to get them here illegally, why cannot Her Majesty's Government simply either extend the qualifying dates of the redundancy scheme or apply the intimidation policy much more generously?

Earl Howe: My Lords, anyone who has worked for British forces in Afghanistan and claims to have been intimidated will have their case thoroughly looked into; we have a well-established process for doing that. There is the option at the end of the day to relocate to the UK, but in the majority of cases it is quite safe to relocate such people to other places in Afghanistan, where we know that they will not be at risk.

Lord West of Spithead (Lab): My Lords, a number of us, particularly the noble Baroness, Lady Coussins, have been pushing the Government on this issue for more than two years. Kicking and screaming, they have got to the position they are in now. The Minister was involved in a lot of those discussions. Why can we not have a default position for this very small number of people that they can come here—for all the reasons that have been given, in terms of future operations and a debt of honour—and we then look at them in detail and if necessary say, "Actually, you don't really qualify", rather than making them go through all this in Afghanistan with the results that we have seen?

Earl Howe: As I indicated earlier, the Afghan Government have made it clear to us that they do not want to see a brain drain, so we have to look at it in the light of the Afghan Government's wishes. The intimidation scheme is not something we have just set up and let run; there is an independent assurance process for the scheme. We have a Danish legal adviser and a barrister review of 20% of the cases. There has been a cross-government assurance committee to provide further independent oversight, which will include in its membership a former Afghan staff member.

Junior Doctors: Contract

Private Notice Question

11.37 am

Asked by **Baroness Symons of Vernham Dean**

To ask Her Majesty's Government what is their response to the suggestion from the Royal Colleges of Medicine that the Government pauses work on the junior hospital doctors' contract and that the BMA pauses work on planning further industrial action, for five days to allow further talks to take place on the junior hospital doctors' contract.

Baroness Symons of Vernham Dean (Lab): My Lords, I beg leave to ask a Question of which I have given private notice.

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): My Lords, my right honourable friend the Secretary of State for Health will write to the Academy of Medical Royal Colleges later this morning explaining that we are willing to pause the introduction of the new contract for five days from Monday should the junior doctors' committee agree to focus discussion on the outstanding contractual issues: namely, unsocial hours and Saturday pay.

11.38 am

Baroness Symons of Vernham Dean: My Lords, I am not sure whether I am entirely happy with the Answer, but it is rather more hopeful than I was expecting and I am grateful to the Minister for it.

This dispute is of enormous importance to everybody. If there is no resolution, what will the Government do when thousands of young doctors refuse to sign contracts later this year and instead opt to become locums?

Lord Prior of Brampton: My Lords, given that we have the opportunity over the next five days to try to find a resolution to this dispute, it is probably not helpful now to talk about the "what ifs". My experience of these situations is, the least said in public, the soonest mended. If the noble Baroness does not mind, I will not answer her question directly today.

Baroness Walmsley (LD): Does the Minister accept that what he has said this morning, welcome thought it may be, is really rather too late? Trust is the most important element when it comes to the provision of medical services. The Secretary of State has already lost the trust not only of junior doctors but of a very large percentage of the general public. It has to be said that the BMA has also lost the trust of a certain percentage of the public. Trust is also important in political matters. We all accept the Government's intention in their manifesto to provide more services seven days a week—of course, most junior doctors work seven days a week anyway—but does the Minister accept that imposing this contract at the end of the pause period is not the only way of achieving the Government's

objective? Further discussions with those who provide the services may very well find an even better way of providing these seven-day services to patients.

Lord Prior of Brampton: My Lords, I am not sure where that question ended up, to be honest. All I will say for today is that we have an opportunity over the next five days for the BMA and the Government to find a resolution to this issue. If we can, it will make the implementation of seven-day working across the NHS much easier.

Lord Hunt of Kings Heath (Lab): My Lords, the Government's approach has been cack-handed throughout the process. It would have been much better if, instead of initially rejecting this proposal and now setting out some new conditions, the Government had accepted it. Obviously, we hope the outcome will be successful and the situation will be resolved. At the end of this process, we are left with thousands of junior doctors disengaged from the service because of the circumstances of the dispute and the alarmist statements issued by the Secretary of State. Will part of the discussions look at how the junior doctors are to be brought back into the fold and given the support they so richly deserve?

Lord Prior of Brampton: My Lords, I think there is general recognition that many of the issues that lie behind the dispute over the contract are not actually involved in the contract itself. It is about how junior doctors are trained, valued and integrated into hospitals and the workforce. These are much broader issues than just the contract, and I assure the noble Lord that the Government are fully aware of that. Once this dispute has been settled, we can start to resolve those bigger, deeper and more fundamental issues.

Lord Patel (CB): My Lords, I am surprised but delighted at the news this morning that the Department of Health has agreed to enter into discussions with the junior doctors. I hope that both sides will enter into them in the spirit of finding a resolution, rather than finding faults. I am sure that the talks will resolve the issue, because as far as I am concerned striking is not the answer. Anything that prolongs the exercise is detrimental to patient care.

Lord Prior of Brampton: My Lords, I wholly, 100% agree with the words of the noble Lord.

Lord Naseby (Con): Is my noble friend aware that the public will greatly welcome the magnanimity of Her Majesty's Government in willingly moving forward and having further discussions over a short period? At the same time, though—I can only speak from having talked to some of my former constituents in Northampton—the public want to know what the benefit is to both the public and the junior doctors from this new contract. Maybe the time has come to publicise, through the standby agency of the COI, in an advertisement, exactly what the benefits are to both parties.

Lord Prior of Brampton: My Lords, rather than getting ahead of myself and addressing that issue, I would just say that we have five days to talk and for the Government and the BMA to try to come to an agreement. All our efforts over the next five days should be focused on that.

Baroness Corston (Lab): My Lords, during the five-day process, will the Minister guarantee to revisit the department's own equality analysis of the effect of the contract, given that it has expressly accepted that the contract discriminates against women in terms of unsocial hours and caring responsibilities but makes the amazing suggestion that this is a legitimate means of achieving a purpose? That is not fair to a profession that is becoming feminised, about which we should be pleased.

Lord Prior of Brampton: My Lords, I think we recognise the huge and vital role that women play. Some 60% of all medical students qualifying now are women. If we do not take care of women, we are not taking care of over half our workforce. Again, I do not think anything is to be gained from my making statements on this in public at the moment.

Lord Wallace of Saltaire (LD): My Lords, does the Minister remember the EU working time directive, which a few years ago was touted as being disastrous for the training of junior doctors? It was said that it would make it completely impossible for them to be trained. Now that the Government are trying to push our junior doctors to work longer hours over more days, does that mean that all the fuss over the EU working time directive was a myth, or is this in an entirely different category?

Lord Prior of Brampton: No; the noble Lord has misunderstood the contract. The number of hours are coming down, not going up.

Lord Watts (Lab): My Lords, the Government are pursuing a policy which is not evidence-based and is driven by dogma. Would it not be better to seek arbitration to get us out of the mess they have got us into?

Lord Prior of Brampton: My Lords, we now have a pause for five days. This is not dogma; we have two parties who have different views about a small part—about 10%—of the existing contract. Over the next five days we have a chance to resolve that.

Lord Ribeiro (Con): My Lords, while the whole House welcomes this pause, I hope that, whatever happens, there will be an opportunity for an independent review to look at the very points that were made earlier about the lack of appreciation of and support for junior doctors. If there is one thing last week's dispute has shown, it is that when consultants man the front door of a hospital, services are very much better. Will the Government consider having an independent review after this dispute to look at the future workforce?

Lord Prior of Brampton: My Lords, my noble friend will know that Dame Sue Bailey, the president of the Academy of Medical Royal Colleges, has been asked by the Secretary of State to look at these more profound issues outside the contract, and we must do that as a matter of urgency. However, we cannot do that constructively until we resolve the current dispute.

City of London Corporation (Open Spaces) Bill

Motion to Agree

11.46 am

Moved by The Chairman of Committees

That this House do agree with the order made by the Commons set out in their message of 3 May.

Motion agreed.

High Speed Rail (London-West Midlands) Bill

Membership Motion

11.47 am

Moved by The Chairman of Committees

That, as proposed by the Committee of Selection, the following members be appointed to the Select Committee to consider the High Speed Rail (London–West Midlands) Bill:

L Brabazon of Tara, L Freeman, L Jones of Cheltenham, B O'Cathain, L Plant of Highfield, L Walker of Gestingthorpe (*Chairman*), L Young of Norwood Green,

That the quorum of the Committee be four;

That the Committee have power to adjourn from place to place;

That the evidence taken by the Committee be published, if the Committee so wishes;

That the Report of the Committee be printed, regardless of any adjournment of the House;

That the order of appointment of the Committee remain in force notwithstanding the prorogation of Parliament.

Amendment to the Motion

Moved by Lord Bradshaw

As an amendment to the above Motion, after “place;”, insert “That the Committee have power to take advice from a technical expert;”

Lord Bradshaw (LD): My Lords, neither I nor my noble friend Lord Berkeley wishes to detain the House long. However, since we had the debate in the House, real misgivings about the cost of this scheme have

[LORD BRADSHAW]

emanated from the Cabinet Office, and I believe the need for economy is very strong. I say that as someone who has a lot of experience with these things.

One of the things the committee should consider—I am not giving it an instruction—is the appointment of a technical engineering expert to get under the costs which HS2 Ltd is proposing: I can nominate people who will not charge the earth. I believe there are billions of pounds to be saved if we can unpick the HS2 figures.

One of the issues is very important, namely whether Old Oak Common can be the phase 1 terminal. It will have six platforms, which is quite adequate to deal with the trains from Birmingham. They can be turned round in that space. It would then give time to sort out the huge costs and disruption proposed at the London end and in Camden. These issues were not properly examined by the Commons committee, which ran out of either time or energy to give them proper consideration. I suggest that the committee should consider starting its work not at the Birmingham end, as the Commons committee did, but at the London end, where the real costs are.

One of the most important things surrounds rolling stock. HS2 is proposing or considering using rolling stock which is not compatible with the rest of the network and is capable of running at very high speeds. I believe that both those things need to be challenged very strongly. It will reduce the cost of the rolling stock by billions of pounds if we have slightly lower speeds and rolling stock which is compatible with the rest of the network, not unlike the Javelin trains from St Pancras into Kent but, obviously, made better for intercity travel. The journey from Birmingham will not take very long—probably about only 38 or 40 minutes—and many noble Lords travel far further than that in commuting to their homes.

I stress that it is not European regulation that is driving HS2 to bring in world specifications. They are not necessary on our railway. This is a domestic railway—not an international one—and I believe it is important that these things are brought to the forefront of the committee's considerations.

Lord Berkeley (Lab): My Lords, I shall speak briefly to all four amendments, two of which are in my name. First, I congratulate the Chairman of Committees on the quality of the committee that he is announcing today. There is a lot of talent and experience there, as one would expect from your Lordships' House, but I also know that under the chairmanship of the noble and learned Lord, Lord Walker of Gestingthorpe, the committee's procedures will be conducted properly and fairly. As the noble Lord, Lord Ahmad, said in a letter to most noble Lords who spoke in the last debate, this will be a proceeding under quasi-judicial conditions. That is very important and I certainly welcome it.

I turn to the amendment of the noble Lord, Lord Bradshaw, concerning the committee taking advice from a technical expert. My worry is to do with timing. The experience of the House of Commons Select Committee was that there was no time for

people to bring in their own technical experts because the hearings were very much truncated, and in my view the committee ended up taking advice from the promoter without questioning any of it at all. I was particularly concerned when I read a letter from a number of groups in Camden—the Camden Cutting Group, the HS2 Euston Action Group and the Camden Civic Society—to the chief executive of HS2, basically saying that the consultation that was supposed to have taken place had not worked at all. That is supported by two other reports—those by PACAC and Bynoe. The Bynoe report says:

“We are concerned that HS2 has failed to identify with what we believe to be the root cause of the”,

consultation,

“forums' failings: namely that the process was treated as a one way 'box-ticking' exercise by HS2 Ltd, with no genuine two way engagement”.

Many noble Lords have been involved in consultation processes, as have I. Some are good and some are bad, but this is some of the worst criticism that I have ever seen, and I trust that HS2 and Ministers will take note and put it right.

My final comment concerns my amendment to the Motion that would leave out the words,

“if the Committee so wishes”,

to publish evidence. I am surprised at this being in the instruction because, after all, the evidence is given in public hearings of the committee. I envisage a slippery slope—not with this committee but it would be possible—where the hearings are held in secret and there is no justification for the committee's decisions. I argue that all evidence should be published, or that at least there should be a public link to a publication in another journal, so that anyone can read all the documentation referred to or produced as part of the committee hearings.

Lord Grocott (Lab): My Lords, I want to make a brief comment. In many ways, it is a great strength of our democracy in both Houses that projects such as HS2 are subject to the most intense scrutiny over a long period. By the setting up of this Select Committee, we are now moving on to a further period of intense scrutiny. I am minded of two factors when I refer to this. First, why is it that other countries—notably France, but also countries much further away such as Japan and China—seem to manage to build high-speed railways at a phenomenal rate of knots in comparison with our procedures, bearing in mind, as I said, that it is important that there is proper scrutiny? Secondly, we in this House ought to be particularly mindful of the fact that the first attempt to build a railway from London to Birmingham in the 1830s was thrown out by this House. I am very happy to say that the judgment of their Lordships in that period was eventually overruled, otherwise I do not know how we would get from here to Birmingham—by stage-coach, I suppose.

Sometimes, it is almost impossible to get projects going because of the interminable mechanisms involved before the go-ahead can be given. I know that the Chairman of Committees is not speaking for the Government, but I congratulate the Government on continuing this project. It is of fundamental importance

to the economy in the West Midlands and, indeed, to the country as a whole. However, I hope that it is not part of the Chairman's remit when he responds to indicate how long this committee is likely to be sitting. I hope that it does its job thoroughly but does not take an interminable length of time.

The Chairman of Committees (Lord Laming): My Lords, I am extremely grateful to the noble Lords, Lord Bradshaw and Lord Berkeley, and indeed the noble Lord, Lord Grocott, for their very positive contributions to this important debate. I am sure the House will agree with the point made by the noble Lord, Lord Berkeley, that we are grateful to the noble and learned Lord, Lord Walker, and to members of the committee who have taken on this task. As the noble Lord, Lord Grocott, said, it is an important task and I think that we handle this matter in a very open and positive way in this country. I am sure that the committee that has taken on this task is mindful of the need to get on with it. I am full of admiration for members' willingness to devote so much time to this process in order that it can be done in a timely manner.

The amendment in the name of the noble Lord, Lord Bradshaw, is about a technical expert adviser. The hybrid Bill procedure means that the committee operates in a quasi-judicial manner and hears the evidence presented to it by the parties transparently and in public. Advice from a specialist adviser would not be public, and that could undermine that commitment to transparency. However, we intend to look again at the hybrid Bill procedure, with a view to seeing whether there are practices which could be improved. In that exercise, we will consider further the point made by the noble Lord with a view to the procedure used for future hybrid Bills. It would not be appropriate, however, to institute changes before that process has taken place.

The second amendment, in the name of the noble Lord, Lord Berkeley, proposes taking away the standard power given to committees to publish evidence, "if the Committee so wishes".

It is usual for committees to publish evidence and, as I am sure is known to many noble Lords, the convention is that all evidence is published shortly after receipt unless there are extenuating circumstances. The power to publish evidence is routinely given to Select Committees in these terms as it allows them to publish evidence, including transcripts of oral evidence sessions, during the course of their inquiry rather than only when they report.

On the instruction to the committee proposed by the noble Lord, Lord Bradshaw, "to focus on petitions where substantial costs savings could be achieved",

I anticipate that the committee will consider all the petitions equally and fairly. It would not be appropriate to instruct the committee to focus on particular petitions at the expense of others. As important as costs are, they are but one factor among many. The relative merit to be attributed to petitions is in my judgment a matter rightly to be left to the committee to manage.

Finally, in relation to the second instruction, it is for the committee to decide on its own days and hours of sittings. As I have indicated, its members have set

aside such time to this project that we should be grateful to them. I know that noble Lords are aware of the significant time commitment but also of the committee's willingness to do this in timely manner.

I hope that it will not be necessary for this House to give an instruction. On that basis, I hope that the noble Lord will withdraw the amendment and that neither he nor the noble Lord, Lord Berkeley, will consider that the remaining amendments and instructions should be moved.

Lord Bradshaw: I do not want to prolong this, but I underline the point that what the noble Lord has said makes it very difficult for the huge economies that can be made in this scheme to be bought out. The petitioners cannot afford to present their technical evidence because it costs a lot of money, but if the committee were to take the initiative at least to take the advice of somebody, I am sure that we would come to quite different conclusions. HS2 has had a monopoly on the input; it is time that was tested.

Lord Richard (Lab): Surely it is within the remit of the committee, if it wants to hear expert evidence, to call an expert in front of it to give it. As I understood it, if the committee wants guidance, it can call evidence, the evidence is heard and cross-examined and it becomes part of the evidence of the committee.

The Chairman of Committees: The committee will have to rely on the evidence from the petitioners.

Lord Bradshaw's amendment withdrawn.

Amendment to the Motion

Tabled by Lord Berkeley

Leave out " , if the Committee so wishes".

Lord Berkeley's amendment not moved.

Motion agreed.

Motion

Tabled by Lord Bradshaw

That it be an instruction to the Select Committee on the Bill that they should be able to focus on petitions where substantial savings could be achieved.

Lord Bradshaw: I do not wish to prolong this. I am very unhappy with the response that I have had from the Chairman of Committees, which relies on precedent rather than focusing on the fact that we could save millions of pounds if the evidence were tested rigorously.

Motion not moved.

Motion

Tabled by Lord Berkeley

That it be an Instruction to the Select Committee on the bill that they conduct their proceedings for as long as they think fit.

Motion not moved.

**High Speed Rail
(London–West Midlands) Bill**
Motion to Approve

12.03 pm

Moved by Lord Ahmad of Wimbledon

That the following provisions shall apply in respect of the High Speed Rail (London–West Midlands) Bill:

(1) If a Bill in the same terms as those in which the High Speed Rail (London–West Midlands) Bill stood when it was brought to this House in this Session is brought to this House from the House of Commons in the next Session-

(a) the proceedings on the Bill in the next Session shall be pro forma in regard to every stage through which the Bill has passed in this Session;

(b) the Bill shall stand committed in the next Session to the select committee to which the Bill stood committed in this Session;

(c) the Standing Orders of the House applicable to the Bill, so far as complied with or dispensed with in Session 2013–14, Session 2014–15 or this Session, shall be deemed to have been complied with or (as the case may be) dispensed with in the next Session; and

(d) if there is outstanding any petition deposited against the Bill in accordance with an order of the House-

(i) any such petition shall be taken to be deposited against the Bill in the next Session and shall stand referred to the select committee to which the Bill stands committed in that Session; and

(ii) any minutes of evidence taken before the select committee on the Bill in this Session shall stand referred to the select committee on the Bill in the next Session.

(2) The Order of the House of 30 July 2013 relating to electronic deposit of documents shall apply in respect of a High Speed Rail (London–West Midlands) Bill introduced into the House of Commons in the next Session and subsequently brought up from that House as to a High Speed Rail (London–West Midlands) Bill introduced into the House of Commons in Session 2013–14.

Motion agreed.

**Modern Slavery Act 2015 (Code of
Practice) Regulations 2016**

**Immigration (Leave to Enter and Remain)
(Amendment) Order 2016**
Motions to Approve

12.03 pm

Moved by Lord Keen of Elie

That the draft Regulations and Order laid before the House on 14 and 15 March be approved. *Considered in Grand Committee on 27 April*

Motions agreed.

Crown Court (Recording) Order 2016
Motion to Approve

12.04 pm

Moved by Lord Faulks

That the draft Order laid before the House on 21 March be approved. *Considered in Grand Committee on 27 April*

Motion agreed.

House of Commons Members' Fund Bill
Order of Commitment Discharged

12.04 pm

Moved by Lord Naseby

That the order of commitment be discharged.

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

Motion agreed.

Driving Instructors (Registration) Bill
Third Reading

12.05 pm

Bill passed.

**Criminal Cases Review Commission
(Information) Bill**
Third Reading

12.05 pm

Moved by Lord Ramsbotham

That the Bill be now read a third time.

Lord Ramsbotham (CB): My Lords, I beg to move that this Bill be now read a third time.

Lord Beecham (Lab): My Lords, I congratulate the noble Lord on bringing forward this Private Member's Bill—which is something of a misnomer in review of the eminent rank that he achieved in his professional life. The Bill confers powers on the commission to obtain, with the leave of the court, material that may assist it in the exercise of its important functions in reviewing the validity of convictions.

I suspect that the *Guardian* may not be the Minister's journal of choice for reading at breakfast, or perhaps at all, but by coincidence it published last week a disturbing critique by Eric Allison, its respected prisons correspondent, of the working of the commission. The report was prompted by a decision of the Court of Appeal that two men who had served 24 years in prison between them after being convicted of crimes that they did not commit were not entitled to compensation. This outcome perhaps reflects a flaw in the system rather than in the court's judgment, and I invite the Minister to undertake a review of the position with a view to empowering the courts to order compensation where they deem it to be appropriate after quashing a conviction.

The article contains further disturbing material. The commission now receives 130 applications a month, while in addition the universities that run the Innocence Project receive two or three a week. Of course, not all of these will be justified, but it would appear that the commission is struggling to carry out its important role. The commission's chair says that for every £10 being spent on a case 10 years ago he now has just £4 with which to carry out the work, while the workload has increased by 70%. It is true that only a minority of cases are referred, but of those, 70% succeed on appeal.

Mr Allison is sceptical about the implicit conclusion that most claimants are making false claims, not least because while a claim is pending they will not get parole or better conditions. But even if that were wrong, justice surely demands more support for the commission's work, not least when one of the contributory causes of wrong convictions is inadequate legal support during the original trial. Given the potential impact of legal aid cuts on the preparation and conduct of trials, that is something that may get worse,

I hope that the Minister, who has facilitated the passage of the Bill and to whom the House is indebted in that respect, will discuss these matters with the commission and ensure that it has the resources required to carry out its duties effectively in this important area of the criminal justice system.

The Minister of State, Ministry of Justice (Lord Faulks) (Con): My Lords, as the House will appreciate, we very much welcome the Bill. The noble Lord, Lord Beecham, apart from commenting on my breakfast-time reading, raised two important points. He will understand that of course I cannot comment on individual cases, but I understand the concern that he expressed in relation to compensation. It is not something, as the House will appreciate, that the Criminal Cases Review Commission deals with, so it is outside the scope of the current Bill.

The position, as noble Lords, including the noble Lord, Lord Beecham, may remember, is that where there is a miscarriage of justice—and the test was recently altered—it is the state not the courts that is responsible for compensation, and decisions are made on the basis of the statutory test. Therefore, it would not be appropriate for the Court of Appeal to take on this function after overturning a decision of the lower court. If it were to do so, we should need to consider whether a further appeal might lie against a Court of Appeal decision on compensation. So although these matters are always kept under consideration, my initial reaction is that this is not an appropriate way forward.

On the noble Lord's second question, the CCRC is managed within the same spending review process as the remainder of the Ministry of Justice. The commission must live within its means, as we all must when budgets are tight. To exempt any particular area from finding savings means that the burden of saving falls disproportionately on other areas.

In fact, I do not think that the position is as bad as the noble Lord suggests. Since 2010, the Criminal Cases Review Commission's annual budget has been reduced from £6.47 million to £5.178 million—a cut in real terms of 26%. During the same period, the Ministry

of Justice's net settlement was reduced in real terms by 35%—so the commission has fared well compared with other areas in the ministry. Indeed, the commission's budget for the last three years has remained at £5.178 million, in part specifically to recognise the need for the CCRC to continue to take proactive steps to address its backlog. The budget for 2016-17 will also ensure that the CCRC can continue to prioritise tackling the backlog.

Furthermore, this is not simply a matter of resources. In these straitened financial times we expect all agencies and services to make efficiencies and improvements to their processes to provide the very best level of service. The focus over the last two years has been on efficiency, not savings—doing more with the existing level of resource. The CCRC has worked to manage its caseload more effectively by reviewing all its work practices and by making improvements. Since 2010, the commission has improved its performance. It closed 947 cases in 2010-11. That rose to 1,632 cases in 2014-15.

The Government congratulate the commission on the work that it does. It is a very valuable function. The Bill will assist it further in the discharge of its duties. It extends its scope to England, Wales and Northern Ireland. We now have a legislative consent Motion to legislate on behalf of Northern Ireland. I repeat my welcome for the Bill.

Motion agreed.

Bill passed.

Road Traffic Act 1988 (Alcohol Limits) (Amendment) Bill [HL]

Third Reading

12.12 pm

Bill passed and sent to the Commons.

Armed Forces Bill

Third Reading

12.13 pm

Motion

Moved by Earl Howe

That the Bill do now pass.

The Minister of State, Ministry of Defence (Earl Howe) (Con): My Lords, in moving that the Bill do now pass, I express my appreciation to all noble Lords, noble and gallant Lords, and noble and learned Lords who have taken part in what have been some very well-informed and constructive debates during the passage of the Bill through your Lordships' House. I shall refrain from singling out any noble Lords by name, if they will forgive me, but I thank them all for their support for the Bill's provisions and for the positive engagement that we have had on a range of issues of central relevance to the well-being of the

[EARL HOWE]

Armed Forces and the service justice system. I also express my gratitude for the advice and support provided by my Bill team, which has at all times been first class. Finally, I pay tribute to our Armed Forces. We are immensely proud of their work, their courage and their dedication. This Bill is for them.

Lord Touhig (Lab): My Lords, I am sure that the entire House will join the Minister in his last remarks. We are always indebted to the Armed Forces of our country: we are free people because of their dedication and commitment.

I will be brief. When I spoke at Second Reading on February 11, I said that I had a feeling of *déjà vu*, having taken the 2005 Armed Forces Bill through the other place. I have to confess, as I did then, that I never saw the Act through to its completion because the then Prime Minister, Tony Blair, phoned me and awarded me the DCM—"Don't Come Monday"—and I was no longer a Minister. So in one way I feel a sense of achievement having seen this Armed Forces Bill through all its stages in your Lordships' House. We have had some first-class debates and many powerful arguments on the Bill, with notable contributions from distinguished Members too numerous to mention.

The Government have shown throughout our deliberations that they were willing to listen to the arguments on all sides. More than that, thanks to the Minister and his excellent Bill team, the Government have been willing to engage in discussions, and for that all noble Lords are in his debt. I believe that our discussions aimed at improving it mean that the Bill leaves this House better than when it arrived with us in February. That has been achieved not by contests, votes or amendments but by frank and open exchanges on all sides, involving colleagues all around the House. The undertakings given by the Government on a range of issues, from publishing statistics on sexual assault and rape to a review of support for those who have mental health problems as a result of serving in our Armed Forces, have made a real difference to the Bill.

On this side, we would have hoped for a similar undertaking on the matter raised by my noble friend Lord Judd in relation to providing an annual report on military service by those aged between 16 and 18, but I feel sure that we will come back to that at some time in the future, and we on this side of the House wish the Bill well.

Baroness Jolly (LD): My Lords, from these Benches I also want to pay tribute to our Armed Forces. It has been a small and not quite perfectly formed Bill, but a very interesting Bill on which to work and I thank the Minister and his team for being ready to talk to us and to listen to our proposals and our views. I also thank the Opposition for a certain amount of joint working and collaboration on some issues. Indeed, it has been a very good-spirited and incredibly well-informed Bill. There will be another Armed Forces Bill in five years, but in this one we looked at the usual government tidying-up, the issue of child soldiers, the issues of courts martial and justice, mental health and sexual

offences. The Government resisted the amendments very effectively, but I rather feel that they will be revisited in five years' time and I look forward to discussing them in future with the noble Earl. In the mean time, we on these Benches are more than happy to support the Bill.

Lord Craig of Radley (CB): My Lords, I join in commending the noble Earl the Minister for the way he has handled the Bill, and the Bill team for supporting him. I have one regret, as I am sure he understands, in that there has been no dealing yet with the problem of the impact of the Human Rights Act on operations. We have had assurances from the noble Earl and from other members of the Government that this is being actively pursued. I hope that it continues to be pursued and that we do not have to wait for the next Armed Forces Bill in five years' time. I hope that whatever is introduced, by a Bill of Rights or in another way, will be as an amendment to the Armed Forces Act and not standing within its own Act, because the problem we have faced is that the Armed Forces Acts and the Human Rights Act are incompatible. This would have been avoided if we had not treated the problems of the Armed Forces and human rights in the way they have been treated in the past.

Lord Empey (UUP): My Lords, this Bill is on a much smaller scale than the one introduced five years ago, which dealt with the whole concept of the covenant and included very complicated and very necessary commitments. I am very pleased that even this week the Minister has pursued those issues by engaging with the House and making us aware of developments in that area. Frequently, pieces of legislation are rushed through and their implementation sometimes leaves much to be desired. So while the provisions in this Bill are not on the same scale as those of the previous Act, nevertheless they are significant.

As I understand it—perhaps the Minister can clarify this—as well as provision every five years in an Act of Parliament, the actual Armed Forces also need to be renewed on a regular basis. That seems rather a peculiarity because it is very difficult to envisage circumstances where we would not need them. I do not know whether a more permanent mechanism is required in a future Bill so that that provision does not have to be renewed.

I place on record my thanks to the Minister for the manner in which he engaged with noble Lords, dealt with our concerns and gave us an opportunity to participate fully and follow up our queries, some of which may have been better informed than others. Nevertheless, I am happy to see the Bill pass.

Earl Attlee (Con): My Lords, I was not going to intervene, but the noble Lord, Lord Empey, said something that worried me slightly. I think that annual renewal by order of the Armed Forces Act is an absolutely essential control on the operation of the Armed Forces and the Ministry of Defence.

Bill passed and returned to the Commons with amendments.

Licensing Act 2003 (Her Majesty The Queen's Birthday Licensing Hours) Order 2016

Motion to Approve

12.21 pm

Moved by Lord Keen of Elie

That the draft Order laid before the House on 12 April be approved.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the order makes provision for the relaxation of licensing hours in England and Wales for the weekend of Her Majesty the Queen's official birthday celebrations in June.

Section 172 of the Licensing Act 2003 allows the Secretary of State to make a licensing hours order to allow licensed premises to open for specified, extended hours on occasions of exceptional international, national or local significance. Licensing hours have previously been extended for the Royal Wedding in 2011 and the Diamond Jubilee in 2012, as well as for the World Cup in 2014.

As noble Lords will be aware, this year Her Majesty the Queen is celebrating her 90th birthday. The Government consider this a nationally significant event, and many people will wish to celebrate the occasion. The Government are proposing to allow premises to remain open later on the weekend of Her Majesty's official birthday in June. The order will allow licensed premises to extend their opening hours on Friday 10 and Saturday 11 June until 1 am on Saturday 11 and Sunday 12 June respectively. It will apply to premises' licences and club premises' certificates in England and Wales which license the sale of alcohol for consumption on the premises. These premises will be allowed to remain open without having to notify the licensing authority and police via a temporary event notice, as would usually be the case. Premises that sell alcohol for consumption off the premises, such as off-licences and supermarkets, are not covered by the order.

The Licensing Act 2003 requires the Secretary of State to consult persons she considers appropriate before making a licensing hours order. The Home Office conducted a consultation with key partners, including representatives of licensing authorities, the police, police and crime commissioners, residents' groups, the licensed trade and the Welsh Government. The consultation asked three questions. First, do you agree that the order should apply to the sale of alcohol for consumption on the premises? Secondly, do you agree that the order should apply to England and Wales? Thirdly, do you agree that the order should extend licensing hours until 1 am?

The responses were almost entirely positive. There are, of course, some risks associated with extending licensing hours. The national policing lead for alcohol agreed with the proposed order, but highlighted that the weekend coincides with Euro 2016 football matches, when there will be an increased risk of alcohol-related disorder.

The police and crime commissioners' working group on alcohol raised concerns that a blanket extension to licensing hours may prove disruptive to planning police resources. It considered the system of temporary event notices a more appropriate means for licensed premises to extend their licensing hours as it provides the police and licensing authorities with a means to screen out unsuitable premises and plan for any additional policing requirements. The Government carefully considered these concerns. The Government are unaware of any reports of increased crime or disorder during previous occasions when licensing hours have been extended in this manner. Licensing hours were extended during the 2014 World Cup for a similar period and there were no reports of increased disorder as a result. This order has similar terms to the equivalent orders relating to the celebrations for Her Majesty the Queen's Diamond Jubilee and the Royal Wedding. The relaxation is for a limited period and we believe this is appropriate to celebrate an occasion of this sort.

The Government are committed to reducing burdens on business and public bodies where possible. This licensing hours order will reduce the burden on businesses, which would otherwise need to use a temporary event notice to extend their opening hours, at a cost of £21. It will also reduce the burden on the licensing authorities that would have to process the notices. I hope noble Lords will agree that the licensing hours order is an appropriate use of the powers conferred on the Home Secretary by the Licensing Act 2003. I commend the order to the House.

Lord Rosser (Lab): I thank the Minister for his explanation of the purpose of the order, which we support. I had better indicate that right at the beginning, since the Minister may get the impression from some of the points I want to raise that perhaps we do not support the order—so I say from the start that we do.

The Explanatory Memorandum refers to the outcome of the consultation on the order. It states that all the "partner agencies" that were consulted replied in the affirmative to the three questions being asked, with the exception of the Association of Police and Crime Commissioners. It seems that the APCC considered the order,

"disruptive to planning police resources",

and felt that it posed an,

"increased risk of alcohol-related disorder".

I have to say that its concerns are immediately swatted aside in the Explanatory Memorandum in one sentence:

"However, the Government is not aware of any evidence of alcohol-related disorder during periods covered by previous Licensing Hours Orders".

It is interesting that there is no impact assessment to address this point and that related to police resources, among others. It is also interesting that the organisation whose concerns have been, frankly, so abruptly dismissed by the Government in the Explanatory Memorandum is the one that represents and speaks on behalf of the elected police and crime commissioners, whom the Government created to increase public accountability of the police and to ensure that, through them, public concerns could be reflected and addressed. The Explanatory Memorandum suggests that, if the elected,

[LORD ROSSER]

accountable police and crime commissioners—who should know what the impact of the order may be in their own areas better than the Government—express concerns that are contrary to the Government’s stance, their concerns will carry little weight.

Perhaps the Minister could comment on that and, in the absence of an impact assessment, perhaps he could at least expand on the statement in the Explanatory Memorandum—which I quote again—that,

“the Government is not aware of any evidence of alcohol-related disorder during periods covered by previous Licensing Hours Orders”.

Does that sentence mean that in the additional hours covered by previous licensing hours orders there were no incidents at all throughout the country of alcohol-related disorder? If that is the case, frankly, that is unbelievable. Or is it meant to mean that the total number of incidents of alcohol-related disorder on the nights when there were extended hours under previous orders was no greater in total than the number of such incidents on a normal night without extended hours?

12.30 pm

I note that when the Minister introduced the order, he did not say what it says in the Explanatory Memorandum. I think he said that the Government are not aware of any evidence of increased alcohol-related disorder but that is not what it says in the Explanatory Memorandum. Perhaps he could clarify which is correct.

I think these are relevant questions. When the Government say they are not aware of any evidence of alcohol-related disorder during periods covered by previous licensing hours orders, does that mean that the Government or a previous Government actively sought information on this point after the event or does it mean simply that Governments have never sought such information and no one has come forward to tell them there had been a problem of alcohol-related disorder during periods covered by previous licensing hours orders?

The Explanatory Memorandum also has some paragraphs on the impact of the order but, as I said, no impact assessment. The memorandum states:

“The impact on the public sector may comprise additional policing costs”.

Can the Minister say why “may” has been used rather than “will”? Is there evidence from experience of previous similar orders—for example, in 2011 and 2012—that no additional police costs were incurred through extended opening hours? If so, what is that evidence? If additional police costs were incurred under previous orders, do the Government have a figure for those additional costs? I ask that in the light of the concerns expressed by the APCC about the impact of the order on police resources, which, after all, have been cut over the past few years. I also understand that at least one of the home nations has an international football match on 11 June, one of the days covered by the order for extended opening hours, which will not make the resource situation any easier. Having said only that there may be additional policing costs, the Explanatory Memorandum then states:

“The Government would expect forces to meet these costs from within their existing budgets”.

Can the Minister confirm that this has always been the practice under previous similar orders; namely, that additional costs are found from within existing budgets?

The order permits licensed premises to open for two additional hours, beginning at 11 pm, on both 10 and 11 June without the need to obtain a temporary event notice or pay the fee for such a notice. Based on what has happened on previous occasions, do the Government have any figures on the percentage of premises already licensed to sell alcohol that are likely to take advantage of the order and remain open for up to two hours beyond 11 pm? If such premises intend to remain open later to sell alcohol under the terms of the order, will they have to advise the local police force of that fact? I may be wrong but I thought I heard the Minister say in his introductory remarks that they would not.

I hope that our support of the order will not result in a less than full response being given by the Government to the points I have raised. Of course, we are all looking forward to Her Majesty the Queen’s 90th birthday and we all hope that the order will contribute in a responsible way to Her Majesty’s birthday being appropriately marked by national celebration.

Lord Redesdale (LD): My Lords, I must declare an interest in that I own a pub: the Redesdale Arms, on the A68 in Northumberland. It is a particularly fine establishment that serves excellent beer and wine. We will obviously be opening late on the Queen’s Birthday, and I do not see that event being the subject of a massive punch-up. I cannot see it being anything other than a quiet or celebratory event.

I find it interesting that the question of extra resources has been raised. I was on the Front Bench during the passage of the 2003 Act, which the then Labour Government introduced to extend licensing hours and liberalise the licensing regime. It seems to go against that now to say that extra costs will be involved. We on this Bench support this order. However, I think that the 2003 Act was extremely regulatory in nature. The whole area of event notices has introduced enormous extra costs, with many live music venues shutting down as a result.

We had one victory during the passage of the 2003 Act. I had tabled four amendments against the Government to ensure that unamplified live music should not have to be licensed, as I thought that such activity was a human right. The Government responded by saying that morris dancing would be exempt from the legislation. That was obviously a massive step forward and I thanked the Government for it—in fact, 600 morris dancers danced in Trafalgar Square that November in celebration of it. We support the order, but I wonder whether it is not time to review the provisions of the 2003 Act, not to increase regulation but to try to decrease its burden on publicans, especially in the area of live music.

Lord Keen of Elie: My Lords, I noticed the anxiety of the noble Lord, Lord Rosser, not to appear as a killjoy, albeit his attempts were somewhat tempered by

subsequent observations. I am sure that, like those in another place, we will all welcome the opportunity to celebrate Her Majesty's 90th birthday in June of this year and the proposals put forward in this order.

Perhaps I may address the points raised by the noble Lord, Lord Rosser, in this context. It will be noted, as the noble Lord did note, that there was a consultation on this matter. The Government's intention was that that should be a proportionate consultation. It included the national policing lead for alcohol, who came out in favour of the proposal for the extension of licensing hours. It was therefore necessary to balance the views of all the parties that we had consulted. The purpose of having a consultation is to get diverse views and to balance them before arriving at an informed conclusion. That is precisely what the Government did in this case.

There was no question of swatting aside observations. There was no question of abruptly dismissing the representations made by any party that responded to the consultation. An informed decision was made in the light of the responses to the consultation. In that context, regard was had to past experience, which is a guide in these circumstances. Past experience indicated that there was no general extent of disorder greater than that found where such an extension had not been granted. That was based on our experience on the two or three previous occasions where such an order had been granted.

The noble Lord, Lord Rosser, asked whether we had actively sought representations about previous reports of problems. We actively engaged in a consultation process with parties which would have been informed of these matters and would have brought them to our attention had they thought it appropriate. I emphasise again that those parties included the national policing lead for alcohol. So, in that context, it did not appear that there would be, or had been in the past, a major impact from such an extension of licensing hours that would require material increases in the police response to it. It is in this context that we say that while there may be some additional policing costs, there is no evidence of any material increase in costs that would impact upon existing police budgets. In these circumstances, we consider that the approach taken was entirely appropriate.

I am not in a position to give figures for the number of premises that will respond to the opportunity to open, because it will be a matter for each individual set of premises to decide whether or not it is going to take advantage of this in order to allow its local community to engage in a responsible social and celebratory occasion in respect of Her Majesty's birthday. Some may not, but nevertheless it is appropriate that the opportunity should be given to all.

In these circumstances, I suggest that there is no need to carry out any further impact assessment. On that final point, I note that on the occasion of the Diamond Jubilee, the assessment was that there would be a saving to business of between £240,000 and £480,000 as a result of parties not having to pay the fee for a temporary event notice. In addition to that,

there is the burden on local licensing authorities of having to process each and every one of those individual applications.

With respect to the matter raised by the noble Lord, Lord Redesdale, the Government are committed to reducing burdens on business wherever possible, as has been shown in the legislation we have taken forward in the Government. However, there are no present plans to review the 2003 Act.

Motion agreed.

Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2016

Motion to Approve

12.41 pm

Moved by Lord Bourne of Aberystwyth

That the draft Regulations laid before the House on 13 April be approved.

The Parliamentary Under-Secretary of State, Department of Energy and Climate Change and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, these regulations will make a minor amendment to the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, postponing the date by which the Secretary of State must establish the private rented sector minimum standards exemptions register. I will first give some background on the private rented sector and the 2015 energy efficiency regulations, before discussing the specific effect of this amendment.

There are around 1.2 million non-domestic rental properties in England and Wales, making up approximately two-thirds of the non-domestic property market. Around one in five of these non-domestic properties falls within the lowest two energy efficiency bands—namely, the F and G energy performance certificate ratings. In the domestic sector, there are around 4.6 million privately rented properties in England and Wales, making it the second-largest tenure after owner-occupation, at around one-fifth of the total domestic housing stock. Up to 10% of properties in the domestic privately rented sector have an F or G energy performance certificate rating.

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, when they bite, will drive improvements in the least energy-efficient privately rented properties across the domestic and the non-domestic sectors. They will do this by requiring landlords of F and G rated properties to improve those properties to a minimum energy efficiency rating of E if they wish to relet them after 1 April 2018. By targeting these worst-performing properties, the minimum standards regulations will improve the living and working conditions of tenants, many of whom—principally those in the domestic sector—are among the most vulnerable. By reducing the winter peak demand, the regulations, particularly the non-domestic provisions, will also help improve the UK's energy security.

[LORD BOURNE OF ABERYSTWYTH]

However, the minimum standards regulations recognise that there will be instances where it will not be cost effective, or indeed practical, to improve particular properties. Therefore, a number of temporary exemptions are provided to protect landlords. For example, landlords will not be required to improve a property to an E rating where planning consent is required and cannot be obtained. Landlords will also be exempt where there is independent evidence that installation of a recommended measure would damage the fabric of their property or reduce its value by more than 5%.

In the non-domestic sector, landlords will be required to install only those measures that cost the same as, or less than, their expected energy savings over a seven-year period and will be eligible for an exemption if the improvements do not meet that payback test. Similar cost-effectiveness tests exist for the domestic sector, which I will discuss further in a moment.

In all cases where a valid exemption applies, the regulations will require the landlord to register that exemption on a centrally held register, the exemptions register, which my department is required to establish for this specific purpose. The minimum standards regulations give 1 October 2016 as the date on which the register must open. This is a full 18 months before the minimum standards come into force—in other words, 18 months after 1 October 2016, on 1 April 2018. That date will remain the same after these regulations amend the primary regulations in the 2015 set.

We are now seeking to amend that date for two reasons. First, the establishment of the register, while not a significant technology undertaking, will require time to design, build, and user test with landlord groups and local authorities and local weights and measures authorities, which will enforce the minimum standards. Given that a majority of landlords are unlikely to seek to register an exemption until much closer to the date at which the minimum standards come into force, because the five years will run from the registration rather than the date of the regulations coming into force, we believe that postponing the launch of the register by six months until 1 April 2017, will provide us with reasonable extra time to fully user test the database, without negatively affecting landlords' plans to register a valid exemption.

Separate to this, we wish to postpone domestic landlords' access to the register for a further six months, until October 2017. I noted a moment ago that the minimum standards regulations contain a cost-effectiveness test for domestic landlords. This provides a five-year exemption for landlords where they are unable to undertake improvements without up-front cost, specifically when measures cannot be wholly financed, at no cost to the landlord, with funding from central government, a local authority or any other source.

Noble Lords will be aware that, since mid-2015, the Green Deal Finance Company has not been funding any new Green Deal plans. While obligated energy company funding will continue to be available after 2018, and while local authority grants may continue to be available in specific areas, the current absence of Green Deal finance leaves a gap in the operation of

the regulations as currently structured. We are clear that this should not be allowed to affect the delivery of the minimum standards adversely, and are working with the sector to determine what amendments we need to make to the scheme rules to allow the domestic standards to work. Invariably this work will take time, both to agree policy and to consult effectively on any proposed amendments. In the mean time, it would not be sensible to allow landlords to register five-year exemptions on the basis of a lack of Green Deal finance, which would risk significantly reducing the impact of the regulations over that period. By postponing domestic landlord access to the register until October 2017, we are ensuring that we will be able to consult fully and make any amendments which may be necessary before landlords can begin to register valid exemptions.

In conclusion, these amendments seek to postpone the launch of the private rented sector exemptions register by six months to April 2017, with an additional postponement for domestic landlords until October 2017. The amendments are being made for both technical and policy reasons and, while minor in themselves, will help to ensure that the minimum standard operates effectively, in line with its original intention—that is, to deliver significant improvements to the energy efficiency of the least energy-efficient properties in the private rented sector. I beg to move.

12.45 pm

Baroness Jones of Whitchurch (Lab): My Lords, I thank the Minister for his introduction. It is important that we are clear that the changes being proposed will not impact on the ultimate aim: that there should be a widespread prohibition on private sector landlords granting a new tenancy on substandard properties after 1 April 2018, and for existing tenants by 2023. Keeping to those ultimate dates is absolutely crucial. The Minister referred to that, but it would be useful if he could put on record his absolute determination to stick to those original deadlines. I have some questions about the process in the meantime and the timetable for reviewing Part 3, which is what we are looking at now.

The Explanatory Notes and the Minister say that the department assesses that, as things stand under Part 3, a significant proportion of landlords would be eligible for an exemption. That would clearly make a mockery of the programme we are trying to achieve. I am concerned because the notes state that the department is merely considering whether changes to Part 3 are required. Is it not clear that Part 3 has to be changed, and soon? I would like a more definitive answer from the Minister on that issue.

I say that because unfortunately, the Government have form on dragging their feet on this issue. From the passing of the Energy Bill in 2011, they took four years to come up with the original set of regulations in 2015. Even then, they bent over backwards to give private landlords the maximum time to take action on substandard properties. At the time, we argued they could have been implemented by 2016, but we have ended up with a much longer timetable despite the urgent need for action. Indeed, when the then Minister finally introduced the regulations in 2015, she described

them as game changing and went on to talk about their importance in reducing the UK's carbon emissions. That underlines the significance of these changes.

As the noble Lord acknowledged today, the number of properties in the private rented sector has increased significantly in the past few years and now totals more than 4 million, yet this is also the sector with the highest proportion of energy-inefficient homes: around 11% are in bands F and G. It is fairly obvious that this is not only a waste of energy but a major potential contributor to fuel poverty.

When the original regulations were debated in 2015, my noble friend Lady Worthington, not surprisingly, welcomed them as a sensible policy. However, she also emphasised the importance of sending a long-term signal to the industry that this was part of an ongoing process of improvement. Rather presciently, she raised concerns about linking the process too closely to the Green Deal. Clearly, the Government should have paid more heed to what she said because only a couple of months later, they pulled the plug on the Green Deal, causing the CEO of the UK Green Building Council to say:

“Government's strategy on dealing with high energy bills through home efficiency is now dead in the water”.

This comes at a time when the funding for the ECO scheme, which provides grant funding for energy-efficient upgrades, has been cut from £1.3 billion to £800 million with more cuts expected. Inevitably, this has reverberated through the industry, with jobs lost and investors pulling out of the sector, and has caused uncertainty where uncertainty was not necessary.

I have several questions. First, when did the Government first consider pulling out of the Green Deal? Presumably, the future of the Green Deal was at least under review before the initial regulations were laid in March 2015. Why did the Government's risk register not flag up the dangers of regulations allowing exemptions to energy-efficiency measures to be based on the availability of the Green Deal? What is the latest thinking about a replacement for the Green Deal? Could it form the basis for a revised version of Part 3 of the regulations? Will the Minister clarify whether the Government intend to take action on the 1 million-plus units in houses in multiple occupation which I understand are currently exempt from the regulations? They probably represent the most energy inefficient properties in any housing sector. The Minister has been quoted as saying that there will not be a new energy efficiency strategy until 2018. Is that the case? What will be the estimated impact on employment and businesses in the sector?

Lastly, I want to pick up on a separate point that is covered by the Explanatory Memorandum: why there is a delay in introducing the provisions for non-domestic landlords, which the Minister also referred to. The memorandum says that the delay is for,

“additional time to procure a third-party to design, user test, and implement the Register, ensuring an optimal customer experience”.

Is the Minister really happy with that explanation? The department has already had over a year to prepare for this change, yet it reads as if a designer has not

even been procured for the first stage of implementation. Is this not just symptomatic of the lack of urgency the department has shown on the whole issue of energy efficiency?

In summary, we believe that by linking the exemptions to the Green Deal provisions in the first place, the Government have created a problem that they should have foreseen, and they now seem to be showing a distinct lack of ambition for a solution. I very much look forward to hearing what the Minister has to say about the issues I have raised.

Lord Redesdale (LD): My Lords, we on these Benches also support the regulation. I declare an interest as CEO of the Energy Managers Association and as a landlord. I find it incredible that the landlords are arguing that they cannot afford to upgrade their properties. I know from personal experience that that can be very expensive but they are expecting their tenants, who often are in fuel poverty, to pick up the tab, and they are the least able to pay. Moving forward to a new rating—as quickly as possible—is a very important step. I take on board that this is going to be a complicated register, and it has to work to ensure compliance with it.

However, there is one issue on which I wish to question the Minister, which was brought to my attention by the Country Land and Business Association. If you own a listed property, it is difficult to change it to meet some of the registrations under the EPC rating, especially given the criteria from English Heritage—as was—on double glazing, which should be revised. Not having double glazing in listed properties is ridiculous, given that the standard has improved so significantly. At present, if you want an exemption you have to go through the planning consent process and roll that over for five years, which seems a very clunky way of dealing with this problem.

During the consultation, could a more satisfactory system be looked at, especially for listed properties, to ensure that landlords do not face major costs arising from bureaucracy? I believe that solutions can be found. If owners of listed properties wish to rent them out, they should make them as energy efficient as possible. That said, I have a 16th-century bastle house that is difficult to get even close to an E, even though I have carried out almost every measure I can think of.

Lord Bourne of Aberystwyth: My Lords, I thank noble Lords who have participated in this debate. I will endeavour to answer the points that were raised by the noble Baroness, Lady Jones, and the noble Lord, Lord Redesdale.

I reassure the noble Baroness that, as I said, the ultimate deadlines remain the same. There is no question of a lack of ambition; the ambition has not changed. We are determined to tackle the scourge of fuel poverty and to aim for energy efficiency, and this will also contribute towards energy security. The problem, as I exemplified when I set out the case, is that first we need extra time to properly design the register. This is within the ultimate deadline set by the Act. It is important that we get this right. The noble Baroness

[LORD BOURNE OF ABERYSTWYTH] indicated general approval, in fairness, so I am sure she would approve of that. There is no lack of ambition; we just want to ensure that we get it right.

The second point is specifically about the ending of the Green Deal, which she referred to. The Green Deal came in during the last Government, but early on we said that it was not doing its work, so we are moving away from it. However, we are still determined to ensure that we tackle the minimum standards in the private rented sector, so that we can deliver on improvements up to energy performance certificate E. As I said, the deadlines remain the same.

The noble Baroness asked about HMOs. They are covered by this regulation, and I hope she will welcome that news. In response to what was, if I may say so, a rather dismal litany—our proposals are very sensible—I repeat that there is no delay in implementation. There is a delay in the register coming online but no delay in the deadlines for producing measures that landlords have to conform to. It is right that we take some time to consult to make sure that we have got the provision right and it is workable. We will do that, and that will happen in due order this year. The noble Baroness has my assurance on that, and no doubt she and others will want to contribute to that process.

I thank the noble Lord, Lord Redesdale, for his general welcome and note what he said about the Country Land and Business Association. There are exemptions, which I referred to, with regard to listed buildings and the difficulty of getting planning permission. They are already in the regulations and there is no proposal to change those. If the noble Lord wants to write to the department about specific situations, of course we will look at them.

1 pm

Baroness Jones of Whitchurch: I am grateful for what the Minister has said, but he did not answer the critical question of why the Government did not foresee this. They created regulations that were predicated on the Green Deal, in the knowledge that they were already questioning the future of the Green Deal. It would have made sense to anticipate that when the original regulations were drawn up in 2015. We would not be in this situation now, had the Government had a little more foresight. Will the Minister respond to that?

Lord Bourne of Aberystwyth: Indeed, my Lords; I apologise for the lack of foresight. With 20:20 hindsight vision, it is possible to say that this should have been foreseen. However, the best thing to do when you can see that a scheme is not working, which Green Deal finance was not, is to end it. We are now seeking a replacement, without any delay in implementing the legislation the noble Baroness referred to. She mentioned lack of ambition but the ambition remains absolutely constant. These changes are necessary for us to deliver on the aim of dealing with the scourge of fuel poverty, to ensure that we are energy efficient and to deal with security of supply.

Motion agreed.

Polytechnics

Question for Short Debate

1.01 pm

Asked by **Lord Lucas**

To ask Her Majesty's Government what assessment they have made of the case for a new generation of polytechnics to address the technical skills gap.

Lord Lucas (Con): My Lords, I welcome the Government's review of post-16 education. In that context I propose the creation of a network of subregional polytechnics, specialising in levels 4, 5 and 6. That is the biggest gap between supply and needs in our education system. It was identified by Lord Dearing a long time ago and has grown gently worse since then. Our reorganisation of post-16 education provides us with an excellent chance to deal with it.

The polytechnic brand still has resonance. It is a good brand and it describes very well what these colleges would set out to do. Further education at the moment is a fragmented patchwork of too-small colleges, and clustering them under a polytechnic would make the whole system more powerful. It would allow the creation of specialist expertise and top-level facilities, and would provide organisations which are the right size to be responsive to big employers and to create the courses and facilities that they need. It would provide a framework of collaboration and coherence within which such things as the national colleges that the Government are creating would flourish. As a name and a concept it would carry much more prestige than further education does at the moment, to the benefits of its graduates and vocational education as a whole—and the system works well in Switzerland and Austria, so we shall have an example to follow whichever way we vote on 23 June.

I see polytechnics evolving from groups of colleges, creating a strong centre but with the teaching distributed—a lot of it virtual, some of it peripatetic—so that the original colleges remain focused on levels 2 and 3 but through this outreach from the polytechnic are able to offer polytechnic expertise to their students and to local SMEs. As I said, they would run relationships with large employers for the benefit of all the colleges that comprise them. They would focus on HNC and HND and on the qualifications underlying higher and degree apprenticeships, focusing very much on supplying what employers need.

That is a very different mission from that of universities. I do not see these organisations having any ambition to evolve into universities. In some ways, they are quite similar to the Government's proposed institutes of technology but I see them as having a wider brief—all careers, not just technology careers. They would also have the advantage of having safer acronyms. I do not think that "Sheffield Polytechnic" would cause any problems. Polytechnics, as a concept, would be large enough to afford to be really good, and that is important in advancing further education as a whole.

As I said, I see polytechnics embracing the national college concept. We have two in existence at the moment, one of which is for high-speed rail. Why we are supporting

Victorian technology rather than autonomous vehicles, I do not particularly understand—but at least we have nuclear, which is very much a technology of the future. To come, we have advanced manufacturing, wind energy, the creative industries, onshore oil and digital. Those sorts of centres of expertise would fit extremely well within a network of polytechnics because the polytechnics would already have, because they would need it, expertise in delivering high-quality, technical, employer-focused education. Embedding national colleges in the network of polytechnics would give coherence and scalability. It would mean that when you started with one college specialising in, say, 5G technology and it rapidly became apparent that you needed five of them spaced around the country, the structure would already be there in which to embed them. That is very much the pattern that the NHS uses for rare diseases and that I think is implicit in the hub and spoke proposals for national colleges. It would render them coherent and not another source of dissonance.

I see polytechnics as being intensely collaborative with each other, with colleges, with employers and with other education providers, and as having strong local connections. I see them not as national organisations, like universities, but essentially as local organisations. How would one create and enforce such a mission? I do not think that it could be done by representation. Some have proposed that the board should be made up of people from the colleges, the local community, industry and so on. We are hoping to create too many organisations with too many people and too many ways of collaboration for that to be anything but cumbersome and conflicting.

If you want a polytechnic to be run well, it has to have its own governing body focused on doing what it is supposed to do and doing it well, not for ever looking over its shoulder at a set of outside interests. I think that we can manage this through giving polytechnics a really strong statement of principles covering collaboration and covering what they are supposed to do, with an independent evaluation of how they are doing against those principles and a backstop of government control if they are failing. That will allow polytechnics, by and large, to remain where they are supposed to be and to be brought back into line if they fall out of it.

If we devolve levels 4, 5 and 6 to polytechnics, we leave behind levels 2 and 3 in the colleges. That is an essential local role but it is another area that is evolving. My noble friend Lord Baker, in the van as always, has his UTCs and career colleges. There are also studio schools. So we are looking at an area in the middle, or perhaps at the beginning, of a long period of improvement which will give us a system which is more diverse and responsive to people's needs than we have at the moment.

A narrow education in the years from 16 to 19 is not suitable for anyone. We need all our young people to have breadth. We expect them in their lives to have to deal with career changes or becoming self-employed when they have accumulated obligations—families, caring responsibilities and other things which make basic education at that stage extremely difficult. We have to equip all our young people for the world as we expect it to be.

I very much look forward—later this month, I hope—to the report of the noble Lord, Lord Sainsbury, and Professor Wolf in this area. I hope that that will give us a direction that the Government will welcome. If they manage at the same time to row back from some of the weirdly narrow apprenticeships that the current system seems to be generating, that will also be welcome.

I see polytechnics as having a role in supporting schools. They will be centres of careers expertise. They will have to work very closely with local enterprise partnerships, and it may be that having one polytechnic per LEP will be a good pattern that reinforces the work already being done and the structures being developed by the Careers & Enterprise Company.

All in all, I think that developing a pattern of polytechnics would be an excellent outcome for the Government's FE reforms. It is a direction long advocated by Edge, the FE "do tank" and is well supported by FE principals. I very much hope that it will find a place in government plans.

1.12 pm

Baroness Morris of Yardley (Lab): My Lords, I am very grateful to the noble Lord, Lord Lucas, for raising this issue. The word "polytechnic", or the concept, has come out in a number of our debates on education and skills over the past few years, so it is good that we now have an opportunity to debate it as an issue in its own right. I started at a different end from the noble Lord, Lord Lucas, in that I started in my thinking at the university end—partly because of the origins of the word "polytechnic"—but arrived at very much the same conclusions and very much support the thrust of what he said.

Because of that word "polytechnic", it is worth stating that this is not about going back or reinventing something that was so wonderful that we should never have got rid of it. It is not about pretending that, when we had polytechnics—which is more than a quarter of a century ago now—skills and vocational education was brilliant and all the problems have resulted since. It was not like that. I want to put on record the advantages gained through the demise of polytechnics. I shall name just two or three. The fact that they could not award their own degrees was not right. The fact that they have now become expert in broadening access is wonderful. It has also enabled us to have more institutions of higher education in more geographical places around the country than might otherwise have been the case. That change, the abolition of the polytechnics and the end of that binary divide, was right and I welcomed it.

However, I am absolutely certain that we lost something, and it is those things that we lost that are worth grabbing out to see whether we can propel them forward a quarter of a century and find some use for. As the noble Lord mentioned, the move in 1992 was very much part of the expansion of higher education in its own right, and we have seen more full-time, three-year undergraduate courses and fewer courses at levels 4 and 5, which was the ambition of Lord Dearing when he set out his plans. We lost out there, we lost out on the notion of the sandwich course, which was very

[BARONESS MORRIS OF YARDLEY]

much part of the old polytechnics, and we lost out on the emphasis on learning through doing. A lot of the former polytechnics have, as new post-1992 universities, expanded what I might call classroom-bound courses because, for a polytechnic that became a university and wanted to expand, it was cheaper to put on a law, history or business course than it was to do vocational or skills courses, which are more expensive due to the nature of the equipment. That in some way accounts for the wrong skills mix that we inherit now. I want to hang on to what the polytechnics brought, even if it was a quarter of a century ago, as I still think there is a role for that in the sort of education system that we should be developing.

That would not be so bad if it was not on top of what we all know is a still deeply dysfunctional vocational and skills education programme in this country. Neither party has managed to get it right, although both have made valiant efforts. I like a lot of what the Government are doing at the moment, but none of us can ever pretend that it is not the weakest part of our education system. I do not want to list those weaknesses, but we are still blessed, or cursed, with a qualification system that no one understands, that changes rapidly and that is not the key to what it should be.

On top of that, in recent years we have had changes in the secondary school system that have emphasised a very much more academic curriculum, with the English baccalaureate, and downplayed the notion of vocational skills and learning through doing. Where we are now, I am not at all happy that we have got the building blocks in place in order to take us forward. That shows in quality, in the international comparisons of what we have at skill levels 3, 4 and 5, and in the preponderance of level 2s that we have in apprenticeships compared with level 3s. We are not doing as well as we should, and for all the efforts of people, we do not have the right building blocks in place.

It is worth mentioning that, when you compare that to the other route through the education system, the A-level route, it is almost not fair. It is not fair for the young people who want to take that route, it is not fair for the employers who need the skills that come out of that route and it is not fair for the country because it means that our productivity is low and our economy is not as strong as it should be. We know that we have coherence through the A-level route: it is a very easily understood qualification that does not change much over time, it leads to university and it has that rite of passage.

When polytechnics were abolished, I was head of sixth form at an inner-city comprehensive school in Coventry and I have two memories—one good and one bad—of the polytechnics. To be honest, the polytechnics were insurance applications for people who thought that they might not get into university. That was not right, and it is good that that is gone. However, the thing I remember with affection was the route through that they provided for some of my students who went through the BTEC, HNC and HND route straight to the polytechnic. That is the only time in all my memory of being involved in education when there was a cohesive, coherent route for those studying vocational qualifications from school,

often through further education and then into higher education. I miss that. We have lost that, and we have never been able to recreate it.

My question in this debate is whether, in our wish to do better at vocational and skills education, polytechnics could play a role in that. For me, that is the simple question in this debate. I think they could, and for a number of reasons. We will have national colleges, we have institutes of technology and we have post-1992 universities that still have strong links with industry—Sunderland has excellent links with Nissan and Nottingham Trent still does sandwich courses on business. I know that we have those examples of good practice, but we do not have any coherence, cohesion or leadership at that level of this form of education. Quite simply, a new brand of polytechnics would provide that leadership. It would not just be good practice here and there but would provide a network of institutions to which we could look to lead the sort of change that we need to bring about. The trick will be in how much status we give these new polytechnics, and that is up to us almost as much as it is up to them.

We have two good examples—one in the early academies and the other in the Baker Dearing Educational Trust's work with the university technical colleges—which prove that, if you take what seems to be something intractably problematic, put in the best skills and the most attention, give it resources and status and make it stand proud, you change the way in which others perceive it. That is what happened with the early academies and inner-city education: people all of a sudden wanted to go there to both study and work. In UTCs at their best, that is what happened with vocational education and skills education.

If we do that with a new range of polytechnics, we could build that centre of excellence and give it an important leadership role in the education system and the economy. One of the jobs I would give the polytechnics would be to lead on links with employers. I would want them to lead on experimenting with different patterns of higher education—not full-time, three-year degrees, but two years, one year, a sandwich course, a term off, a term back at work, people in work coming to learn or whatever it is. We are far too unimaginative with the higher education pattern and we could ask them to lead on that. I would like them to lead on making practical learning—learning through doing—something that is highly valued. I would want an accountability mechanism that rewarded them for doing those things and did not make them chase the research funding which they have to chase at the moment through the higher education system.

I finish by coming to the same conclusion as did the noble Lord, Lord Lucas, that further education colleges will be key in this. They are different from what they were in the days of the old polytechnics. They offer degrees; they have bridging courses; they do years 1 and 2 of a degree course. Some sort of new sector that puts polytechnics and universities which want to play that role together with the colleges could be a good bridge between school and the world of work, and it could play an immensely valuable role in something which, for all our efforts, we have never yet got quite right.

1.21 pm

Lord Baker of Dorking (Con): My Lords, I should first say that I am chairman of the Edge Foundation, which is the largest educational charity in the country promoting practical, technical and hands-on learning. I am also chairman of the Baker Dearing Educational Trust, which promotes university technical colleges. I draw no remuneration from either of those foundations. I warmly welcome what my noble friend Lord Lucas said. Few people in this House know as much about education as he does. His livelihood is from it and I welcome his enthusiasm for polytechnics.

I think I was the last Education Secretary who defended the difference between polytechnics and universities back in the 1980s. One of my less robust colleagues surrendered to the campaign to make them all universities. There was a big difference between them. There were wonderful polytechnics—some of them in those days were better than some of the new universities. Manchester Poly was a particularly great polytechnic and has now become a great university, Manchester Metropolitan University, but that is history; it has all happened.

Where do we stand now? As the noble Baroness has just said, about 50% of our youngsters now go to university, but what of the rest? The rest get a very raw deal. For example, only 10% in the 20 to 45 age range have reached level 4 and 5. Level 4 is HSE diploma; level 5 is foundation degree. That is the lowest level of any advanced economy in the world. America, Austria, Switzerland, Germany and the Netherlands are very much higher. As a result, we have a massive skills shortage. We are massively short of technicians and engineers, and we have this extraordinary phenomenon of people without jobs—500,000 youngsters are still unemployed—and jobs without people, with many of our companies having to go overseas to recruit skilled workers.

So where should it start? First, it has to start in the schools. I do not support the present policy of the Government of narrowing the curriculum and focusing on academic subjects. Most technical subjects are now thrust out of schools below 16; there are very few left. I introduced design and technology in the 1980s, a very popular course; for the past five years, the numbers of both GCSE and A-level entrants have dropped by 20% and 30% respectively. We are therefore seeing a whole host of youngsters who have had no practical experience of anything technical. This is unique in the world and highly damaging, so the Government should reintroduce technical subjects below 16.

Secondly, I would of course welcome the expansion of the UTC movement—14 to 18 year-old colleges. We have shown that 14 to 18 is a viable and very successful age range to focus on. We now have 10,000 students at UTCs. By September, with new ones opening, we will have 14,500. That seems a very large figure, but it is less than 1% of the cohort for that age group. What we are very proud of with UTCs is that when youngsters leave at 16 or 18, virtually no one joins the ranks of the unemployed. Last July, we reached 99.5% and virtually no school in the country can achieve that record.

The next stage is higher apprenticeships. Higher apprenticeships are apprenticeships at 18. They are now proving very popular, particularly with our colleges. At 18, if you have an A-level in, say, maths, physics or engineering—an academic subject—if you have a technical subject as well, such as a BTEC extended diploma, you are highly employable. Companies such as Rolls-Royce, National Grid or BAE will employ you at £15,000 or £16,000 a year and immediately put you through a foundation degree at their cost, so you can get a degree without any debt. If you are up to it, you can then go on to a part-time honours degree. We already have some students at Warwick doing that; they are gaining a second degree at no cost. Higher apprenticeships are very popular. But if this concentration on academic subjects between 16 and 18 continues, we will find that lots of 18 year-olds, with good academic results, are quite frankly not employable in companies because they have so little to give. It is only those who have some technical qualifications who are likely to be employed at 18 for higher apprenticeships.

Then there are the FE colleges. My noble friend Lord Lucas has mentioned those. They have 1.6 million students doing levels 2 and 3. Levels 2 and 3 are GCSE and advanced level. Only 2.4% of their students, however, get to level 4. That is an amazing failure because those are the jobs that are needed—levels 4, 5, 6 and 7 are needed more than levels 2 and 3. That, again, compares very badly with European performances. I therefore support very strongly the views put forward by my noble friend Lord Lucas to recreate polytechnics.

The polytechnics should prepare people for associate professional and technical jobs, but those should not be limited to the STEM subjects of science, technology, engineering and maths. They should cover things such as catering and hospitality, digital skills, graphic design, business studies, logistics and others. We need a whole range of different subjects of that sort at a higher level of achievement than the FE colleges are offering at the moment.

As my noble friend said, the polytechnics would concentrate on levels 4, 5, 6 and 7. They would be for adults aged 19 and above, and every course should be linked very closely to the local labour market. One of the successes of UTCs is that companies support them very strongly and very generously. They create lessons for them in projects. Network Rail has lessons of eight weeks in level crossing gates. Level crossing gates and train sets are brought in by Network Rail to teach the students. Rolls-Royce has lessons of eight weeks in piston pumps, which its graduates and staff come in and teach. The students like talking to real businesspeople. For most children in schools, the only adults they talk to are their parents and occasionally teachers, whereas they like to talk to adults who have had actual business experience. Local companies should be very much involved in the polytechnics as well.

Most students will already be working in their chosen fields, so they will be part-time earning and learning. They should really have a level 3 qualification before they start. They will study part-time. It will have to be a much more modern institution than the old polytechnics. A lot of the teaching would be delivered remotely using videoconferencing and virtual

[LORD BAKER OF DORKING]
 reality. Students would travel to their polytechnic campus for team projects. Team working is essential: for youngsters to be work-ready, they should have these qualities. They should be able to do problem-solving, team working and be able to make things with their own hands. Those are the work-ready qualities that students at UTCs have. They must be offered on a much wider scale. They would go, as students, back to the campus for team projects, intensive tuition and access to high-cost capital equipment such as cutting-edge mechatronics.

I hope the Government will be sympathetic. I am quite sure that the Minister's brief will not welcome polytechnics—I could have written it myself. They are already doing a bit, but it is only a bit. My noble friend Lord Lucas correctly said that there are now national colleges linked to certain industries. The one for railways and the other that he mentioned are operating; three more will start up. I find it extraordinary that there are just five for the whole country. I am not at all surprised that there is one for railways, which are now highly technical operations and not a Victorian steam engine sort of thing. We need them, but we need many more.

Then there are institutes of technology, which are much more modest operations. They are for levels 3, 4 and 5. I welcome that, and one is opening on digital skills, but the numbers are tiny. The Government say that the numbers will initially be small. They must be much more ambitious. They have to do something to help close the skills gap, and not rearrange the pieces on the board but find some new pieces that will be better than what they have.

I very much hope that this will happen. It is even more important that it happens quickly. The digital revolution is now happening. I am one of those who believe that the digital revolution, which covers everything from artificial intelligence to big data, driverless cars and lorries, drones and all of that area, will destroy many more jobs than it creates. In the past, industrial revolutions have always created more jobs than they have threatened. I made speeches on that when I was Minister for Information Technology. But I am now quite persuaded that the disruptive technologies of the digital revolution will destroy many other jobs. The Bank of England has already forecast that automation will cost 15 million jobs in this country. There are reports from McKinsey and Davos saying that it will be more than that. Faced with that, the Government have to improve skills training dramatically in our country. I hope that one way will be the re-establishment of polytechnics.

1.31 pm

Baroness Redfern (Con): My Lords, I, too, wish to speak in this debate brought about by my noble friend Lord Lucas to support the new generation of, and commitment to, polytechnics and university training colleges, or UTCs, which my noble friend Lord Baker mentioned. They play their part in delivering new opportunities for young people embarking on their future career prospects, but I agree that there is still much more to do. I am pleased that the Government recognise that fact and are doing something about this situation; I declare my directorship of the Humber

UTC, which opened nearly two years ago. It is an £11-million project and was spearheaded by my noble friend Lord Baker across the country to deliver more UTCs.

Colleges must have and develop strong links and association with industry leaders, as we have heard. I will focus on the engineering and renewable energy sectors, which must drive really skilled, technical and gifted individuals for the future. Those future engineers, as we all know, are much needed to bridge that skills gap, so it is important that we support bringing business and teachers together to work more closely. Teachers should also be encouraged to spend time in industry. I also agree that the engineering community should work with parents to promote engineering as a creative and exciting profession, not just for sons but for daughters, to help bridge that skills gap.

Economic growth is underpinned by technological innovation and a strong manufacturing sector. The UK can no longer afford to lag behind Europe, which has invested heavily in technical skills at the highest level for a very long time. We have continually to ensure that students are fully prepared with educational qualifications, including core GCSEs, added to transferrable skills suitable for the world of work or higher education. By introducing technical study and opportunities, students can work on real projects, and gain real work experience and, importantly, satisfaction. To that end, we need to convey the excitement, creativity and fun of engineering, and show how the world can open up for their careers. So, with the UTCs, which have an age range of 14 to 18 and have a strong link with universities, we must influence and encourage our young people effectively.

I wish to dispel the myth that engineering is a male profession. Although we can see a small increase in female employment and apprenticeships, females account for only about 9% of all engineering and technology employees. We have so much more to do on that when more than half the workforce are women. Humber UTC, situated on the south bank of the Humber between Yorkshire and Lincolnshire, is going to play a huge part in establishing cluster sectors for renewables and engineering, giving young people the opportunity to experience engineering and renewables in the workplace and helping to inform their future careers, as I said earlier. What is important for them is to get not just a job but a highly skilled, well-paid job. Students at Humber UTC are guaranteed an interview and we have an offer of 15 apprenticeships each year from the UTC, so we hope that we can ensure a pipeline of highly technical individuals equipped to take their rightful place in the workforce of the future and challenge the world.

New polytechnics and UTCs will play their part in leadership. They will be key to that change and will, we hope, close the skills gap.

1.36 pm

Lord Haskel (Lab): My Lords, I congratulate the noble Lord, Lord Lucas, on introducing this debate. I will start by telling your Lordships that I went to a technical college, or polytechnic. It was Salford Technical College before it became a university—which tells you

how ancient I am. In those days there were more than 100 technical colleges providing the kind of route that my noble friend Lady Morris described for non-academic young people such as me to train for work and to acquire specialist skills and knowledge. The cost was minimal and, yes, it helped me to get a good start in industry. As a preparation for a later career in your Lordships' House it was perhaps less effective—but that is for another debate.

Your Lordships' Select Committee on Social Mobility, reporting last month—and what a good report it is—made the point that the kind of non-academic, technical pathway that I enjoyed has been neglected and overlooked for years, leaving many young people struggling to find their way when they leave school, especially those who come from disadvantaged homes. Yes, there are FE colleges for full-time and part-time education, but they tend to concentrate on levels 2 and 3. The report describes the transition as complex and incoherent, with confusing incentives for both young people and employers. My noble friend Lady Morris mentioned this.

At first sight, bringing back old polytechnics could be an attractive way of making the transition. But that was then and this is now. The noble Lord, Lord Baker, told us that this is a time when robots, digitalisation and artificial intelligence are completely changing the nature of work: a time not only when manual jobs are changing but when professional jobs are being done by robots and thinking machines. In today's world of work, this kind of transformation is happening not only in making and building things but also in services, in medicine, in accountancy, in management, in transport, in teaching, in communications and in customer services. I read somewhere that last year one-third of law graduates were working at menial jobs after graduating. At the same time the Royal Academy of Engineering tells us that we are short of 40,000 engineers each year. The noble Lord, Lord Baker, mentioned this mismatch.

Employers keep telling us that in this modern world of work we require lots more of the softer and wider skills such as learning how to solve problems, engaging with others, working together and having the resilience to cope with change—because that is the world of work that people are going to move into. Preparation for this transformed world of work is more fundamental than just learning a skill or mastering a technology; it involves being schooled in its new way of life. So what is the best preparation? I am not sure that it is technical colleges; I think that it is technical schools. We have to start earlier to prepare young people for this changing pattern. Because the Government now provide funds for innovation for new types of schools, schools are being introduced to address the situation, including studio schools, university technical colleges—as mentioned by the noble Lord, Lord Baker—and specialist schools.

The noble Baroness, Lady Redfern, and the noble Lord, Lord Baker, told us how well UTCs were working because the curriculum includes design and digital technology, electronics, IT and systems controls. These are being learned at school, not at technical college. The curriculum is designed to develop the human as well as the technical skills that pupils are going to need. As the noble Baroness told us, employers introduce projects into these schools. The universities mentor

students to help them with the complexities of moving from school into working life, and they are prepared for working life because at UTCs pupils already do a full nine to five working day.

As the noble Baroness told us, this kind of curriculum and schooling produces a stream of young people who are welcomed to the world of work because they are more employable, better prepared—and better prepared to cope with the growing world of self-employment. I suggest that there is a lot more value for money in technical schools than in new technical colleges. I know that some of these schools have failed, especially studio schools, but that is what happens with innovation: some ideas succeed, some do not. Finding what works is never a straight path; sometimes you require trial and error. My view is that we should persevere with the technical schools and UTCs because they are beginning to show their worth and will deliver more value for money than new technical colleges—and that is from somebody who went to a technical college.

1.42 pm

Lord Pearson of Rannoch (UKIP): My Lords, I rise briefly to remind your Lordships of my experience from 1983 to 1992 in our former polytechnic sector. All the degrees in that sector were validated by the Council for National Academic Awards, upon which I was the sole representative of commerce, and of which I was the honorary treasurer from 1985 until it was wound up in 1992.

In those days, the CNAA and the polytechnics had responsibility to the Secretary of State for all our teacher training courses. When I managed to infiltrate myself on to the relevant committee, I was shocked to find that our mission statement was to “permeate the whole curriculum with issues of gender, race and class”. Perhaps that is where much of our political correctness comes from today. I was also shocked to find that, generally speaking, our social sciences departments were weak and dominated to an unhealthy extent by the serious left. For instance, we favoured external examiners in these soft subjects who declared on their CVs that they were Marxists. I fear that our students were given a very unbalanced education.

In 1992, the polytechnics were given their own royal charters, were thus miraculously turned into universities in their own right, and the CNAA was abolished. I have no idea how their social science departments have performed since, but I bet that some of them are still not much good today.

Our last polytechnic experiment in 1964 consisted of taking the former technical colleges, which were excellent, and bolting on the new poly departments, which were mostly not. One obvious problem was finding enough good-quality social science lecturers to come into the new system of 29 polytechnics. However, throughout the 28 years of that experiment, most of the technical departments—engineering and so on—managed to stick to their guns and offer their students a rigorous education. I imagine that many of them still do in their newish universities.

My plea to the noble Lord, Lord Lucas, and the Government is to not make the same mistake again. If we need to address our technical skills gap—and we

[LORD PEARSON OF RANNOCH]

clearly do—please let us be wary of doing it through another polytechnic experiment. Let us do it through encouraging the best technic departments to expand and be emulated elsewhere. If necessary, let us set up new and prestigious technical colleges, if we can find enough good teachers—I nearly said lecturers, but they should of course also be teachers. We should not let these be compromised by weak social sciences in the same institutions. I look forward to the Minister's reply.

1.46 pm

Lord Stevenson of Balmacara (Lab): My Lords, I congratulate the noble Lord, Lord Lucas, on having this debate and on his introduction, which set the scene very well. He has sparked responses from a number of us who will, I think, follow him part of the way, if not all the way, to where he is trying to get. It was also clever of him to arrange the debate for last business on a relatively light day, so that we each have a bit of time to expand our ideas. Last time I stood at the Dispatch Box for a QSD I had one minute to encapsulate the entirety of the debate. I was then criticised, not by the Minister who is here today but by another Minister, for not expanding my speech, because I obviously had so much to say. I pointed out that I had had only a minute and she was appalled by that. It is a silly way of doing business; we did not do that today and we are all the better for it.

I should declare two interests. The first is that I have three children still—unbelievably, after all these years—doing higher education. One is an economist now and is going to be an accountant; one is still doing maths, I think; and the third is a girl, doing engineering. The words from the noble Baroness, Lady Redfern, were very redolent. For your Lordships' interest, I can tell you that my daughter started in a class of 150 people; there were 120 men and 30 women. There are now fewer than that—only 20 women left in year three of a four-year course. I think that she has had many of the experiences that the noble Baroness mentioned. It is still an important qualification and I am sure that she will survive and become a productive engineer at the end of it.

I also declare that I was, for 13 years, secretary and academic registrar of a polytechnic. It was not actually called a polytechnic until just after I left, ironically, because it was in Scotland—Napier College became a central institution which, although different in name, was really identical to the polytechnics in England. We had a range of higher national diplomas, which were gradually converted to CNAA-validated degrees. I am sorry that I did not run into the noble Lord, Lord Pearson, as I could have given him a run for his money on some of his thoughts on Marxism. The CNAA was not the body that he described—I think that it was a lot better than that, but we can discuss that later.

The key element of the courses that we offered—it was as true of the HNDs and HNCs as it was of the CNAA degrees—was that they were sandwich courses. A question that has come through today loud and clear is: what happened to sandwich courses? Thick and thin, it did not matter. Whatever the filling and

whatever the size of the sandwich, they were good things. They were consumed avidly by students—my metaphor is going to run out but I will carry on a little further. The great thing for me observing it all was that the nature of the student experience changed as they went out into the street and then came back. In other words, they went out after a year or 18 months within the college and, when they came back having had industrial placements, they were different. They had motivation, they had commitment and they did much better in terms of student activity.

Like my noble friend Lady Morris, I think that we lost a great deal when the binary divide was abolished—the regionality, the vocational routes, the sandwich elements. One thing that I do not think anyone has mentioned but which was important is that we always felt proud of the fact that every student was taught in our institution by a trained teacher. In other words, the FE ethic—which carried forward into the polytechnics—that teachers were teachers and not just lecturers was put into practice by making sure that they all had a course of teacher training, which was very valuable.

This Question is narrowly focused on the need to get support for,

“a new generation of polytechnics to address the technical skills gap”.

It needs a bit of unpicking, as a number of noble Lords have said. We should remember that when the polytechnics emerged in the 1960s there was a national admissions system and a national grant system, ensuring that we enjoyed not only world-class universities but a world-class university system. It is important to point out the difference between the institutions and the system within which they operated, very much under the control and guidance of the department and the Ministers concerned. It was sad to see the further decline of our universities in the rankings, published in the papers today, both in terms of numbers and the rankings they occupy. Perhaps the Minister might comment on that when she replies.

We are having this debate in the context of the possibility of there being a higher education Bill. It has been widely trailed as possibly being in the Queen's Speech due to come to this House in a couple of weeks' time. I hope, therefore, that some of the points raised here might be brought through into that debate. It is important that we get our principles right. We have an academic tradition, as I mentioned, but we are also living, as the noble Lord, Lord Haskel, said, in a world that is very different, a world that is turning east, where technology is moving faster than ever and we in Britain need new answers to help us collectively earn our way to a better standard of living.

In a country where our living standards are under such acute pressure and the deficit still looms so large, innovation is really the only route we can possibly plot out of austerity. We need a high-productivity, high-skilled, innovation-led economy. That is why our universities and higher education institutions are so important. They are the powerhouses of the knowledge economy. They need to be bigger, stronger and more central to our economy in the years to come. Britain needs to put

science and innovation at the heart of a strategy for long-term economic growth. Unless we grow smarter, we will grow poorer.

The first principle we should bear in mind is financial sustainability. We need good research and good teaching, which need good and sure foundations. I do not think that the current student loan system, which is effectively a voucher system that pays for all our universities and, indeed, part of their research, is going to work. It does not pass the test or take the trick. It is storing up debts of perhaps £80 billion or £90 billion—a fiscal drag that will not be repaid. It is now as expensive to operate as it was when students were being charged a third as much. I do not think it is sustainable. I would welcome a comment from the Minister about whether this will continue in her long-term thinking.

The second test is: what is good for our science base, our store of knowledge and wisdom, is good for the country. Whatever is proposed for the future must pass that simple judgment: is it good or bad for science? While other powers, emerging and established, are investing in science like never before, we are cutting science spending across government with the current cash cap system, according to the Campaign for Science and Engineering. We really must rethink this. If we do not have the R&D spend, we will not have the science or the opportunities for young people to get involved in it, and we will be the losers. What are the Government's plans to try to redress that balance?

The third test is student choice. Are we really offering students a sufficient, real choice of pathways to higher-level skills? We do a decent job of getting A-level and, in Scotland, Higher students on to an academic route to university, but we do a terrible job on apprenticeships. We certainly have yet to crack the problem of how to produce a degree-level route for those people. It may be that the new Institute for Apprenticeships will help but it is unclear because we have yet to hear much detail about it. Perhaps the Minister will be able to give us a bit more when she responds.

For example, firms such as Rolls-Royce train 50% of their apprentices to degree-level skills but we as a country manage just 6% overall. This is not right and must change. We must do more for both the individuals and the country. It will be a much bigger task than simply addressing individual points. We need to think about credit accumulation so that people can get moving between institutions, if that is what they want. We have to reform FE, as a number of noble Lords have said, as a second-chance alternative for those who missed out when leaving school, but also to continue the good work at levels 2 and 3 and sometimes 4 and 5 that FE colleges do. UTCs, which we have been talking about, offer so much but they need scale and we need to support them as much as we can. We need to reverse completely the collapse in the number of part-time students and the course provision for part-timers, which has been so starkly brought out in the past couple of years, mainly because of the changes to fees. That is a tragedy for many people and a disaster for the economy.

However, this is really mainly about my fourth principle: the skills base. We have regional skills gaps opening up and we must have a bigger conversation

about what we really mean to do about them. Simply calling for a new class of institution will not do it. Education for education's sake is an important part of what we have always held and cherished in our country, but a good job is fundamental to the way in which we can live our lives and the paradigm that we must live them under. Right now, half our graduates are not in graduate-level jobs. How did that happen, and is there any way in which we might get ourselves out of it?

As I said, institutions might be an answer to that, but it is more about a determination, as many noble Lords have said, to fix this long-running problem which we have with vocational courses. In this country we still think that vocationality is somehow second class. We have to change that culture. We still have to turn engineering away from being a male profession to being the envy of all the courses that people could do, because it provides brilliant jobs and of course helps with our economy. We have to ensure integrated transferability across the sectors and must make sure that funding will enable policy changes to be made, not just be responsive to students.

Finally in this list of woes—the noble Lord, Lord Baker, said this first but I want to repeat it—it all starts in the school. If we do not get the schools right, we will never have that spark in the pupils who are coming forward. It will not happen unless properly trained STEM teachers are used. We have to rework the curriculum.

Lord Pearson of Rannoch: My Lords, does the noble Lord agree that the soil in which the root of our education system feeds is really teacher training, and that then you get to the schools—the primary schools and so on, all the way up?

Lord Stevenson of Balmacara: I can agree with the noble Lord on this point. Teacher training is the key to it but it has to start with primary education.

My time is running out. I would like to go on about social mobility and other points but I will end with just one thought. Perhaps the Minister could respond to this. In a speech today, the director-general of the CBI covered a range of issues on which she felt that the Government could do more in terms of an industrial policy. This is outside the brief of this debate but she mentioned in particular the need to get a grip on skills strategy. She called for an ambition that she says she has not seen yet in government. When the Minister comes to respond, can she tell us what that ambition is and whether it really exists within the Government today?

1.57 pm

Baroness Evans of Bowes Park (Con): My Lords, I am pleased to answer this Question for Short Debate and am grateful to my noble friend Lord Lucas for initiating it and to all those who have contributed. The debate has been extremely interesting and is very timely. First, it follows the excellent report by the Social Mobility Committee that was led by the noble Baroness, Lady Corston. The noble Baroness, Lady Morris, was also a member of that committee, which made a strong case that improved technical education

[BARONESS EVANS OF BOWES PARK]

could be a powerful tool to create opportunities for the most disadvantaged young people in our country—a point made again during today's discussion by the noble Lord, Lord Haskel. Secondly, the Government have made clear their view that our technical education system needs to improve significantly to meet the challenges we face in ensuring that we have a highly skilled and competitive workforce. Again, all noble Lords speaking today have highlighted this issue.

There is real excellence but the system is confusing, sometimes lacking in quality and too often divorced from the workplace. We accept the analysis of the OECD that our tertiary education system does not produce enough people with technical and professional qualifications specifically designed to meet labour market needs. Fewer than 10% of our tertiary-level students are studying non-degree technical courses, which is well below international norms. But while we continue to face challenges, steady progress is being made through the system.

At school level, as my noble friends Lord Baker and Lady Redfern and the noble Lords, Lord Haskel and Lord Stevenson, all pointed out, UTCs are starting to make a difference. The 59 UTCs open or in development will create opportunities for more than 35,000 young people to integrate academic study with real, practical learning within a high-quality technical and professional curriculum. This offers young people a choice and we are committed to ensuring that there is a UTC within the reach of every city.

Our new careers and enterprise company is also supporting greater engagement between employers, schools and colleges. We want to ensure that all young people have access to the broadest careers advice, so that they are aware of all the opportunities open to them—academic, vocational or directly into employment—and that, as the noble Lord, Lord Stevenson, says, no route is considered second class.

In the last Parliament, we supported more than 2 million apprenticeship starts, while at the same time creating clearer and more rigorous standards for what an apprenticeship should be. We removed thousands of vocational qualifications from the scope of funding and recognition in league tables because they did not offer adequate progression for learners. The noble Baroness, Lady Morris, and my noble friend Lord Baker, also talked about the importance of encouraging level 3 and above skills training. To that end, we have introduced apprenticeships at those levels, and higher apprenticeships are being delivered, with nearly 20,000 starts in the 2014-15 academic year. We are working with employers and universities to further develop degree apprenticeships, which will allow individuals to study for a degree while progressing in their careers.

From September, we are introducing loans for learners studying high-level technical programmes in further education. The Government accept that there is further to go, which is why, last October, the Minister for Skills invited the noble Lord, Lord Sainsbury, to review the state of technical education in this country. The noble Lord's interest and expertise in this subject is

well known, and he has put together an expert panel to reflect the views of employers, universities and FE colleges. The panel has consulted widely.

Although I am afraid I cannot provide details today and let the cat out of the bag, I can say that the review is of the quality one would expect from a panel chaired by the noble Lord. It has not been shy about being clear about what the problems in the system are and has specific, clear proposals for change. I reassure the noble Baroness, Lady Morris, that one of the focuses of his work is how we bring coherence to leadership in technical education going forward. We will publish the report alongside the Government's response in due course.

We need a technical education system in which businesses and colleges work closely together with political support from all sides. When we publish our plans for vocational education reform, we will do so in the spirit of consensus. We want to seek the widest possible support for this. As we have heard today, I think everyone agrees on the challenges and on the need to make sure we get this right and that the worlds of business and education come together.

The core theme of today's debate is the institutions for advanced technical education. Broadly, this Government take the view that at present we do not have the right pattern of institutions to teach high-level technical education programmes at the level we all want to see. We have a very diverse university system, which is a source of strength despite the rankings that one noble Lord referred to today. We have universities and courses with strong vocational offers—whether in the ancient vocational disciplines of law and medicine or in more contemporary fields—but the focus of universities is inevitably on providing full undergraduate academic degrees and postgraduate qualifications.

As we have heard, further education colleges have long had twin purposes: to provide advanced education for the workplace and to provide second chances to adults who had not mastered the most basic skills. Both matter, but the system has become too weighted towards the second—important though that undoubtedly is—and away from the first. We need to rebalance the system so that we have the right level of technical provision. However, as the noble Baroness, Lady Morris, said, it is not about going back to the past but about learning from the strengths of what we had in order to build on that going forward. That is why we are supporting two new types of institution.

First, there are national colleges, which a number of noble Lords mentioned. These will be specialist providers of education in key technical disciplines, which will help ensure the UK has the skills to support the delivery of major infrastructure projects. We have already announced support for national colleges in the areas of high-speed rail, digital skills, nuclear, the creative and cultural industries, and onshore oil and gas. The first national college students will start their programme in September, and by 2020 we expect the colleges to be delivering to around 21,000 learners.

We are also supporting the new institutes of technology to provide high-level technical education across a range of disciplines at local level. To create these, we will

invest in the best FE colleges to equip them to provide the quality and volume of education that are needed to produce a highly skilled and productive technical workforce. We will work with local government and businesses through the current area review of colleges to identify the best local option for an institute of technology. These institutes will have an important role, linking up other providers, including FE and sixth-form colleges, the national colleges and UTCs, as part of a system of professional and technical routes from education into employment. This new approach to technical education draws on the strengths of the past, to which noble Lords alluded, including the polytechnics, but with modern, focused organisations that will be able to deliver the high-quality technical skills that we in this country need to compete effectively in future.

Faversham Oyster Fishery Company Bill [HL]

Message from the Commons

A message was brought from the Commons that they concur with the resolution of this House of 4 May.

Haberdashers' Aske's Charity Bill [HL]

Message from the Commons

A message was brought from the Commons that they concur with the resolution of this House of 4 May.

New Southgate Cemetery Bill [HL]

Message from the Commons

A message was brought from the Commons that they concur with the resolution of this House of 4 May.

House adjourned at 2.05 pm.

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