Vol. 791
No. 157

Thursday
21 June 2018

PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS
OFFICIAL REPORT

ORDER OF BUSINESS

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

No proofs of Daily Reports are provided. Corrections for the bound volume which Lords wish to suggest to the report of their speeches should be clearly indicated in a copy of the Daily Report, which, with the column numbers concerned shown on the front cover, should be sent to the Editor of Debates, House of Lords, within 14 days of the date of the Daily Report.

This issue of the Official Report is also available on the Internet at
https://hansard.parliament.uk/lords/2018-06-21

The first time a Member speaks to a new piece of parliamentary business, the following abbreviations are used to show their party affiliation:

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

No party affiliation is given for Members serving the House in a formal capacity, the Lords spiritual, Members on leave of absence or Members who are otherwise disqualified from sitting in the House.

House of Lords

Thursday 21 June 2018

11 am

Prayers—read by the Lord Bishop of Lincoln.

Introduction: Lord Tyrie

11.06 am

The right honourable Andrew Guy Tyrie, having been created Baron Tyrie, of Chichester in West Sussex, was introduced and took the oath, supported by Lord Luce and Lord Turnbull, and signed an undertaking to abide by the Code of Conduct.

MV "Empire Windrush"

Question

11.12 am

Asked by ***Baroness Berridge***

To ask Her Majesty's Government what plans they have to introduce an annual celebration of the anniversary of the arrival of the MV Windrush on 22 June 1948.

The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, the Windrush generation answered the call to help the mother country in rebuilding our nation after the war. They and their descendants have contributed massively to national life; for example, they have inspired and entertained as British entrepreneurs, nurses, musicians and athletes. I have had the pleasure of working with key stakeholders, including my noble friend Lady Berridge and the noble Baroness, Lady Benjamin, to celebrate this landmark moment. On Monday, I was pleased to announce that we will continue to celebrate Windrush Day every year on 22 June, starting tomorrow. We will work with the Windrush Day panel of key stakeholders to provide a £500,000 grant every year to support these celebrations and ensure a lasting legacy.

Baroness Berridge (Con): My Lords, I am delighted that Her Majesty's Government have announced 22 June as Windrush Day every year and significant funding to match that. I am grateful to my noble friend the Minister for mentioning the contribution of nurses because, less than a fortnight after the arrival of the MV Windrush, the National Health Service was founded. I would be grateful if the Minister could outline what plans Her Majesty's Government have to add Windrush, as such a significant marker in our country's history, to the national curriculum so that its contribution can be taught to the next generation.

Lord Bourne of Aberystwyth: As I said, my noble friend has contributed massively in this area. She is absolutely right about the continuing importance of those people to our great National Health Service, which is celebrating 70 years this year, just as Windrush landed here 70 years ago tomorrow. On education, I have been speaking with the Department for Education, which is keen to ensure that we recognise this as a part of all our histories. Arthur Torrington from Windrush 70, who gave a hallmark lecture in St Margaret's Church yesterday, has been supplying materials to the Department for Education, so that is being taken forward.

Baroness Benjamin (LD): My Lords, on behalf of Windrush pioneers and the Windrush Foundation, of which I am a patron, I congratulate the Government and the Minister on answering our pleas to create an annual Windrush Day as a legacy of the Windrush generation. This will make Caribbean people, who for not just the last 70 years but centuries have worked hard to make Britain great and prosperous, despite suffering indignity, abuse and heartache, finally feel appreciated. Will the Government consider commissioning a Windrush memorial, perhaps at Tilbury Docks, as a permanent reminder of this important part of our history, especially for the sake of our children?

Lord Bourne of Aberystwyth: My Lords, the noble Baroness is a magnificent example of the people of Caribbean descent in this country. Throughout this campaign, her smiling presence has been very welcome. She makes powerful points. Of course, our £500,000 budget will be significant in ensuring a lasting legacy. Obviously, her points will be heard and we always pay great attention to what the noble Baroness says.

Lord Morris of Handsworth (Lab): My Lords, while I appreciate the need for some recognition of the day, the fact of the matter is that the Windrushers I spoke to in Speaker's House earlier this week, one of whom was actually on the ship, want reparation and the opportunities they have lost to be taken into consideration.

Lord Bourne of Aberystwyth: The noble Lord is, again, a marvellous example in our national life of what many of Caribbean descent have succeeded in doing in this country. I too had the great privilege of meeting the Windrush survivor—very few people who were on that boat are still alive, but he was very much alive and it was great to see him in Speaker's House. The noble Lord will know that compensation is being made available for some of the issues that arose relating to Windrush, about which we have all been outraged. The Home Secretary has made it very clear that he is also looking at a hardship fund, in response to a point that the right honourable Member David Lammy raised in the other place.

Baroness Nicholson of Winterbourne (Con): Would the Minister agree that, since the Windrush generation has made such a unique contribution to British life—I speak as someone who succeeded with the very first Windrush case approximately 10 years ago, which gave me some astonishment; when other cases followed I was amazed—and given their tremendous success, particularly with the hostility they faced at the very

[Baroness Nicholson of Winterbourne]
beginning, which I recall well, because they came from a different place, is it possible to use their skills and experience to broaden British tolerance? We are, after all, approximately the most tolerant nation on the globe, but given the very great variety of our nation we can always use more understanding of tolerance. This generation and its descendants are uniquely positioned. They faced hostility, overcame it and made huge contributions.

Lord Bourne of Aberystwyth: The noble Baroness is absolutely right. There are many issues that we still have to deal with. We should not be too complacent. We have a great record on tolerance, but the Prime Minister has been very keen, for example, to proceed with the race disparity audit. We are considering responses on consultation to an integration Green Paper. But it is absolutely right that we celebrate the magnificent contribution of this community. Later on today I will be in Tilbury; tomorrow I will be in Lambeth. Activities are going on around the country to mark Windrush Day this week and certainly tomorrow on Windrush Day itself.

Lord Wallace of Saltaire (LD): My Lords, the Minister will recall that well before the Windrush arrived, people from the Caribbean contributed a great deal to our war effort in both world wars, with several thousand members of the West Indies regiment, particularly in the Palestine campaign, in the First World War and in all three services in the second. Given that one of our major aims in our commemoration of the centenary of the First World War has been to educate the younger generation about the contributions their ancestors made, is he confident that in our commemoration so far and in how we are planning the end of the First World War's commemoration, we are paying sufficient attention to the role of not only Caribbeans but the 1.5 million members of the Indian army in the First World War?

Lord Bourne of Aberystwyth: My Lords, yes I am. The noble Lord is absolutely right to stress that. As he says, there is another great celebration this year—the 100th year commemoration of the end of the First World War. It is important that that is carried forward. It is also important in terms of education, which was touched on earlier by the noble Baroness, Lady Berridge.

Lord Bassam of Brighton (Lab): The Minister said earlier that there would be a hardship fund. We understood that a compensation scheme was being established. Can he give some details of that compensation scheme, because that confusion needs to be clarified?

Lord Bourne of Aberystwyth: My Lords, I think that the record will say that there is a compensation scheme and a hardship fund is being looked at. If I did not say that, it is certainly what I should have said—but I believe that I did. The Home Secretary is looking at that. Compensation is in progress. I will ensure that a letter giving details of how that is operating is sent to noble Lords and a copy placed in the Library.

Lord Roberts of Llandudno (LD): My Lords, would it not be good to have a total reform of the Home Office immigration procedure to make sure that the Windrush dilemma never happens again?

Lord Bourne of Aberystwyth: My Lords, the noble Lord speaks powerfully on immigration and refugees, but it is well beyond my pay grade to rewrite Home Office procedures, not least since it is not my ministry.

Baroness Smith of Basildon (Lab): My Lords, I am grateful to the Minister. I think that we all welcome the celebration of the Windrush generation and the recognition of their work and their contribution to this country. However, as he will have heard, there is still great concern about the scandalous treatment of people of that generation. For many, the scars of that will take a long time to heal. How many cases remain outstanding and how many people have been deported where their cases have been resolved or deportation notices have been withdrawn?

Lord Bourne of Aberystwyth: My Lords, as I have indicated to the noble Lord, Lord Bassam, I will cover in writing the detail of some of the points that the noble Baroness raises. She will be aware that the Home Office and the present Home Secretary are setting about putting this right with some gusto and determination. Sixty-three cases were initially identified. Not all those are necessarily of people who had British nationality, but the Government are looking at 63 Windrush cases in some detail. The noble Baroness is right that this needs putting right, and successive Governments have not done that. From the outrage that was rightly expressed about this, there is a clear message from the British people that we need to get it put right. I do want in any way to minimise the challenge, but, meanwhile, an important celebration and commemoration will be going on every year on Windrush Day.

Turkey: Pride March

Question

11.21 am

Asked by ***Lord Scriven***

To ask Her Majesty's Government, in seeking to uphold and promote global human rights, what support they have given, and what representations they have made, to the organisers and Turkish authorities about the Pride March and celebrations in Istanbul in June 2018.

The Minister of State, Foreign and Commonwealth Office (Lord Ahmad of Wimbledon) (Con): My Lords, we have spoken with both the Turkish authorities and the civil society organisers of the Pride march to underline our strong backing for the event. We also urge the authorities to allow it go ahead. Our embassy in Ankara has long supported the LGBTI community in Turkey and we readily urge Turkey to work towards full protection of fundamental rights, including with respect to freedom of expression and assembly.

Lord Scriven (LD): I thank the Minister for that reply. He will be aware that, for the past few years, this demonstration has been stopped by the Turkish authorities using both tear gas and rubber bullets. In light of that, will the Government commit to do three things before the march on 1 July: first, to write a letter of support to the organisers, who would welcome that so it could be read out on the day; secondly, to ensure that the flag is flying above the consulate building in Istanbul for the whole of next week; and, thirdly, whoever wins the election this weekend, to send a strong letter to the President stating clearly that the UK Government support the march and will take a very dim view if it is broken up as it has been over the past few years?

Lord Ahmad of Wimbledon: My Lords, I know that the noble Lord has spent a fair deal of time in Turkey, speaking to civil society groups. I assure him that we are working closely with them. On his three points, of course I will take them back. On the second point, about raising the flag, he will be aware that the flag was flown most recently on 17 May, marking the day the world united in standing up against homophobia and other phobias focused on the LGBTI community. On the election, he will be aware that a state of emergency still prevails in Turkey. We have been assured by the President that it will be lifted. I assure the noble Lord that we continue to raise fundamental human rights across the piece, including LGBTI rights, consistently and constantly with the Turkish authorities.

Lord Watts (Lab): My Lords, is the Minister aware that Kurdish leaders, community members and journalists are being arrested and that, when they are arrested and released, they are charged for the time they were in prison? What does the Minister think of this practice and what will he do to put pressure on the Turkish Government to stop it?

Lord Ahmad of Wimbledon: I am fully aware of the issue and the clamp-down on journalists in Turkey, not just Kurdish journalists but more generally, is something we have raised consistently. The noble Lord will be aware of the issue around other human rights defenders, including Amnesty International. I assure him that the Prime Minister, in her last meeting with the Turkish President when he was visiting London, raised the issue of the freedom of the press and of journalists being held and detained directly with him. He may well be aware that today sees the latest hearing in the trial of the current leader of Amnesty International in Turkey, Mr Kilic, and our embassy in Ankara has sent representation to that hearing.

Lord Collins of Highbury (Lab): My Lords, when President Erdogan met the Prime Minister, they agreed to stress the importance of human rights. Mark Field, the Minister, in the debate earlier this month said that the Government were keeping under review whether Turkey should be a human rights priority designation country. How active is that review, bearing in mind the ongoing situation with human rights abuses which are getting worse since he met the Prime Minister? How exactly is that review being conducted?

Lord Ahmad of Wimbledon: As the noble Lord will be aware—and I speak as a human rights Minister—30 countries are highlighted as part of our human rights report annually, which focuses not just on those countries with the worst types of human rights abuse across the piece, but also countries that have shown some degree of progress and where the United Kingdom exerts influence. The noble Lord will know that, irrespective of whether countries, including Turkey, are on that list, we constantly raise all matters relating to the suppression of human rights, be they on the LGBTI agenda or on press freedoms and other human rights defenders, and we will continue to do so. I assure him that we work very closely with Turkey on various other issues, but that co-operation does not mean that we do not candidly and forcefully raise the issue of human rights directly.

Baroness Hussein-Ece (LD): My Lords, whoever wins the elections in Turkey on 24 June will have sweeping new powers as an executive President. The very significant and dynamic Turkish community in this country is paying very close attention to what is going to happen, particularly in our relationship with Turkey. Can the Minister give an assurance that future UK-Turkey trade talks will ensure that respect for human rights will be at the heart of any discussions?

Lord Ahmad of Wimbledon: The noble Baroness speaks very eloquently, and of course we take great pride in all our diasporas. We talked just now about the Caribbean diaspora, which is a pride of Britain—but all our diasporas are, including our Turkish diaspora here in the United Kingdom. That is an important part of how we deal with and strengthen our relationship with Turkey. We are a friend of Turkey and work with Turkey across issues of aviation security, counterterrorism and the importance of trade, and I assure the noble Baroness that the issue of human rights is central in all our discussions.

Baroness Falkner of Margravine (LD): My Lords, can the Minister tell the House whether the United Kingdom has raised the issue of general and grievous human rights violations in the Human Rights Council in Geneva?

Lord Ahmad of Wimbledon: As someone who regularly attends the Human Rights Council in Geneva, whether it is with Turkey or with all countries, I can say that our record will show that we consistently raise these important issues and the priorities which are often reflected in your Lordships' House. I assure noble Lords that I listen to them very carefully and then articulate them at the Human Rights Council.

Childhood Obesity: Yoga

Question

11.28 am

Asked by ***Lord Brooke of Alverthorpe***

To ask Her Majesty's Government whether they have made an assessment of the benefits of yoga for obese schoolchildren.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con): My Lords, while there is some evidence that regular yoga is beneficial for people with high blood pressure, heart disease, aches and pains, depression and stress, no central assessment has been made of its benefits for obese schoolchildren.

Lord Brooke of Alverthorpe (Lab): My Lords, I am grateful for the noble Lord's observation. Is he aware that the largest NGO in India, the Kripa Foundation, uses yoga as a means of attracting young drug addicts, drunks and people with HIV into recovery? Given the success there and the problems we have with our current obesity plan, which fails to get into the heads of young people—we have great difficulty in making connections so that they can become more self-aware about the need to take responsibility for their own health—might we explore methods such as yoga with them? It might be a means whereby they could take a closer look at themselves, their problems and the opportunities they have to make a better life in the future.

Lord O'Shaughnessy: I am not aware of the charity that the noble Lord mentioned, although after university I spent six months in India as a teacher. The school I taught in practised yoga with its children and it seemed to have a calming effect on them—which is just as well, because I am not sure my teaching skills had such an effect. I am sure many noble Lords know personally the benefits of yoga. It has not been proven to have any impact on obesity, although it has many other benefits, as the noble Lord pointed out. It is something that schools can and do use as part of their repertoire in the PE curriculum to provide exercise for children, although it does not count towards the moderate and higher levels of activity demanded by the PE curriculum.

Lord McColl of Dulwich (Con): Does the Minister agree that exercise does not deal with the obesity problem at all? There is only one way of dealing with obesity: eating less. Does he also agree that pregnant women who are obese transfer that tendency of obesity to their offspring by a mechanism, which we do not understand, called epigenetics? While we are on the subject, I congratulate the Minister on being a shining example of controlling his measurements. I have noticed that his waist measurement is less than half his height.

Lord O'Shaughnessy: I am wondering how my noble friend has made such an accurate assessment. He did not see my weight on the scales this morning. He is quite right. Of course, it is a combination of exercise and healthy eating, which is why there has been a push for both those things in our schools. There are great risks to pregnant women from being obese, not only to themselves with diabetes in pregnancy, which tends to reappear in later life, but in the impact on their children. That is why it is so important that pregnant women get good advice about healthy eating.

Lord Stone of Blackheath (Lab): My Lords, today is International Yoga Day, on which we are about to launch the All-Party Parliamentary Group on Yoga in Society. As with mindfulness, we will be offering staff here on the Estate, MPs and Peers courses in seated yoga and breathing techniques, which have other benefits besides tackling obesity. I ask the Minister and other noble Lords to sign up to such courses.

Lord O'Shaughnessy: I will bring my mat.

Baroness Jolly (LD): My Lords, as the Minister said, there really should be an evidence base before we pursue this too far. Does the department know whether there are sufficient teachers trained to teach children in yoga? Would there need to be appropriate safeguarding?

Lord O'Shaughnessy: I am afraid I do not know whether we know that. I suspect we do not. Yoga is an incredibly popular pastime for children and adults. Indeed, I think there are mother-and-baby yoga classes, which are also popular. I am sure safeguarding concerns will always be foremost when dealing with young children.

Lord Geddes (Con): Will my noble friend join me in wishing the noble Lord, Lord Brooke of Alverthorpe, a very happy birthday?

Lord O'Shaughnessy: I wish the noble Lord a very happy birthday and I hope he has done his sun salutations this morning.

Baroness Morgan of Huyton (Lab): My Lords, widening the conversation, when the NHS settlement is detailed in full, will the well-being of schoolchildren be looked at very carefully, particularly in relation to school nurses and the support that a lot of young people, particularly teenagers, need in schools and possibly are not getting sufficiently at the moment?

Lord O'Shaughnessy: The noble Baroness is quite right to raise that issue. Of course, it is something we are looking at. I also point to the pledge made in the children and young people's mental health Green Paper to dramatically increase the number of staff on mental health support teams, which are providing not just help for children who are in crisis or having difficulties but well-being skills so that they do not experience those problems in the first place.

Baroness Jenkin of Kennington (Con): My Lords, my noble friend will be aware that I am an enthusiastic advocate of the Daily Mile for schoolchildren. With the terrifying rise in obesity among schoolchildren, I hope it will be included in the updated childhood obesity plan. Can the Minister give us any idea when that plan might be coming?

Lord O'Shaughnessy: I am glad that my noble friend has highlighted that. I can confirm that the next chapter of the plan will be coming very shortly. We will be discussing some proposals on the Daily Mile in that plan.

Lord Dubs (Lab): My Lords, while yoga is undoubtedly important—although I know nothing about it—surely there is one simple point about childhood obesity: excessive sugar consumption, in drinks or elsewhere. We have to tackle that much more positively. I hope that the Government's new plan will do that.

Lord O'Shaughnessy: The noble Lord is quite right: it is not just sugar that is eaten but sugar that is drunk as well. The sugar levy has been a significant success. Half the drinks it applied to have been reformulated to reduce their sugar, saving 45 million kilograms of sugar being consumed each year. We have more to do on sugar reduction beyond fizzy drinks. We did not hit our target in the first year but we will take further action to make sure that we do so.

Lord Wallace of Saltaire (LD): My Lords, is the Minister aware of recent research by the Institute of Education of University College London that shows that communal singing in primary and secondary schools has a strong calming effect and improves concentration, discipline and everything else, yet many schools are losing their music teachers, leaving no one in the school with any music qualification? I declare an interest as a trustee of the VCM Foundation.

Lord O'Shaughnessy: I understand that the noble Lord is a member of the parliamentary choir, so he is a living example of the benefits of communal singing, or maybe not. I am sure he is very tuneful. The noble Lord is quite right: singing and, indeed, all arts are good for the soul and should be part of the school day.

Cannabis-based Medicines

Question

11.36 am

Asked by ***Baroness Meacher***

To ask Her Majesty's Government what the terms of reference will be for the expert panel of clinicians to advise ministers on applications to prescribe cannabis-based medicines.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord O'Shaughnessy) (Con): My Lords, the commission from the Home Secretary is clear: he has asked Professor Dame Sally Davies to set up an expert clinical panel to provide advice to Ministers on licence applications made by a patient's medical team for the use of cannabis-based products. Professor Dame Sally Davies is currently establishing a clinical panel that will agree the terms of reference.

Baroness Meacher (CB): My Lords, I applaud the Home Secretary for his decisive action on medical cannabis. My Question relates to the second part of Professor Dame Sally Davies's review. Bedrocan cannabis medicines have been used very safely and successfully in Holland for more than 20 years and are used increasingly across Europe. These medicines are currently subject to 23 random controlled trials and are also approved by European manufacturing standards. Can the Minister assure the House that the terms of reference for the wider review—I am not referring to the initial piece of work—will include the need for the MHRA, which regulates medicines, to consider defining a special category for whole-plant cannabis medicines? This idea came from within the MHRA, so I do not think it is unreasonable. If the review fails to make these medicines available in this country, is the Minister aware that 200,000 people in the UK with uncontrolled epileptic seizures will continue to be further brain-damaged every single day? This is a matter of urgency.

Lord O'Shaughnessy: I am grateful to the noble Baroness for her question. Like her, I applaud the speed with which the Home Secretary and the Health Secretary have acted in this matter. It is incredibly important to think about the various stages and actions that have been taken. First, there is an urgent need for the panel which Professor Dame Sally Davies is setting to consider specific licence applications. The second part is to review whether there are therapeutic benefits of cannabis and cannabis-derived products. Then there is the evidence-gathering process, and all the relevant evidence, including the major piece of work done by the US National Academy of Sciences and the paper to be published by the WHO, will be collected as part of that. As the Home Secretary set out on Tuesday, it will make recommendations to the Advisory Council on the Misuse of Drugs subsequent to proposals for rescheduling. That will happen this autumn, if those proposals come forward.

If I may just take the time to say this, the noble Baroness raises a third issue, which is long-term horizon scanning for Schedule 1 drugs for which a therapeutic benefit has not yet been demonstrated but which may be demonstrated in future. We clearly need to set up a device to do that, and the MHRA may be the right vehicle. That is something we are considering.

Baroness Wheeler (Lab): My Lords, can the Minister update the House on the number of cases the expert panel is expected to consider? Assuming they are current cases, can we be reassured that they will be dealt with in a way that avoids the awful situation faced by Alfie Dingley and his parents and ensures they have the best possible medical treatment?

Lord O'Shaughnessy: I completely agree with the noble Baroness about the need for speediness. Frankly, at this point we do not know the number of cases. The Home Secretary said on Tuesday that the service will be up and running and receiving applications within a week of his Statement—so from next Tuesday onwards, with a panel constituted rapidly so that it can start considering them.

Lord Forsyth of Drumlean (Con): My Lords, will my noble friend pass on the good wishes of this House to the Home Secretary and the Health Secretary for the speed with which they have acted in making cannabis-based medication available for the treatment of certain conditions? However, will the Health Secretary also take steps to make people aware of the real damage that cannabis taken for recreational use can do to our young people, in particular creating paranoia and mental illness? It would be irresponsible for any Government to condone the use of recreational cannabis given the damage that is caused to our young people in some cases.

Lord O'Shaughnessy: I will pass on my noble friend's thanks to my right honourable colleagues. We agree with him that there is a very clear distinction: we know cannabis-based products can create harm but the question is whether they can also have therapeutic benefits. If they can, they need to be weighed in the balance and rescheduled appropriately. That does not diminish the negative impact that he has described that the recreational use of cannabis, particularly very strong strains, can have on young people.

Baroness Walmsley (LD): My Lords, I thank the Minister for showing that he quite clearly understands the distinction between recreational and medicinal use. Is he also aware that Epidiolex, which is medicine produced by GW Pharmaceuticals for epilepsy sufferers and which will soon be approved, will not help children like Alfie Dingley who have uncontrolled epilepsy seizures? I understand that the cannabinoid CBDV is very important to such sufferers, and there is none of it in Epidiolex. Will the Minister ensure that the review takes account of the special needs of the 200,000 patients with uncontrollable seizures? Will the panel be able to hear from patients as well as studying research?

Lord O'Shaughnessy: The noble Baroness makes excellent points. I know she has been deeply involved in the Alfie Dingley case and I thank her for her work on that. What we are discovering is that it is not the case that just one drug is going to fix this for the 200,000 people who are suffering. There is a need for variety. So it cannot be the case that just because one thing is licensed it is used for everyone; it needs to be specific to the needs of the patient, which is the noble Baroness's main point. The interim panel is there precisely to make decisions on an individual basis. It is a patch to the system, if you like, not a long-term change, which is why the review is in place so that we can ensure that many other products derived from cannabis, if they are proven to have therapeutic benefits, can be developed into drugs for the range of needs that are out there.

Lord Blunkett (Lab): My Lords, 15 years ago trials were undertaken, one of which led to a separate authorisation of a derivative from cannabis for MS sufferers. I have not been clear on this from any of the reporting, so will the Minister say what trials are currently taking place in this country that could be brought to fruition? What evidence can we very quickly obtain from trials and evidence of legitimate use for medicinal purposes from the rest of the democratic world? How can it possibly be justifiable for us to provide 45% of usage for derivatives from cannabis grown in this country but not to be able to use it ourselves?

Lord O'Shaughnessy: The noble Lord speaks with great wisdom on this topic. The problem, as he knows, is that these drugs have been in Schedule 1 and, although in theory that allows for research, in reality it creates a very cautious environment that makes research difficult. That means that apart from Sativex, which has been licensed, and Epidiolex, which is in the process of being licensed, there are very few, if any, other drugs actually going through the clinical trials process in this country because of the very tight rules that have governed usage. Other countries have of course relaxed their rules and developed that evidence, and it is precisely that kind of evidence base that will be considered by Professor Davies in her review.

Business of the House

Timing of Debates

11.43 am

Moved by ***Baroness Evans of Bowes Park***

That the debates on the motions in the names of Baroness Redfern and Lord De Mauley set down for today shall each be limited to two and a half hours.

Motion agreed.

Carers Action Plan 2018-20: Supporting Carers Today

Motion to Take Note

11.44 am

Moved by ***Baroness Redfern***

That this House takes note of the support available to carers and the *Carers Action Plan 2018-2020: Supporting carers today.*

Baroness Redfern (Con): My Lords, following the publication of the *Carers Action Plan 2018-2020: Supporting Carers Today* on 5 June, which supports a clear commitment to focus on carers in the forthcoming social care Green Paper, I thank all noble Lords taking part in this debate and very much look forward to hearing everyone's contribution. This timely debate on the action plan focuses on the immediate term and action for the medium term.

The question posed must be: how can we improve support for all our carers, young and old? Three in five people will become a carer at some time in their lives. There is no discrimination: carers come from all different backgrounds and ages and I am pretty sure that we all know one who is close to us. Identifying our carers in many instances requires sensitivity, as not everyone may want to be called a carer, because sometimes cared-for people see that as a loss of independence. There must be a piece of work that encourages carers to self-identify and to find practical incentives; and, importantly, that raises their pride, gives them recognition and instils confidence, so that they view the seeking of support as a positive act.

The need is there where—because of, say, a road traffic accident, a stroke or time moving on and an elderly relative becoming frail—carers are the indispensable family members, friends and neighbours within our community. They are the vital partners bridging the gap between local health and the care service, with an

amazing one in 10 of the population classed as carers. In some cases, unpaid carers are forgotten about, but their role in our society is vital. Caring for others should not be to the detriment of a carer's health and well-being. How can we do more to reflect their lives now, as well as supporting their health and financial concerns?

Caring for someone with a disability is a huge responsibility, and most people become carers because someone close to them relies on them, but too often we hear that many feel isolated and not valued. A simple family trip out can bring its own rewards, but it is not always as simple for people who are not able-bodied, so I am pleased that local authorities such as mine are stepping up to the plate and addressing this problem by providing Changing Places toilets in many of their facilities. Good local public services are the essential bedrock for physical and mental health, well-being and resilience.

As our population continues to age with more people living longer—many with complex needs—more carers will be needed and, it therefore follows, more needs for more carers. Today's debate is an opportunity to highlight and go some small way to help raise the profile of carers and caring within families and society in general. We must recognise even more the enormous contribution a carer makes, creating a clear framework that brings together local authorities and the NHS, producing an holistic approach to planning for the future and targeting resources, placing carers at the heart of any social care proposals. I am pleased that, in addition to the extra £130 million carers' breaks funding in the better care fund, there is a commitment in the *Carers Action Plan* to develop examples of best practice that can be circulated around local authorities to make sure that they all reach the highest standards.

Raising public awareness must have top priority for employers, public and all professionals, so that the rest of the population is made aware what carers do and how important their role is within their communities and the economy. It is important, too, for them to have access to financial support and, when the time comes, to support in returning to employment. In GPs' surgeries, a carer can gain that vital bit of information and advice and quickly be signposted in the direction of care support. One question asked many times in the context of continuity and connectivity is whether the Government could look at the possibility of a named social worker to be allocated to a carer.

The number of young carers in the UK has now risen by more than 10,000 in four years, with those aged 16 and 17 seeing the largest rises during the same period, up by 54% from 1,400 to 2,150. There are instances when young carers are unable to pursue their own aspirations because of the amount of caring responsibilities while, at the other end of the spectrum, others can experience a sense of pride and achievement. What is abundantly clear is that they need the right support at the right time. We must ensure that our young carers are not left behind, so action is required to ensure that they and their families are fully supported. Regular respite care, too, would allow time for study and other activities—raising awareness among teachers and schools about being backed up if they need mental health support and counselling. I am pleased that young carers are explicitly mentioned in the action plan and within the identification project—work with Carers UK to help to make sure that those young carers are found—and that the DfE has committed in its *Review of Children in Need* to making sure that young carers get the educational support that they need both in and out of school, so that their educational attainment is reached.

Young carers look after relatives who have conditions such as a disability, an illness, a mental health condition or a drug or alcohol problem. Most young carers look after one of their parents or care for a brother or sister; as they say, they are the hidden army. Their day-to-day responsibilities often include cooking, cleaning, shopping, and providing nursing and intimate personal care, as well as giving emotional support, financial management and caring for siblings. They can even be a crucial communication link by being the primary translator in a non-English speaking family, being responsible for GP appointments, and doing the cleaning and washing—so much to do.

We face population projections for England for people aged 65 and over rising from 9.7 million in 2015 to 14.5 million in 2035, a massive increase of 49%. Numbers of those aged 85 or more are projected to rise faster during this period, by over 122%, from 1.3 million to 2.9 million in 2035. Much of that increase is attributed to a projected rise in male life expectancy.

Another area where the right questions need to be asked is in the hospital setting, where hospital personnel need to ask more questions when working with vulnerable adults and adults with chronic or long-term illnesses, well before discharge. I particularly mention the emotional support needed for carers of people with dementia, who experience a constant strain and a great deal of distress, 24/7.

We have to make it everybody's business and, in so doing so, raise the profile, with this debate today being part of conveying all this information to help people, so that the public understand and stop and listen just a little bit more.

Finally, as we know, this year's Carers Week ran from 11 to 17 June and called on all communities, healthcare professionals, employers and the wider public to support carers to get connected to health and well-being services. It was a celebration of the enormous contribution that unpaid carers make to our communities. I am not forgetting our Armed Forces too—I hope that this can be conveyed to all local authorities so that they are also aware and so that the carers' message can be embedded into the Armed Forces covenant. During Carers Week, there were lots of intensive local activities and many awareness-raising activities across the UK, with carers receiving the recognition that they truly deserve. As carers' invaluable contribution deserves to be recognised, the message is very clear: identify early, supported by clear signposting, and get the right information and financial support at the right time, therefore avoiding any U-turns and culs-de-sac and making sure that carers are at the heart of all our future decisions.

Viscount Younger of Leckie (Con): My Lords, I have been informed that there is a minor adjustment required for the time limit for Back-Bench speeches for this debate, from 15 minutes to 14 minutes.

11.56 am

Baroness Pitkeathley (Lab): My Lords, I thank the noble Baroness, Lady Redfern, for securing this debate, for her introduction and for reminding us how personal caring is to most of us. Most of us will either be a carer, have been a carer, expect to be a carer or certainly know someone who is. That is hardly surprising since, today, 6,000 new people, new carers, will take up their role throughout the United Kingdom—there are 6,000 every day.

I have been involved with the carers movement for more than 30 years, from a time—I know it is difficult to remember now—when the contribution of so-called "informal" carers was barely acknowledged. Indeed, the word was not even in the dictionary and was frequently mispronounced as "career". So I have witnessed and been involved in many initiatives, such as the *Carers Actions Plan*, which aim to bring about important changes in the lives of United Kingdom's 6 million carers.

In the mid-1990s, there were three Private Members' Bills, each supported by the Governments of the day, which first gave carers statutory rights. I had the interesting experience of first being a campaigner lobbying Parliament on the first of those Bills and, by the time of the third one, being a legislator helping to work to pass it. Much later, there was what we call the "great leap forward" of the Care Act 2014, which further strengthened those rights and about which we were all extremely hopeful.

Alongside legislation there have been developments in strategy. The first national carers strategy was published almost 20 years ago and focused on improving the quality of life for carers through improved support and care. In 2006 came the New Deal for Carers and an updated strategy was published in 2008. This promised that, by 2018—this year, I remind your Lordships—the vision in that 2008 document would be universally recognised, so that carers would be valued as fundamental to strong families and communities and, specifically, as the document said:

"Support will be tailored to meet individuals' needs, enabling carers to maintain a balance between their caring responsibilities and a life outside caring, whilst enabling the person they support to be a full and equal citizen".

Few would claim that this vision has been achieved, especially not the carer I spoke to on Monday—a woman in her 70s caring for a partner in his 90s. "You get so lonely", she said. "People stop calling because he's so difficult. I've lost all confidence and feel I just lurch from one crisis to another with no one caring about me". No wonder that in the Carers UK survey, published for Carers Week, 70% of respondents said that their own mental health had been affected as a direct result of their caring. In addition, more than 60% said that their physical health had worsened.

Let me return to history. Little attention was given to the carers issue between 2010 and 2016, when the Department of Health sent out a call for evidence in anticipation of an updated carers strategy. Nearly 7,000 carers responded, but the strategy did not appear—caught up, no doubt, in the unexpected general election and the problem of social care suddenly becoming political dynamite. The Government recognised that this delay was causing much concern and, to their great credit, decided on an interim measure, the action plan, responding to many of the concerns which were expressed in the call for evidence.

The document is in fact more of a summary list of work being done or planned than an action plan, but it has none the less been welcomed by the carers sector. Three things in particular have found favour. First, there is the emphasis on the importance of cross-government working, recognising that the needs of carers go far beyond the remit of the Department of Health and Social Care. Other department Ministers have signed up to the action plan and have agreed to a core plan of delivery for the next two years.

The second thing that has been welcomed is exploring the possibility of dedicated employment rights for carers alongside the existing employment rights, mentioned by the noble Baroness, such as the right to request flexible working. This is further recognition that one of the most helpful things we can do for carers is to enable them to remain in paid work as long as possible or to return to employment at the end of their caring period, thus helping to prevent the poverty which is so often associated with caring.

The third welcome thing is the carers innovation fund, also mentioned by the noble Baroness, to develop creative and cost-effective models of support. This is linked with the implementation of the Care Act 2014, which, while it had great aspirations, has proved to be less helpful than we had hoped with regard to carers assessments or access to breaks, largely because of financial pressures on local authorities. The proposed single assessment process, which is being trialled in Gloucestershire, Lincolnshire and Nottinghamshire, will take into account the health and well-being of carers, as was always intended in the Care Act.

These initiatives are very welcome, but—and there are some big buts—the issue of additional resources to fund support for carers is conspicuously absent, which has been greeted with disappointment by the sector. The financial problems of carers themselves, which always feature very strongly when you talk to any carer, are also largely ignored. Carers constantly report severe financial problems because of the inadequacy of the carer's allowance, the complete inability to amass any kind of savings, and the increasing pressure to pay for any support service.

A carer I met last week, who is a 24/7 carer for her 89 year-old husband—she is 80—said:

"My local council is now charging me for the two hours' respite they give me each week"—

that is two hours out of her 24/7 caring. She continues:

"They say I can afford it. I can't, so we will have to do without it".

It is hardly surprising that her physical and mental health is, as she says,

"getting worse by the day".

She also describes herself as "confined by love", which is a reminder that caring takes place in an existing relationship of love or duty, or a combination of the two.

Some groups of carers are given more attention than others in the action plan. As it happens, we understand the needs of young carers very well nowadays, although there is a question about whether there should be any such thing as a young carer, since if proper support services were given, they would not need to step up to the plate. However, the needs of older carers, especially of spouse and partner carers, who often provide mutual support in an increasingly fragile arrangement, remain relatively overlooked and poorly understood. However, I am pleased that the Minister is committed to a twice-yearly review, and we must ensure that this continues to give momentum to a strategy for which carers have been waiting so long.

In my 30 years' experience, successive Governments have identified and signed up to the need to value and support carers. Given that most of us will be carers or cared for at some time in our lives, we all have selfish reasons for welcoming any such commitment. But as members of society too we must welcome it, since carers save all of us an estimated £132 billion a year—I am sure that your Lordships did not expect me to omit that statistic, because I quote it on every possible occasion—which would otherwise have to be found from taxation. Realising, as it now appears we must, that we shall all have to pay increased taxes to fund the NHS, we presume that this has to extend to social care and support for carers too.

The Carers UK survey showed that almost half the respondents were not sure whether they would be able to continue taking up and fulfilling their carers commitments if they did not get more support. That is a statistic to frighten us all. It is a time bomb, as I have said in previous exchanges in your Lordships' House. No Government in all my 30 years of working on this issue have, I believe, had such an opportunity as this current one—as they produce their Green Paper on social care so eagerly awaited by us all—to make carers central to the social care strategy, as the Secretary of State has promised.

Sadly, we have learned from the recent Statement that we will have to wait even longer for that Green Paper than previously anticipated. The action plan, welcome though it is, is insufficient on its own. The Government themselves have described it as merely a bridge to the social care Green Paper. As Sheila, a carer I was in touch with recently, said: "Is that all? What took them so long? There does not seem much meat in it to me. Am I missing something?". The Minister must assure the House today that a more fundamental commitment and achievable, very specific objectives will the follow this action plan so that carers do not continue to miss out.

12.06 pm

Baroness Tyler of Enfield (LD): My Lords, I congratulate the noble Baroness, Lady Redfern, on securing this debate and on introducing it so ably. It is also a huge pleasure and privilege to follow the noble Baroness, Lady Pitkeathley, who has been such a tireless champion of carers for so many years.

I am pleased that the Government have finally published the long-awaited Carers Action Plan. It goes some way towards recognising the needs of carers and providing support for them in the wider health and social care system. This is, of course, welcome. Yet, for the 6.5 million unpaid carers working in this country, recognition is not enough. Today, I want to focus briefly on three key areas where I feel the Carers Action Plan falls short and where action would make a real and measurable difference to the long-term health and well-being of carers.

When starting any discussion of carers, it is vital that we remember that caring comes in many forms. Some find themselves becoming a carer later in life as loved ones fall ill; this is a very different experience from that of the thousands of young people who take up a caring role barely out of childhood or even early childhood in order to support a parent or a sibling. Carers of disabled children face different challenges again. This distinction is vital as different types of carers require different types of support. I am pleased that the Carers Action Plan drew some distinctions here, particularly between carers in work and carers in school—but, as the noble Baroness, Lady Pitkeathley, pointed out, less so in terms of older carers.

We can, and should, do better at recognising the plethora of challenges that all carers face today. Many carers share profound fears about what will happen when they are no longer able to fulfil their caring role. It is worth noting that, despite these widespread fears, only an estimated 25% of families have felt able to make concrete plans about who should take over their caring role in the eventuality of illness or death.

Short breaks and respite care are crucial to support the mental and physical health of unpaid carers, not least because they can use this time to attend doctors' and hospital appointments for their own health, which is far too often neglected and often deteriorates due to the relentless nature of their caring responsibilities. Too often, carers I have spoken to have caring responsibilities that extend 24 hours a day, seven days a week. That is something we would simply not allow in any paid workforce. As a result of this experience, anxiety, depression and in some cases even suicidal thoughts occur.

During Carers Week a number of excellent events were organised. I attended one myself and spent time speaking to three women who were all caring for their husbands. They were doing an amazing job, and it was inspiring and humbling to talk to them. When I asked what would make a difference to them, they said somewhere to turn when they felt they could not cope. One of the ladies said that she had to tell her GP that she was having suicidal thoughts before she got any help, support and referral. Therefore, although there is a relatively brief reference in the plan to the need for respite and short-term care, the actual opportunities are still too often few and far between.

Respite care allows carers to recharge their batteries and deal with things that pile up in the course of caring. These can be basic things such as being able to pay household bills and deal with personal administration. Respite care is also vital for the carer and the loved one they are caring for to help relieve the pressure.

[Baroness Tyler of Enfield]
Frankly, it gives individuals space to process the emotionally challenging situation in which they find themselves.

Although respite care is offered through some local authorities, the service is not consistent, and nor are there procedures in place to claim it. It is particularly hard for carers who live in rural locations, such as the lady I spoke about who had to say that she was having suicidal thoughts before she got any help. Distance and the isolation make getting help so much more difficult.

This highlights the need to truly implement the provisions and spirit of the Care Act 2014, too much of which exists on the statute book in name alone and does not really impact on the day-to-day lives of those who need it most. Can the Minister say what specific steps the Government are taking to ensure that unpaid carers, particularly those in rural areas, are given adequate support and information locally about their right to respite care? I mean more than simply spreading best practice, useful though that is.

Turning to employment issues, I am glad that the Carers Action Plan addresses the need to change working cultures and offer more flexible work conditions for carers. However, I was frankly disappointed to see that the Government had failed to address the question of statutory leave for carers. I was very pleased to introduce—three years ago, I think—a Private Member's Bill on this subject. Although it did not get anywhere—it only had a First Reading—I still feel passionately about the need to address this issue.

In the UK today, many carers are forced to juggle their caring responsibilities alongside work. That leads to people having to make incredibly hard choices about whether to pursue their career and financially support their family or to care for a loved one. As we have heard, it is estimated that over 2.3 million adults have given up work to care at some point in their lives, and 3 million have reduced their working hours. Of course, the implications of this cut both ways. It damages businesses, which lose skilled staff, often at the peak of their careers, and it hurts the financial stability and security of carers and their families.

It is also worth noting that these caring responsibilities are not spread evenly across society. One in four women aged between 50 and 64 is an active carer, compared with one in six men of the same age. Therefore, the increased pressure that being a carer puts on an employee, often forcing them to take holiday simply to attend doctors' appointments or to care for a relative after an operation, falls hardest on women later in their career, and it can lead to them experiencing poverty in later life. The introduction of statutory leave for carers, which I see as a logical extension of things that we now take for granted, such as maternity and paternity leave, would help to relieve this pressure and allow this group to take back a greater degree of control over their lives.

As demographics shift and our population ages, the role of carers will become ever more prominent. We will soon reach a point in this country where half the population is aged over 50. We have a responsibility to ensure that unpaid carers are able to pursue a career alongside their caring role. Looking forward, this type of provision will become ever more critical—not least as we are telling people that they need to make provision for their own pension and social care as they get older—in determining how this country deals with our demographic shift.

Putting in place statutory leave for carers will, I think, be closely aligned with changing workplace cultures. I know that quite a few businesses now have enlightened workplace policies and offer their employees carer-friendly policies, including paid care leave—and they see the business benefits of doing that as well as the benefits for the individual. We are falling behind globally in this area. Such an approach to statutory care leave has already been shown to have tangible economic benefits in countries such as Poland and Japan. Will the Minister outline in her concluding remarks the Government's position on statutory care leave and explain why it was absent from the carers action plan? Will she agree to meet me so that we can discuss this issue further?

I was glad to see that the Carers Action Plan focused on ways to increase support for young carers. The recent Barnardo's report, *Still Hidden, Still Ignored: Who Cares for Young Carers?*, found that many young carers struggle to cope with the amount of pressure placed on them, emotionally and academically. Over 50% of young carers asked said that being a carer had impacted negatively on their emotional and mental health, making them feel anxious and worried. Not only is the role of a young carer hard but, as the noble Baroness, Lady Redfern, said, many young carers do not self-identify as a carer and therefore remain hidden. This makes it difficult for councils to fulfil their legal duty to identify young carers and carry out assessments that consider the impact on both the child and the whole family. The last census put the number of young carers in this country at 170,000, yet according to research done by the BBC and the University of Nottingham, the real figure may be four times that. I am pleased, therefore, that the Government have committed to undertake a review into the identification of young carers. Will this review include an assessment of how the Children and Families Act 2014 and the Care Act 2014 have impacted on the identification of young carers?

Finally, I will say a few words about funding. Adult social care is a vital council service that helps to transform people's quality of life and supports carers of all ages with a range of different needs. It has been estimated that it will face a funding gap that will exceed £2 billion by 2020 unless an urgent solution is found. Indeed, a recent report from the King's Fund estimated that £2.5 billion will be needed next year alone to keep adult social care afloat, ensure support for carers and ensure that those they care for do not get worse. The forthcoming social care Green Paper must deliver a sustainable solution that ensures the long-term future of social care and, ultimately, secures a future where carers and their families receive the right support, at the right time and in the most appropriate setting. It must also enable local authorities and the NHS to improve joined-up efforts to identify more carers and to offer them a proper carer assessment and plan, as well as the information, support and advice that they need.

I was very disappointed that Tuesday's Statement on NHS long-term funding was silent on the issue of adult social care, save to push the equally long-awaited social care Green Paper further back into the autumn. The longer we wait for a long-term funding solution to adult social care, the more services such as those I have talked about, including respite care and short breaks, will be lost in the meantime. The number of people who can be supported in their own home and community will be reduced, with immediate knock-on effects on the NHS. It is not rocket science: it just requires some political will.

12.18 pm

The Earl of Listowel (CB): My Lords, I join your Lordships in thanking the noble Baroness, Lady Redfern, for making this debate possible today and for introducing it in the very helpful way that she did. The noble Baroness referred to the ageing population, in particular men, and to dementia. As someone who has experienced dementia in my family, I recognise what she said. I want to highlight that, when one has adequate resources, very often one can keep a parent who is suffering from dementia at home—that was our experience—where they can have a very high quality of life. We need to support those supporting people with dementia so that, wherever possible, they can be kept at home and have the highest quality of life. We must recognise that that is possible and pay tribute to the care workers who do such outstanding work in making that possible.

I welcome the Government's action plan, particularly as someone who has been a live-in carer for an adult for three years. I also declare my interest as a vice-chair of the Local Government Association. I was especially interested in what the noble Baroness, Lady Pitkeathley, said about the importance of work. I know how important it was for me to be working during that period. I pay tribute to her for the 30 years or longer that she has been championing and doing very important work in this area. That leads me to ask the Minister a question. What is the policy in Parliament on supporting parliamentarians who are caring for family members or other vulnerable individuals? Are there support groups within Parliament which they can be pointed towards? Perhaps she would like to write to me on that. If we can provide the right support structure and policies in Parliament, it might help parliamentarians understand what is necessary more widely. But perhaps that is wrong.

As the live-in carer for a man with a severe and enduring mental illness who at times returns to a very early stage in life development, who was unable to clean himself or eat, who suffered from fears of persecution and was not prepared to take medication or engage with professionals, my reflections on the experience are that it certainly impacted on my mental health. As we have heard, 70% of carers experience this impairment. It also drove me to isolate myself; I would rather spend time on my own rather than reach out for time with friends. During the course of it I found that the more I asked for help for myself, the more I was able not only to deal with his care but to reach out to his friends to ask them to come in and to his wider family for support. I guess my reflection on that particular experience, for anyone who is reading this debate and in that position, is that you should ask for help, keep asking for help, reach out as far as possible for help, and there will be people there who will help.

I was very grateful that my GP registered him as an individual who had complex needs, both physical and mental. The GP highlighted to me that all the mental health services had been severely cut over recent years and that the day services which might have been available to him were not. What I found tremendously helpful was a support group I could attend regularly, where I could not only hear useful tips from others in a similar experience to mine—in the same boat as me—but get a sense that I was not alone in dealing with this.

I particularly welcome the attention that the action plan gives to young carers, to identifying them early and their support needs. My concern is that the resources might not be there to act on these action plans. Several noble Lords have already raised the issue of resources. A recent report from the Family Rights Group, the *Care Crisis Review*, has highlighted the situation for children and family services and child protection services. Local authorities, which deliver mostly statutory services, have experienced cuts of 30% to 40% in recent years, so non-statutory services—the early-help, preventive services—are the ones that have experienced very deep and severe cuts. As the All-Party Group for Children has taken evidence from directors of children's services, social workers, academics and young people over the past two years, we have heard that it is the early help that is being removed. It is not surprising that the president of the Family Division, Sir James Munby, has starkly outlined the steadily increasing numbers of young people who are taken into care as well as concerns which will accelerate over time unless more is done to intervene earlier and help families. I am concerned that once the assessments have been made, there may not be the resources to deliver on them. Can the Minister take away for consideration by the Minister for Families and Children and her colleagues who are looking at the funding for local authorities the deficit that is expected by 2020 of £2 billion for services being offered to vulnerable children and families?

I turn to foster carers, who one might not think fit into this category, but surprisingly they do because many of them are unpaid. Unfortunately, some are long-term carers who will look after a child or sibling group for several years, but they have no right to take a holiday. One might say that it is unfair to separate foster carers from their children, but these can be very challenging young people. It is incredible to me that they do not have the right to respite from the care that they provide. While I do not expect the Minister to respond now, will she write to me about what the Government are doing to ensure that all foster carers with long-term placements have the right to a certain amount of paid holiday each year?

I thank the Government for the work that they have been doing over recent years to support foster carers and others, particularly the introduction of the "staying put" provision in the Children and Families Act 2014. When speaking to foster carers recently, they said how

[The Earl of Listowel]
grateful they are for this. One man was fostering four or five children and he felt that two of them would need care beyond the age of 18. The "stay put" provision allows additional support to be provided until the age of 21 and he was very grateful that there would be money to help him meet the costs of caring for those children.

Church groups have proved to be extremely helpful in this area. It is not surprising that they should be, and they are playing an active part in finding new foster carers and adoptive parents, which is good to see. I should also pay tribute to the introduction by the Government of the adoption support fund. My noble and learned friend Lady Butler-Sloss chaired a Select Committee that looked into adoption which recommended a £5,000 annual support grant for adoptive parents and that was accepted. It is a helpful move on the part of the Government for those carers.

However, we can see that there is still a high turnover among foster carers and we need more of them to ensure that a range of appropriate and successful placements are available for young people in care. Again, I urge the Government to think about the terms and conditions for foster carers and to look at what needs to be done in order to demonstrate that they are being supported as they need to be in their very important work.

I repeat my thanks to the noble Baroness, Lady Redfern, for giving us the opportunity to debate these important issues and I look forward to the Minister's response.

12.28 pm

Baroness Browning (Con): My Lords, it is always a pleasure to follow the contribution of the noble Earl and I congratulate my noble friend Lady Redfern on bringing this important debate to the Floor of the House. I welcome the action plan, but like others, I agree that it has been described as a bridge because that is what it is: a bridge. It is what happens when we have crossed over that bridge, and the scene which unfolds before us, that will be the test of whether some of the challenges faced by carers have been met universally and across the piece.

Something that strikes one about the services available to, and support for, carers is the fact that it is inevitably patchy. In certain parts of the country, with certain types of caring needs, real progress has been made. However, provision in other parts of the country either does not exist at all or sometimes, even worse, for one reason or another the most bureaucratic barriers seem to have been put up.

I am sure that other Members will sense my frustration; I am sure that they have all experienced this. You often wonder why people always feel that they have to reinvent the wheel. Why do they not go to where they can see that service being delivered and that support being given, and bring it forward so that not everybody has to feel that they are starting from zero? Surely there is a role for not only the statutory services but government and local authorities to cascade best practice down, right the way through the system.

I should have drawn attention to my interests in the register, but I want to focus on a narrow issue. Like other Members, I want to pay tribute to the support given by the noble Baroness, Lady Pitkeathley, to the important service of caring for people. I remember attending a carers' meeting, which she oversaw, when I was first elected in another place. She asked me to do something. I said that I was happy to do so, and she said that it was because I was a carer. That was the first time that I recognised that I was a carer. For many people, something happens in their lives; they accept the responsibility and do their best, but they never quite realise that they are a carer. The way of life that you had changes for you and the person you care for. I guess that is life, but that support is essential.

Many years ago, probably in the 1990s after carers' assessments were brought in, I used to receive an assessment regularly. In the end, I am afraid, I used to just write on it in very large letters and send it back in the envelope. If the needs of the person that I care for were met, my needs as a carer would be much reduced. I want to touch on that aspect of care being implemented and providing the service for the person you care for.

Action 1.15, on page 14 of the action plan, goes into quite a lot of detail, which I welcome. It talks about,

"legal rights for personal health budgets and integrated personal budgets",

as well as the rights of people who are already in receipt of direct payments. I have been a great advocate and supporter of this issue; I still am. If the Government intend to expand rights, giving authority to the person in receipt of services so that they have more say and more choice and manage their funding, that is fine. I fully agree, but there is a real problem, which I can see expanding, not retracting.

Noble Lords may be surprised to know that in the last two or three months, I have had conversations in this House with three Peers, two of whom are carers. One is quite capable of self-advocating and provides the services that they need for their care, but in one case we are talking about somebody caring for somebody who cannot self-advocate and is certainly a vulnerable person. In all three cases, they have been unable to identify a service or person that can provide that care, to such an extent that they have almost felt like advertising on the internet—that is, putting up an open advertisement for somebody to come and provide an essential service. The local authority could not assist them in finding the right service or person and they had tried every avenue and could not do so.

With all due respect to Members of this House, most of us know our way round the system. If we, as carers, cannot find those services, what hope is there for people who are not so familiar with social services, the benefits system and dealing with agencies? It is a problem. As we expand direct payments and personal budgets, more people will find that they are on their own, trying to purchase the very services that are essential—even when there is funding behind it. That is a real worry. I say to my noble friend the Minister: I hope, as these various surveys encapsulated in the action plan and the action plan rollout and we cross the bridge, that the Government will look at the very

real practicalities on the ground that carers face every day. Carers who cannot help the person they are caring for get the essential services that person needs will themselves start to feel the very real pressure and stress of the caring role.

Another area associated with self-funding and direct payments is on the quasi-legal side. For example, if you have to go out on the open market to purchase a service for somebody and you end up making a one-to-one contract with an individual rather than going through social services or through agencies that would have carried out certain legal functions, there are things such as Criminal Records Bureau checks. How does the individual carer approach that challenge? Do all carers know what is appropriate in applying for a lasting power of attorney and what it means when they are named on the lasting power of attorney? They need advice and it needs to be timely, but who will take responsibility for making sure that those people carrying out this function get that advice at the right time?

I say to the Minister: yes, please let us have direct payments and independent budgets, but that is not an excuse for psychologically saying, "You're on your own now—get on with it; we've got other things to do". As the Minister will know only too well, a word we bandy about in this House quite often in debates is "safeguarding". It is as much a responsibility of a local authority to ensure that there is proper safeguarding for people managing their own affairs as it is for them to look at safeguarding people in residential homes. This is the detail of what happens on the ground. All too often when legislation comes in, this House and the other place never get to see how the detail is being implemented. We never get feedback until things start to go wrong and we start hearing that it is not working or that there are real problems. It is time, particularly for a House that prides itself on its scrutiny, to scrutinise the real detail of how this will work out.

On informal carers, the action plan talks a lot about volunteers. That is an excellent idea, but again, who are these volunteers? How will the carer know, when they invite a volunteer to look after a vulnerable loved one, just what their background is? The Minister must give attention to those sorts of details.

12.38 pm

Baroness Gale (Lab): My Lords, I thank the noble Baroness, Lady Redfern, for bringing this important debate before us. I will speak about carers who take care of people with Parkinson's. I declare an interest as I co-chair the APPG on Parkinson's. What I will say about those who care for people with Parkinson's will apply to carers who look after people with any progressive condition.

Support provided by carers is essential to the well-being of people with Parkinson's. There are challenges for carers of people with Parkinson's. They tend to be female, older and co-resident, with a long history of caring. The challenges of caring for someone with a progressive condition are profound. I know this because my father had Parkinson's and my mother looked after him for about 20 years. She would never have called herself a carer in those days. The term just was not used. She looked after him because she was his wife and she took great care of him. I am so glad that things have improved from those times.

One of the main reasons why people with Parkinson's are admitted to care homes for definite and indefinite periods is carer breakdown. Evidence from Parkinson's UK has shown that people with Parkinson's, their families and carers are not aware of the support available and often access it only at crisis points. The carers' strain report, published in January, found that almost 70% of people who care for someone with Parkinson's were in need of some form of respite care, while 30% were at risk of "burning out". The report also found that age, the stage of a person's condition, their mental health scores, swallowing problems, daytime sleepiness and delusions were all significantly associated with greater demands on carers.

Effective and timely treatment for people with Parkinson's, including addressing mental health needs, can go a long way towards reducing strain on carers. The issue of supporting carers is therefore complex and relates to a wide number of areas. Information about rights to assessment as a carer, and to reassessment when circumstances change, is particularly important. Information also needs to be targeted at seldom-heard groups, including carers in rural areas and those from ethnic minority communities. People need to be supported to access this information.

The *Caring about Parkinson's* survey in July 2016 looked at how social care is working for people with Parkinson's and their carers. It revealed that,

"76% of carers who answered the question 'have you ever been offered an assessment of your own needs?' had never received an assessment … 74% of respondents with Parkinson's and 59% of carers were unaware of their local authority's social care information service and many people with Parkinson's and carers did not know how to request a social care assessment".

No carer in the survey reported receiving access to preventative support, despite Care Act guidance which emphasises the value of such support for carers.

The *Putting People with Parkinson's in Control* study, published in February 2016, also found a consistent message that people with Parkinson's did not know what social care was available to them or how to access it. Getting access to social care at the right time can help reduce the number of crisis events, such as a hospital admission, or avoid them altogether. It can even slow down the need for residential or high-cost care and reduces responsibility on the carer. The *Carers Action Plan* also describes a desire to improve support for carers' mental health. This area is often neglected, but will impact on the quality of care provided.

The All-Party Parliamentary Group on Parkinson's conducted an inquiry, which I chaired, on improving mental health services for people with Parkinson's. The report was published in May. It is a totally neglected area; this type of report has never been undertaken before. We found that addressing the mental health needs of people with Parkinson's can reduce the strain on carers. At the same time, supporting better mental health for carers will impact positively on the care and support they can provide for people with Parkinson's.

The APPG report also lists many factors which prevent mental health needs being addressed effectively. These include delays in assessments, a shortage of

[Baroness Gale]
specialist mental health professionals, poor communication between services and an artificial divide between physical and mental health services. This divide is a big problem; if only it could be matched up, we would really improve services to people.

The *Carers Action Plan* notes:

"The Department for Work and Pensions will ensure that benefits for carers (including Carer's Allowance and Universal Credit) meet the needs of carers and support employment for those carers who are able to work".

This lacks detail, and there is no specified deadline for when this work will take place. Will the Minister be consulting stakeholders about any amendments to benefits to ensure that they meet specific needs?

Reform of carer's allowance is a priority, as carers need a fair income and support if they wish to work or remain in work. A solution would be to raise the earnings limit for carer's allowance, as the limit prevents many carers returning to work. Another would be to address the overlapping benefit rule that prevents those in receipt of a pension receiving the allowance. There should also be better information and advice about the benefits available.

The *Carers Action Plan* recognises the importance of working with charities and third sector organisations to create more "carer friendly communities". Parkinson's UK has an extensive support network. It has more than 440 local groups across the UK that support people with Parkinson's, their families and carers. These groups are run by volunteers who often have experience of Parkinson's. Local groups fundraise to support activities and provide such things as exercise, singing classes and respite for carers. It is a valuable resource and I know many charities carry out similar work.

There is a need for better data gathering to improve services. Parkinson's UK has sometimes found this a barrier when conducting its own research. For example, when undertaking the *Caring about Parkinson's* research, 63% of local authorities that responded to Freedom of Information requests were unable to provide any of the requested information. In most cases, this was because the local authority did not collect data by condition. If we have not got the data, we do not know what the problems are, so those problems cannot be solved.

Key improvements are needed: I suggest the following. We should ensure that social care is easy to access and information about it is prominently available on council websites. We should regularly offer people with Parkinson's, and their carers, assessments of their needs. We should improve mental health services for people with Parkinson's, and their carers, with attention to the condition-specific needs of Parkinson's disease. We should reform carer's allowance and improve the gathering of condition-specific data. Will the Minister look at these key improvements and read the report from the APPG, which is about people with Parkinson's who experience anxiety and depression? If she looks at the recommendations, I am sure she will agree that there is much that should and can be done, and I look forward to her response.

12.47 pm

Baroness Brinton (LD): My Lords, I, too, congratulate the noble Baroness, Lady Redfern, on securing this important debate. I will focus on two particular areas of the carers action plan. The first is carers of young people and children. I shall refer to them as parent carers, but it also covers other family members, foster parents and guardians. I also want to focus on young carers, given the complex lives they lead. While the carers action plan represents some progress for carer identification and visibility and carer skills, I have yet to be convinced that it addresses the everyday needs of carers across the country, especially those caring for young people and children. They face very different circumstances from those caring for the elderly, who are the vast majority of carers in this country.

The Care Act 2014 set out a clear pathway for implementing a cap on the cost of care. The lack of key skills, time or funds should not prevent anyone from accessing the care they need, above and beyond the time committed to them by their families. Half of working age carers live in a household where no one is in paid work, and nearly 30% have seen a drop of £20,000 or more in their household income as a result of caring. Frequently, they also have substantially increased heating and transport costs, and special equipment costs—carers and their families face significantly higher costs of living across the board than the rest of the population. We cannot allow the realities of the costs of caring to become a barrier to receiving care.

These families, particularly those caring for children and young people, have other support needs. But things such as short breaks are increasingly being cut by cash-strapped local authorities. The *Carers Action Plan* says:

"The Department of Health and Social Care will fund a project on actions to promote best practice for local authorities, clinical commissioning groups, and other service providers and commissioners on carer breaks and respite care. This will include promotion of the existing option for carers and individuals to use personal budgets or direct payments to help pay for alternative care arrangements while carers take a break".

Will Ministers make sure that short breaks and respite care for disabled children are specifically included within the scope of this project? Will the Minister review the funding of short-break provision for disabled children and their families?

The action plan also says:

"The Department of Health and Social Care will fund a project to support parent carers to navigate the transition from child to adult services as their child approaches the age of 18".

Will the Minister make sure that this project includes young people with life-limiting and life-threatening conditions within its scope? These young people often have to cope with a cliff edge in their care as they transition to adulthood—just at the point at which their health is deteriorating. Children's hospices provide crucial support for parents and carers, allowing them to take time for respite and preventing burnout, yet children's hospices receive, on average, 22% of their funding from statutory sources, compared with an average of 33% for adult hospices. Can the Minister commit to addressing this funding gap by increasing the children's hospice grant to £25 million per year?

Can she commit to producing a funded children's palliative care strategy that takes a family-centred and holistic approach to health, social care and educational interventions, many of which are suffering at the moment because there is not enough co-ordination between the different agencies involved?

The Disabled Children's Partnership, a coalition of 60 organisations campaigning for improved health and social care for children and their families, has identified the lack of collaboration between services as a major challenge for disabled children and their families. Will the Minister help to improve health and social care services for disabled children by providing an early intervention and family resilience fund? Will she commission a review of health and social care law to strengthen and clarify rights and entitlements for disabled children and their families?

The action plan highlights a programme in the works to train local communities to identify young carers, and this is welcome. It seeks to provide the public at large with the skills to correctly engage with young people and make sure that they are signposted to the services they need. According to estimates, there could now be more than 700,000 young carers in the UK. It is clear that schools become the primary stress point for these children. Some 27% of secondary school-age carers experience educational difficulties or miss school. More than 40% of young people caring for sufferers of addiction suffer educational difficulties. According to Family Action's 2012 report on young carers, most schools do not know about their pupils who are carers. Being a young carer can be a hidden cause of poor attendance, underachievement and bullying, with many young carers dropping out of school and achieving no qualifications. A 2012 survey for the Princess Royal Trust for Carers found that 68% of young carers experience bullying at school—that is shocking—and 39% said that nobody at school was aware of their caring role.

Schools must identify and support young carers. Teachers should be empowered to recognise the signs and reach out, and we must ensure that they have the knowledge to point students and parents in the right direction. As a primary point of social contact, the role of schools is especially promising for carers in the BAME communities. Critically, the action plan rightly points out in paragraph 3.4 the need to reach out to these communities, and schools have a clear role in doing so for young carers.

Many more even younger pupils are likely to have caring roles that go unnoticed. Nikki cared for her severely disabled son for more than 10 years until his death last summer. In her moving blog online, she recounts how she had to give up her career and tells of her social isolation while looking after her son with his debilitating illness. It was only after Lennon died that she realised the profound role her two young daughters had played in his care. She wrote:

"I had never thought of my daughters ... as being young carers and I had never identified them to … our local charity supporting carers … although their school did know about Lennon and that their home life was not 'normal' ... I thought you could only be a young carer if you were a child caring for their parent ... At a time when they should be out having fun with their friends, doing homework, and worrying about what clothes they should wear, young carers are busy helping out with cooking, cleaning and laundry, and providing both emotional support and physical care".

A young man aged 10 said to his respite foster carer when his mother was in a hospice with a terminal condition, "At least I can sleep at night because I know someone is watching if mum's still breathing". Nikki's story is a clear indication of how societal awareness and carer identification are and must be key aspects of any further action. It also shows that our aid and support for parent carers and carers returning to the workforce are severely lacking.

The action plan has one glaring omission. There is virtually no reference to any detailed projects for parent carers of disabled and severely ill young people and children. We must acknowledge the monetary, medical and emotional challenges faced by parent carers of disabled and ill children. In the case of bereavement in paragraph 1.2, we must provide support for the singularly devastating effects on parents and siblings. The special identification methods and support afforded to people with dementia and their carers should be expanded to parent carers, too.

After the death of her son, Nikki wrote:

"I applied for jobseeker's allowance, wanting to buy myself a little extra time to grieve before returning to some form of work. Only to be told that because I hadn't 'worked' in 10 years I was ineligible. Despite the fact that in those 10 years, I had worked harder and for many more hours than the average person. The fact that I had saved the government and the NHS hundreds of thousands of pounds by providing my son with hourly complex medical care counts for nothing ... You are told to man up—move on. Get a job. Pay the bills. Provide for your remaining family. Leaving the last 10 years a memory".

It is clear that the benefit and support structure is lacking, especially for parent carers. The plan includes the assurance:

"The Department for Work and Pensions will ensure that benefits for carers (including Carer's Allowance and Universal Credit) meet the needs of carers and support employment for those carers who are able to work".

If we are to fulfil this commitment we must raise the amount people can earn before losing carer's allowance and reduce the number of hours of care per week required to qualify. Just because parent carers tend to be in critical salary-earning and labour-providing years, we cannot justify the current policy that effectively penalises them for caring for their children instead of working.

Parent carers must be afforded more support in returning to the workforce. Unlike those caring for elderly relatives, many parent carers also have school-age children. Along with giving employers the framework to assess their support for carers and returning carers in paragraph 2.1, we should give employers the pathway to improving their support. As a matter of workers' rights, as in paragraph 2.3 of the report, we must mitigate the detrimental and limiting effects that providing care, by no choice of their own, has on carers' careers. Beyond objectives and research, we must identify and ask the Government what funding, training and direct engagement between returning carers and employers they plan to implement to prevent the lasting impact of carers' economic absence.

I will end with the voice of carers for these children, both siblings and parents. It is easy to focus on the action plan, with its clinical issues and items, but the

[Baroness Brinton]
stresses and strains on families of living in the intense world of the lives of young adults and children with severe illness and disability, often for 24 hours a day, is immense. I am grateful to Amy, who is 11, and Ekraj, who is 10, who are young carers alongside their single-parent mum Satnam, caring for Gurpreet, who today is back in Great Ormond Street for her 17th operation. Their short-break care at Nascot Lawn is being closed. It is a lifeline not just to Satnam but to these young girls, too. The girls want to say to your Lordships:

"I get to spend very little time with my Mum as she spends most of her time looking after Gurpreet. I used to get time to spend with her when Gurpreet was at Nascot Lawn and I was able to have my friends over to play but as Gurpreet doesn't go anymore I don't go out or have my friends come over. I help my mum look after Gurpreet. As mum spends more time now with Gurpreet's care, I help do things around the house like the laundry, hoovering, mopping and other chores just so my mum can get time to spend with me. When we go out we have to make sure we've taken all Gurpreet's feeds & medicines and we can only go to places which are wheelchair accessible. It's so sad to see my friends and other children getting to go places where we all can't go because Gurpreet can't access them because of her wheelchair and so many times we have to go back home because we can't go together. My friends don't always understand why Gurpreet can't talk or walk and why she makes funny noises. Sometimes she scares my friends. We are both part of the Young Carers Council in Hertfordshire and Young Carer outings are the only time we get to go out without Gurpreet and able to meet other young carers. For the first time last year we went to the Young Carers Residential and had so much fun doing activities that we could never do",

at home. They go on:

"Many times we have to go stay with our Nan when Gurpreet goes to Great Ormond Street Hospital. She is there now and has just had surgery … Our Nan takes us to school and looks after us. We worry about Gurpreet and miss our Mum when she is at the hospital … We love Gurpreet very much and love spending time with her but we also want time to do things children our age do like going to the park or going cycling".

Satnam is immensely proud of her very special and complex girl and of her other two children and their amazing support. They are the joy of her life. The question is whether the carers action plan will truly support this amazing family and the thousands of others around the country. Or will that support continue to be reduced as it is at the moment, putting an impossible burden on them? That is the real yardstick for this plan and, I am afraid, for this Government to be judged by.

1.02 pm

Baroness Jolly (LD): My Lords, I congratulate the noble Baroness, Lady Redfern, on securing this debate, which really is timely. There has been a great deal of wisdom, expertise and understanding from contributors. I am pleased to see the noble Baroness, Lady Pitkeathley, at the Dispatch Box on this issue; she is widely acknowledged as the House's expert on carers.

I welcome the action plan. It is an important start, but it poses as many questions as it answers. If the Minister is unable to respond to all my questions today, I will be quite happy if she writes to me and puts a copy in the Library. As someone who was involved in the Care Act from pre-legislative scrutiny to enactment, I am delighted that people are now sitting up and taking note of issues that affect carers, as without them both the NHS and the care sector would collapse under the strain. We owe them all a huge debt, yet for the large part we do not know who they are until it is getting too late to help.

I ask the Minister: who owns the plan? Six Ministers of State signed it, from nearly all the right departments—Health and Social Care, equalities, DCMS, BEIS, DWP and DfE—but not Housing, Communities and Local Government. Local authorities have responsibility in their areas to deliver the Care Act and the Children and Families Act but were not on the list. Why is that? Can we assume that these Ministers have brought their networks and stakeholders with them? Would they have been consulted as a matter of course? For example, in signing up to this, did BEIS agree to get the buy-in of organisations such as the Institute of Directors or the FSB? What I really mean by ownership is that, after one, two or five years, who will make the assessment of progress on the plan and report back to which Secretary of State and applaud success and follow up on inaction? Who will co-ordinate best practice? The noble Baroness, Lady Browning, asked whether we in your Lordships' House will have the opportunity to quiz a Minister or ask questions about progress based on an annual report, and I sincerely hope we will. Best practice is arrived at by research. Could the Minister confirm which of the sponsoring Ministers will be responsible for that?

I understand that £500,000 is to be made available and that the fund is launched. When I first became interested in policy and politics, a friend told me that for Cornwall, where I live, a good rule of thumb is to divide the total figure to be allocated to an initiative by 100 and that is what will come to Cornwall in support of it. In this case, that gives Cornwall £5,000. I spoke to the carers' service lead and asked him to confirm what he might be able to deliver for £5,000 in Cornwall where there are at least 64,000 known carers. As all noble Lords have said, there are far more carers unknown to the service than there are who are known. He said he thought it might provide between 50 and 100 days out for both carer and cared-for. That is good news, but £5,000 among 64,000 carers in the county of Cornwall will not go very far, and that will be factored out right across the country.

The LGA has said the *Carers Action Plan* should be considered an opportunity to address the needs and well-being of unknown carers. I endorse the call by the noble Baroness, Lady Redfern, for a named social worker for a carer. When my mother was ill, I would have welcomed one for her. Continuity is really important. If you make a call and just get the duty social worker, you have to go through everything over and over again.

As we walk down our high streets, we pass many carers daily, aged from seven to 87, or even older. Where the individual is known to local services, the carer should be identified and offered support and advice. However, many carers go unidentified. Who is responsible for identifying those who pass under the radar? Are locally funded and voluntary carers' networks to be responsible for their identification? Are GPs and paramedics trained to identify carers, or do we have to rely on self-identification?

What of children? The noble Baroness, Lady Brinton, said no one at school knew of their role, and this really chimed with me. I would like to tell noble Lords about a young man of 14—let us call him Jon. I was an inexperienced teacher and he was in my tutor group. He came up to me quietly and asked, "How do you bake a cake, Miss?" I asked what sort of cake. A birthday cake, he told me. He wanted to bake one for his younger brother. Without thinking, I asked, "Couldn't your mother do it?" This was 1976; I do not think I would ask that now. "Nah," he replied, "she left us ages ago". I knew his dad was a shift worker, and it transpired that Jon was the "mum". They had no help but did not want anyone to know in case the family was split up. I told him how to make his cake and spoke to the housemaster. He agreed that I had done the right thing in telling him and said he would chat to Jon. Nothing further happened and, to my shame, I did not follow up. I hope that Jon would now be recognised formally as a young carer and appropriately supported, and I would like the Minister to reassure me that today a teacher would know how to deal with that scenario and that someone in a senior pastoral role in a school would not quietly ignore the situation.

Older people care for their partners out of love and duty, but without support as many do not know that it is available. Likewise, older people care for their prematurely ageing children with learning disabilities. Here, I declare an interest as chair of a charity providing care to around 2,500 adults, and we see lots of exhausted elderly carers. Informal caring can be a 24/7 way of life. It is often the support provided by a carer that decides whether an older person can continue to live in their family home or has to relocate into residential care. Much more needs to be done to fully recognise the value and contribution that carers make to individuals and society as a whole.

The forthcoming social care Green Paper, now due in the autumn, must see the contribution made by carers as a central component to building a responsive and sustainable social care system. It must be bold and radical in its approach, and recognise the support that volunteers can provide, as well as paid staff. Any half-hearted attempt will only fail those providing such important care. Along with the NHS 10-year plan and budget, it must address the issue of underfunding for local government as well as for the NHS. Carers' health is a public health issue, and the Government should rectify the omission in the PM's speech earlier this week of extra funding for public health. Carers' fitness is important.

Those in middle age care for children and older parents while trying to hold down a job. Their identification is less easy as they will often not wish to admit to anyone any factor that might affect their work. I welcome the employer benchmarking scheme, available next month. Who is piloting it and then, once fine-tuned, how is it to be rolled out? How will employers know about it and will it be promoted nationally? The scheme Employers for Carers is to offer umbrella membership to local councils, which is welcome, but only to 10. Are they yet identified? Who is to ensure that there is a diversity of councils—metropolitan, urban and rural? The resulting evidence base will prove invaluable in developing assistance for working carers.

I feel reassured that the state sector—the NHS, education and government bodies national and local—will put plans in place. Many are already there. Many large multinationals and corporates have done the same. The report mentions Aviva, but I also commend BT. It is easier for an employer of thousands to be flexible. It is less so if you employ hundreds. For smaller organisations, it will pose a challenge, and I hope that the Timewise carers' hub and the Taylor review of flexible working will point the way. Earlier, I mentioned the IoD and the FSB. Have there been conversations with these important membership bodies?

It is remiss of me to have spoken for so long without mentioning the voluntary sector, which is so pivotal in the delivery of this plan and everything to do with carers. It works in partnership with local government and the NHS locally. Many in the voluntary sector are charities, but we should also include such things as informal lunch clubs and faith groupings.

I have left many issues unaddressed. Paid carer's leave and carers for those with dementia are perhaps two of the most significant. One thing about your Lordships' House is the certainty that we will watch developments with keen interest and keep the pressure on all departments of state involved in the carers plan and on the Ministers in this House.

1.13 pm

Baroness Wheeler (Lab): My Lords, I too congratulate the noble Baroness, Lady Redfern, on securing this debate, just a week after national Carers Week and at an opportune time to look in detail at the Government's action plan and what their pledge to make carers central to the forthcoming social care Green Paper must contain if it is really to be put into practice. The debate has heard contributions from noble Lords who have a strong commitment to speaking up for carers. I am particularly pleased to welcome my noble friend to her first guest Front-Bench outing. The APPG on Carers, which she co-chairs, plays a vital role in ensuring that carers' voices are heard loud and clear in both Houses, and we know that she always leads the charge in this House on carers' rights and concerns, always telling it as it is about the everyday stories of carers and the day-to-day realities they face.

It is good that today we have spoken about carers themselves—not just about the key social, policy and financial issues that need to be addressed and the wake-up call that the Carers Week survey provides but about the actual people doing the caring, the loved ones they are caring for and the daily struggle they have to cope. Carers UK and the organisers of national Carers Week are to be congratulated on placing carers' own health and well-being as the focus of the week, as we know that all too many carers put their own health second to that of the person they care for, particularly when they are round-the-clock carers.

As we have heard, almost half of those responding to the Carers Week survey said that they would expect to be able to provide less or no care in future because of their own poor current or future health, with a

[Baroness Wheeler]
third saying the same because of poor mental health, particularly when they are struggling financially to make ends meet. My noble friend was right when she described this as a time bomb which must be addressed in the Green Paper—for which we now learn of yet another delay until the autumn. I look forward to hearing the Minister's response on that. Can the Minister also confirm that when the Government say that carers will be central to the Green Paper, that will mean ensuring that carer support services and essentials such as paid respite and carer breaks, basic personal care for people being cared for at home and supported carer networks are there to meet the needs of carers, and are properly funded and available?

The action plan is of course to be welcomed, despite the two-year gap since the previous strategy ran out. Its five initiatives—making services and systems work for carers, supporting the Care Act and Children and Families Act provisions for carers; employment and financial well-being; supporting young carers; carer support in the wider community and society; and improving outcomes for carers—represent some "positive short-term measures" and "practical measures", as Carers UK has said, and "a good next step" and "some progress", as ADASS has commented.

We welcome a focus on young carers and the recognition of the need for support for Armed Forces carers. We fully recognise the importance to progress of the cross-departmental approach, which builds on the work set out in the original 2008 strategy and helps to join up contributions from across government. The noble Baroness, Lady Jolly, made a valid point about the absence of the communities and local government department from the list, and I look forward to the Minister's response.

The key issue, as many noble Lords have stressed, is the urgent need for vital financial support for carers ahead of the Green Paper. As the MS Society has underlined, carers are keeping the social care system afloat, and they deserve better. Data published by the Labour Party last week showed the reality of eight years of swingeing social care cuts to council budgets. Almost two-thirds of councils have been forced to charge for carer breaks, and carer support services have taken a big hit, along with other services that are the key to enabling people to live in the community and for carers to continue caring for them.

Last week's IFS report showed that spending on care provision for elderly people and adults with disabilities will be 3% less than in 2009-10 and, taking into account the growth in population since, 9% less per head in real terms. Carers UK's 2017 *State of Caring* report showed that a quarter of carers had not taken a break in five years and that two-thirds of councils now charge for respite care. Thousands of carers just have not got the money to pay for time away or to have their loved one cared for, even so that they can just stay at home and rest.

This is the context in which the action plan must be delivered and judged, as noble Lords have underlined today. Age UK's stark estimate of 1.2 million people living with unmet care needs and of more than 3 million hours of home care being lost since 2015 due to council cuts show the scale of the problem. As its recent *Behind the Headlines* report stated, getting access to decent quality, reliable home care and maintaining it is a daily battle facing carers, families and the people they care for. What plans do the Government have to address these unmet care needs? Will the Green Paper deal with this matter?

As a carer myself, I meet many local carers, and the life-changing impact on the family finances when the main income earner becomes disabled and cannot work and the other partner has to stop work to care for him or her is devastating. One local family with two children lost more than half its income when the husband's rheumatoid arthritis resulted in him losing his job and having chronic painful and swelling joints and joint replacements. He was awarded PIP but then lost it on reassessment and, because of this, his wife could no longer claim carer's allowance. They are both depressed and worried and his wife is permanently anxious about how the family is going to cope and pay its debts.

At just £64.60 a week, carer's allowance is the lowest benefit of its kind. Carers UK has called for it to be raised significantly in the longer term and in the short term for it to be raised at least to the level of jobseeker's allowance. Does the Minister acknowledge the need for this substantial increase, and can she confirm that the social care Green Paper will address this specific need?

We have received many excellent briefings as background to this debate, and a number of noble Lords have referred to them. At the heart of them all is the urgent message to the Government for a sustainable funding settlement for social care, sadly not addressed in this week's NHS funding announcement. The Alzheimer's Society highlights the 700,000 carers taking care of people with dementia who save the UK economy £11.6 billion a year, and the need for urgent action on identifying and supporting them. What are the Government doing to address the issue of finding hidden or unknown carers who do not come forward for help?

The Rainbow Trust Children's Charity, supporting children with terminal and life-threatening illness, emphasised the huge problems obtaining statutory funding to support parent carers and families facing these terrible situations. Can the Minister explain how the Government will specifically support parent carers in future? Sense, the charity that supports people with sensory impairments, learning disabilities and complex communication needs, underlined the profound fear highlighted by the noble Baroness, Lady Tyler, that carers have about what will happen to their relatives in future, when they are no longer able to provide support. Some 75% of family carers have not made a plan for this, and only one-quarter of councils routinely help families to do this. What action can the Government take to ensure that care plans and assessments deal with this difficult but vital issue?

Finally, the use of carer-friendly GP surgeries has been raised and is in the action plan as one of its key provisions. The development of a quality standard to bring more surgeries up to the level required is welcome. There is much current good practice to learn from, but

the Carers Week survey showed that many GPs are not even asking carers the basic questions about their health—about talking therapies to support mental health, flu jabs, respite care or carer breaks. They still see the carer only as the person bringing in the patient. As that shows, more than the short-term awareness-raising measures outlined in the action plan is urgently needed, if the alarming numbers of carers who say that they will need to give up caring in the future because of poor mental or physical health are to be helped and supported to carry on caring. Does the Minister agree?

I have referred to the briefings received for this debate. I end my speech by quoting from a carer highlighted by the MS Society. Paul, a 72 year-old carer, says:

"My wife has MS, is quadriplegic and I am her full-time carer. When I am ill Lesley has to stay in bed until I am able to help her. It would be lovely to have care workers to help at home".

That is just one of the 1.2 million people who need support but are not getting it, and that is what the Green Paper has to address.

1.22 pm

Baroness Manzoor (Con): My Lords, I congratulate my noble friend Lady Redfern on securing this important debate and thank all noble Lords for their powerful contributions. It has been a very thought-provoking and considered debate. However, I note that of the 10 speakers in our debate the noble Earl, Lord Listowel, was the only the noble Lord speaking. I am personally grateful for his insight as a carer in this debate.

As my noble friend Lady Redfern, the noble Baroness, Lady Pitkeathley, and the noble Earl, Lord Listowel, have all so elegantly expressed, caring for a relative, friend or neighbour is something that many people do. In fact, around one in 10 adults in the UK is currently providing significant unpaid care, many of whom are women, as the noble Baroness, Lady Brinton, said. Carers do an amazing job. I pay particular tribute to the noble Baroness, Lady Pitkeathley, for her work over the last 30 years in supporting carers, caring for them and raising issues that they have faced. Thank you.

To the people whom they care for, carers are the indispensable family member, friend or neighbour who makes each day possible. I know, because I too am a carer. To health professionals, they are the experts-by-experience, who turn treatment plans into reality. Being a carer can be rewarding but, as we have heard from across the House, it can also have substantial negative impacts. We need to support and recognise carers and help them to provide care in a way that allows them to invest in their own health and well-being, employment and other life goals, as the noble Baroness, Lady Wheeler, highlighted. We fail to do so at our peril.

Our population is ageing, and growing at an unprecedented rate. One estimate suggests that the number of disabled older adults receiving informal care in England will increase from around 2.2 million in 2015 to around 3.5 million by 2035. In the UK, this care is worth billions of pounds to the economy each year, as the noble Baroness, Lady Pitkeathley, reminded us.

The cross-government *Carers Action Plan* is an essential step towards realising our commitment to carers, and I am grateful to all noble Lords for recognising that. As noble Lords have said, it makes a bridge. It sets out a two-year programme of targeted work to support unpaid carers, focusing actions around five themes. First, it focuses on the importance of carers being recognised and supported by public services, which is essential. I know how important that is. My noble friend Lady Redfern as well as the noble Baroness, Lady Tyler, my noble friend Lady Browning and the noble Baroness, Lady Gale, among others, alluded to this. Carers often have extensive contact with the health and care system, and we are seeking to improve awareness and understanding among health professionals and social workers so that they can help to identify carers and be proactive in helping them and providing them with support and information.

The Care Act introduced important new rights for carers, giving them a legal entitlement to assessment of, and support for, their needs. But I have heard that these are not being consistently applied. That experience has been identified by my noble friend Lady Browning, as well as the noble Baronesses, Lady Pitkeathley, Lady Tyler and Lady Gale. The noble Baroness, Lady Gale, also stressed the importance of data collection—because, if we do not have proper data collection, we do not know who the carers are and how we can care for them—particularly in relation to Parkinson's. Of course, I shall look very carefully at the recommendations in the APPG report that she mentioned to see what we can take forward and learn from. Because of the variation, we have committed to working with local government on a sector-led improvement programme to focus on the implementation of these duties.

A number of noble Lords alluded to mental health and respite care, and it is a key concern. The noble Baronesses, Lady Brinton and Lady Tyler, highlighted the importance of what more needs to be done in this key area. We know that carers often report feeling tired and less resilient, both physically and mentally. A recent report by Carers UK, which noble Lords have cited, found that one-third of carers felt that poor mental health would mean they will be able to provide less or no care in future. Young carers need to be supported particularly to take a break, refresh and re-energise, as much as older carers—and we must not forget that. The noble Baroness, Lady Brinton, highlighted the importance of this. That is why, since 2015-16, we have allocated £130 million funding per year through the better care fund to support carers' breaks. I take on board the issues around disability and the funding that may be needed, and I shall, of course, feed back concerns that the noble Baroness, Lady Brinton, raised, to the department.

Through the *Carers Action Plan*, we have committed to funding a project to promote best practice. I know that the noble Baroness, Lady Tyler, said that, when looking at rural areas, she did not want Ministers to say, "We're just going to disseminate best practice". I will come on to her quite specific question, but we are looking at what is best practice, what works and how we can disseminate that much better than I think we are currently doing. This is so that we can ensure that carers receive the support to which they are entitled and need. A number of noble Lords mentioned the funding gap and palliative and respite care. I agree that we need to address this issue and recognise the

[Baroness Manzoor]
challenges that are being faced. That applies also to Parkinson's, dementia and drug addiction, which were mentioned.

The action plan considers employment and financial well-being, which I know the noble Baroness, Lady Tyler, in particular, highlighted. Many carers juggle work commitments with their caring responsibilities, but it is rarely easy or straightforward. The cost of caring can be life changing. Those caring for more than 20 hours per week, as the noble Baroness, Lady Pitkeathley, highlighted, have average incomes around 10% lower than non-carers. In some cases, professional careers can be delayed, curtailed or never even start. The action plan sets out our commitment to raising the profile of carers with employers to encourage them to be more flexible in their employment practices. The Department for Business, Energy and Industrial Strategy has established a flexible working task force to improve the recruitment, retention and progression of carers and other groups. We are also considering the question of dedicated employment rights for carers. I think it was the noble Baroness, Lady Tyler, who asked about statutory pay and, as we look into these issues even further, we will take that into consideration.

As my noble friend Lady Redfern stated, the *Carers Action Plan* will also consider how we can better support young carers. This was raised across the House, particularly by the noble Baroness, Lady Brinton, and the noble Earl, Lord Listowel. As they will be aware, in 2015, we changed the law relating to young carers and now they are all entitled to an assessment of their needs for support, the same as for the person for whom they care. Noble Lords are quite right to say that it is one thing having something in place and entirely another ensuring that carers know about what is available. I was not even aware of this provision and, as I have stated, I am a carer. We need to make sure that the message gets out into the community much more than it does currently.

As I have said, while some caring can be rewarding for young carers, research shows that they can experience poorer mental and physical health and miss out on opportunities in education and employment as a result of their caring responsibilities. The actions in the plan focus on improving the identification of young carers and providing them with better support to access services. There will be a review to look at best practice in this area. I was really quite moved by what my noble friend Lady Redfern said, because I entirely agree with her that young carers are the hidden army.

The plan also considers how carers can be supported by the wider community but, before I move on to that, there were some specific questions raised by the noble Baroness, Lady Brinton, and the noble Earl, Lord Listowel, regarding foster carers, which is an important issue. There are many extraordinary families fostering children; they selflessly devote their lives, relationships, resources, experiences and homes in order to provide love, care, support and stability to the country's most vulnerable and traumatised children, often for many years. In February, the report of an independent review led by Sir Martin Narey and Mark Owers was published. This makes recommendations about what can be done to make foster care more effective and the Department for Education is considering how to take these recommendations forward.

I want to tackle the issue of carers often feeling isolated or ignored. As I have already said, carers are crucial to the wider community and the economy and we recognise that we need to better support their role. Carers rightly describe the practical frustrations they face—such as difficulties in trying to access services at times that do not fit within regular working patterns—which make their caring roles more challenging than they need to be. We need to address this and it should be easy to do. To that end, we will be launching a £500,000 carers innovation fund to find creative models of support, such as the use of technology to assist caring responsibilities. I know how frustrating it was for a member of my family who needed carer responsibility for an older member of the family. They needed to have technology in case that older member of the family fell out of bed, or so that they could just take a few hours when they knew that they were safe and go to the shops without fear. That simple technology, when it was brought to their notice, helped them, because they knew that there was a helpline to call. We know that carers can feel very isolated and lonely, and this needs to change. We will ensure that, across government, through the loneliness strategy, the needs of carers are carefully considered.

We know that there are gaps in our knowledge about the experience of carers across the country. The action plan sets out the ways in which we will work to develop the evidence base by funding more research into the drivers influencing carers. This will ensure that future policies can do full justice to the role that carers play.

While the action plan sets out the practical actions that we intend to take over the next two years, we recognise that there is still more to do. That is why the needs of carers will be central to the forthcoming Green Paper. Although I am, like other noble Lords, disappointed that it will not be available sooner, I understand the rationale behind its slight delay, because we need to ensure that there is success within it. This point was highlighted by my noble friend Lady Browning and the noble Baronesses, Lady Pitkeathley, Lady Tyler, Lady Jolly and Lady Wheeler.

The Green Paper will be key in how we move further forward and in the integration of the carers strategy. Our ageing society means that we need to reach a longer-term sustainable settlement for social care, and further reform is required to meet this challenge. The Government, as noble Lords know, have committed to publishing the Green Paper in the autumn, setting out proposals for reform. This is so that the plans for social care can be integrated with the new NHS plan, which will be published around the same time. The Green Paper will build on the additional £2 billion over the next three years that we have already provided to meet social care needs. I recognise the points made by my noble friend Lady Browning, the noble Baroness, Lady Pitkeathley, and others about the need for the funding of carers to be revisited, perhaps by the twice-yearly review that will take place as we look at evidence and take on board the action plan and the gaps in services that there might be.

I turn briefly to specific questions raised by noble Lords. The noble Baroness, Lady Tyler, asked about access in rural areas. By passing the Care Act, the Government established the national threshold that defines the care needs that local authorities must meet. This eliminates the postcode lottery of eligibility across England. That applies equally in rural areas. She also raised carers' respite in rural communities. Local authorities have a duty to offer information and advice to carers, including signposting carers to support, be that through the council directly or through local voluntary organisations. Of course, this is equally true in rural communities as in urban areas.

The noble Earl, Lord Listowel, asked about policy on carers in Parliament. The All-Party Group on Carers brings together carers from across the political spectrum to promote awareness and share knowledge and understanding of the needs of unpaid carers in Parliament. I am afraid I do not know too much more about its work, but of course the noble Lord can seek further information.

The noble Baroness, Lady Brinton, said that short breaks and respite care for children should be included, and I addressed that issue in my earlier remarks. However, like her, I agree that funding is absolutely crucial to be able to give those breaks, and we need to look at that area. Although I indicated that we have made some money available, we need to assess whether those resources will be sufficient in the longer term.

The noble Baronesses, Lady Gale, Lady Brinton and Lady Wheeler, raised issues around amendments to benefits to ensure that they meet specific needs. Carers have access to the full range of social security benefits according to their personal circumstances. Since 2010, the rate of the carer's allowance has increased from £53.90 to £64.60 a week, which means an additional £530 a year for carers. I cannot say what will be in the Green Paper, but I will feed back the comments made about resources and benefits.

I am conscious that the clock now shows 18 minutes. The noble Baroness, Lady Jolly, and my noble friend Lady Redfern raised the issue of a named social worker. As in the NHS, where we have a named nurse, it is clear that we should look at that, if we can. Obviously I cannot commit to that, but I will look at that area and feed back. The noble Baroness also asked whose responsibility it is. This action plan is cross-government, but it will be for the Department of Health and Social Care to look at actions, and we will carry out a two-yearly review.

The noble Baroness, Lady Brinton, asked about funding and the engagement of carers returning to work. I will write to the noble Baroness on that, and will write to all noble Lords if I have not answered any questions. The department has developed e-learning resources in partnership with Carers UK to look at opportunities for learning in volunteering and work.

The noble Baroness, Lady Jolly, asked who will assess the cap, and which sponsoring Minister will be responsible for the assessment. As I indicated, it will be the Department of Health and Social Care.

An interesting point on teacher identification was made by a number of noble Lords, particularly the noble Baroness, Lady Jolly. The DfE and DHSC are carrying out a review of identification that will lead to young carers being identified and therefore receiving better support.

I am conscious that my time is up. However, I want to put on record that this has been a valuable debate. I understand the issues that noble Lords have raised, and I will take them all back to the department and feed back noble Lords' views.

1.43 pm

Baroness Redfern: My Lords, I too am grateful to all noble Lords who have spoken today. Your Lordships are very well informed, and I thank noble Lords for bringing their personal experiences to the Chamber. I also thank other noble Lords, who are in the Chamber listening to the debate. I thank the Minister for her words of support, and I look forward to actions being taken.

We have all expressed our appreciation, in words of understanding and compassion, for what our army of carers do for their dearest and, obviously, for the country, and our desire to improve their everyday experiences, ensuring that carers also have access to financial support when they need it. I am pleased that we have all had the opportunity to debate the action plan, and I look forward to the next stage of receiving the Green Paper. I hope the Green Paper will ensure the sustainable, long-term future of social care. Once again, I thank all noble Lords for their participation today. I beg to move.

Motion agreed.

EU Settlement Scheme

Statement

1.45 pm

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, with the leave of the House, I will repeat a Statement made by my right honourable friend the Immigration Minister in another place. The Statement is as follows:

"Mr Speaker, with permission, I should like to make a Statement about the new settlement scheme for resident EU citizens and their family members.

Securing the rights of citizens has been our priority in negotiations with the European Union. We have delivered on this commitment and reached an agreement with the EU which was published in March as a draft legal text. This guarantees the rights of EU citizens living in the UK and of UK nationals living in the EU. Under this agreement, EU citizens living in the UK, along with their family members, will be able to stay and continue their lives here, with the same access to work, study, benefits and public services that they enjoy now. Close family members living overseas will be able to join them here in future.

EU citizens make a huge contribution to our economy and to our society. They are our friends, family and colleagues, and we want them to stay. I am therefore delighted to be publishing today further details about the EU settlement scheme. This will provide the basis

[Baroness Williams of Trafford]
for EU citizens resident here and their family members to obtain their new UK immigration status, consistent with the draft withdrawal agreement.

I will place in the House Library a statement of intent setting out in detail how the scheme will work, and how simple and straightforward it will be. The document includes a draft of the Immigration Rules for the scheme. We will engage with our stakeholders on the details set out in the statement of intent. These include the user groups we have established to help us develop the scheme, involving EU citizens' representatives, embassies, employers and others. We look forward to hearing their views and will make improvements where we can.

It will be straightforward for EU citizens residing in the UK to obtain status. If they have lived here continuously for five years, they will be eligible for settled status. Those who have lived here for less than five years will generally be granted pre-settled status and will be able to apply for settled status once they reach the five-year point. Applicants will not need to show that they meet other detailed requirements of current free movement rules. This means, for example, that stay-at-home parents, retired people and students can all be eligible.

Irish citizens enjoy a right of residence in the UK that is not reliant on our membership of the EU. The Government are committed to protecting these rights and are working closely with Ireland to maintain these bilateral arrangements for our respective citizens. Irish citizens will not need to apply for status under the scheme but may elect to do so if they wish. Their family members who are not Irish or British citizens will be able to obtain status under the scheme without the Irish citizen doing so.

Negotiations on similar agreements on citizens' rights with the non-EU European Economic Area states—Iceland, Liechtenstein and Norway—and Switzerland are progressing well. While the details of those agreements are being finalised, the statement of intent confirms that we intend that the settlement scheme will be open to other EEA citizens and Swiss citizens—and their family members—on a similar basis as for EU citizens.

The scheme set out in the statement of intent will deliver on our commitments to a straightforward process. We are designing the online application form so that it is short, simple and user-friendly. It will be accessible by computer, tablet or smartphone. There will be assistance available for those who need it to complete the online application process. The views of the user groups on the support which may be needed by vulnerable groups will help to ensure that we make the right additional provision for them, through the involvement of community groups and others.

There will be three core criteria that people will need to meet to be granted status under the EU settlement scheme: proving their identity, showing that they are resident in the UK and declaring whether they have any criminal convictions. First, applicants will need to prove their identity and nationality. For those who wish to complete the application entirely online, there will be an app that will allow EU citizens to confirm the relevant details remotely, either using their own mobile phone or tablet or at a location established for them to use the app or to be helped to do so. Alternatively, they can send us their identity document by post and a dedicated team will check this and return it to them as soon as possible.

Secondly, we will establish that the applicant is resident in the UK and, where appropriate, their family relationship to an eligible EU citizen. Where possible the application process will help the applicant to establish their continuous residence here, and whether it amounts to the five years generally required for settled status, on an automated basis using employment and benefit records. This will keep any documentary evidence the applicant is required to provide to a minimum. We recognise that some applicants may lack such evidence in their own name for various reasons and we will work flexibly with applicants to help them evidence their continuous residence in the UK by the best means available to them.

Thirdly, we will check that the applicant is not a serious or persistent criminal and does not pose a security threat. It is right that we do what is needed to protect everyone who lives in the UK but we are not concerned here with minor offences and these provisions will not affect the overwhelming majority of EU citizens and their family members.

Throughout the process we will be looking to grant—not for reasons to refuse—and caseworkers will be able to exercise discretion in favour of the applicant, where appropriate, to minimise administrative burdens. A range of user-friendly guidance and support, including a customer contact centre, will be in place to help applicants through the process.

Subject to parliamentary consideration of changes to the fees regulations, applications will cost £65, with a reduced fee of £32.50 for children under 16. There will be no fee for children in care. The process will be particularly straightforward for those who already hold a valid permanent residence or indefinite leave to remain document, which they will be able to swap for settled status free of charge. Those granted pre-settled status will be able to apply for settled status without paying a further fee. EU citizens and their family members do not need to do anything immediately; there will be no change to their current rights until the end of the post-exit implementation period on 31 December 2020. The deadline for applications under the scheme for those resident here by the end of 2020 will be 30 June 2021.

We plan to start opening the settlement scheme later this year. I do not underestimate the scale of the challenge in successfully processing what may exceed 3.5 million applications but the Home Office already issues around 7 million passports and 3 million visas each year, so processing applications on the scale required is not new to us. As is now standard for the launch of new services in government, there will be a private beta phase from the summer to enable us to test the system and processes, followed by a phased rollout from late 2018 so we can test them at scale and ensure that they work effectively. The scheme will be open fully by 30 March 2019.

The statement of intent I have published today marks an important point in our preparations for the EU Settlement Scheme, which will enable EU citizens and their family members to continue living here in much the same way as they do now. We have engaged with EU citizens at every stage of the development process and will continue to do so. We will also continue to expand our communications to ensure that EU citizens are aware of the scheme and how it will operate and that they are reassured that they will have plenty of time in which to apply for their new UK immigration status. The EU Settlement Scheme will provide a straightforward way of enabling those who have made their lives in the UK to stay here. We want them to do so. I commend this Statement to the House".

1.54 pm

Lord Rosser (Lab): I thank the Minister for repeating the Statement, which has just been made and may still be being debated in the Commons. We, too, value the contribution of EU citizens and their rights need to be protected after Brexit.

The Government, as the Statement indicates, intend to introduce a new settlement scheme for EU citizens resident in this country. The uncertainty felt by EU citizens over their position in the country in the light of Brexit has had serious consequences. These have been reflected in a number of ways, including concerns over staffing shortages in key areas of the economy as the enthusiasm of EU citizens for being in this country has diminished. Providing clarity on their future position and rights is in our national interest, as has become all too obvious. Whether the Government's actions and proposals will achieve the desired result is another matter. The absence of the promised immigration White Paper and Bill has done nothing to ease the damaging uncertainty that the Government have allowed to fester.

What is the Government's estimate of the expected take-up rate by EU citizens of the registration scheme? What will be the consequences for EU nationals who do not register? Will EU citizens in this country post Brexit be allowed to travel and stay in other countries, including their country of origin, and retain their rights on their return? What additional resources, and at what cost, will be required to administer the scheme? What right of appeal will there be for those who believe they have been wrongly denied registration under the criteria against which registration will be determined? What publicity, and through what means, will the Government be providing for the procedures announced today?

According to today's papers, the Government have expressed concern about the lack of detailed reciprocal plans from other EU countries and the Home Secretary has been quoted as saying it is "not good enough". If the newspaper reports are correct, I am not quite as sure as the Government are that that is the kind of comment that will create an atmosphere of understanding and willingness to compromise in any forthcoming negotiations with the EU. Clarity of their objectives over Brexit has not exactly been a hallmark of this Government.

The Government must have a clear view about what they would regard as acceptable from the EU and other EU countries in response to the intentions and details set out in today's further Statement. Can the Minister spell out what the Government would regard as an acceptable response from the EU and EU countries in respect of British citizens living in Europe post Brexit? Can the Minister say whether the Government have had any indication of whether the arrangements set out in today's Statement will prove acceptable to the EU and EU member states?

Turning to some of the paragraphs in the Statement, towards the end of the first page it says:

"Irish citizens will not need to apply for status under the scheme but may elect to do if they wish".

Can the Minister clarify what benefit, if any, there would be for Irish citizens in electing to apply for status under the scheme?

On the second page, the Statement says:

"Subject to parliamentary consideration of changes to the fees regulations, applications will cost £65, with a reduced fee of £32.50 for children under 16".

How did the Government arrive at the figure for the proposed charge?

On the third page of the Statement, it is acknowledged that processing applications will prove a challenge but it says that,

"the Home Office already issues around 7 million passports and 3 million visas each year and so processing applications on the scale required is not new to us".

Some might think that a trifle complacent, particularly those who recall what has happened over Windrush and those who recall the percentage of successful appeals against Home Office decisions. According to the Independent Chief Inspector of Borders and Immigration, the Home Office has a 10% error rate in immigration status checks. The Statement may also yet prove a little complacent in the light of the track record of the Home Office in managing to lose documents. I am sure a very close eye will be kept on the efficiency or otherwise with which the Home Office manages this scheme. Others—I think the Home Affairs Select Committee might be one—have identified weaknesses in recruitment, retention, training, decision-making and management, which would seem to cover most aspects of the department's work.

The Statement says that there will be a dedicated customer contact centre to help people through the process. Who will that be staffed by? Will the Home Office be sufficiently dedicated to make sure that it is staffed by its own staff, or will it be staffed by an outsourced organisation?

The immigration exemption in the Data Protection Act denies people the right to access their data when they need it most. Will this exemption apply to EU citizens? Will employers, landlords and banks be required to check the documents of EU citizens in the same way as they have been required to check the immigration status of non-EU citizens?

In conclusion, if we leave the EU without a deal, what will happen to EU citizens? Will this agreement and their rights be protected? Finally, on the criminal check, which is one of the criteria against which

[LORD ROSSER]
registration will be assessed, what exactly will the threshold be, and how far back will offences be considered relevant?

I appreciate that I have asked a number of questions and I say to the Minister now that I will be more than happy to accept a written response if that is required.

Lord Paddick (LD): My Lords, I, too, thank the Minister for repeating the Statement. We welcome it if we take it at face value, but the noble Baroness will understand that we need to probe.

The Statement gives the impression that the Home Office will be bending over backwards to help UK-resident EU citizens to apply for and be granted settled status or pre-settled status. This appears to be completely at odds with the Home Office's attitude towards the Windrush generation. Can EU citizens have confidence in this Statement in the light of the Windrush fiasco?

The Statement says that persistent offenders or those who pose a security threat will not be eligible. I appreciate that the noble Lord, Lord Rosser, has already asked what the threshold might be in respect of which criminals will be excluded, allowed in or allowed to remain, and she may be ready to answer that. In the other place, the Minister said that UK criminal record databases and watch-lists would be searched and that applicants would be asked about overseas convictions. Currently, ECRIS can be searched by the UK, but access to ECRIS looks as though it is in jeopardy. How confident is the Home Office that its systems will be robust enough to identity those with serious overseas convictions?

The Statement says that close family members living abroad will be able to join EU citizens resident in the UK. Can the Minister confirm how close a relative would have to be in order to be able to join an EU citizen who is resident here?

The Statement also says that negotiations are under way with non-EU EEA countries with a view to extending the scheme to their citizens. I think it mentions EEA countries and Switzerland. I should declare an interest in that I am married to a Norwegian and own property in Oslo. Can the Minister say any more on what progress is being made with regard to EEA countries and Switzerland?

Penultimately, will these arrangements be dependent on reciprocal arrangements being put in place for UK citizens resident in the EU and EEA countries, or will they be in place no matter what the response from those countries is?

This is a detailed and complex proposal, as the noble Lord, Lord Rosser, has indicated by the number of questions he has asked. Will the Minister agree to a debate to allow proper consideration of all the issues that we have raised today?

Lord Kirkhope of Harrogate (Con): My Lords—

Baroness Williams of Trafford: I thank both noble Lords for their very detailed questions, which I was furiously trying to write down and answer as they asked them.

The noble Lord, Lord Rosser, spoke about uncertainty for EU citizens. What my right honourable friend announced today will, I hope, provide further clarity and therefore less uncertainty for EU citizens, and that is precisely what we want. I hope that EU citizens will feel that there is a clear and transparent process which makes it as easy as possible for them to obtain settled status. He asked about the White Paper. We are expecting to issue it in due course. He also asked about the estimated take-up of the scheme from EU citizens. I think that it would be sensible and logical to say that the expected take-up should relate quite closely to the number of EU citizens who are currently in the UK. We think that about 3.5 million will generally apply.

The noble Lord also asked about reciprocal arrangements. As I think noble Lords will recall, when we first started bringing forward these plans, noble Lords and Members of the other place were very keen that we should start the ball rolling in good faith, and I hope that in good faith the EU will act similarly for our citizens. He asked whether what we are doing is acceptable from an EU point of view. I can certainly say that, from the point of view of an EU citizen living in the UK, it is very acceptable. As to whether the arrangements will be acceptable to the EU, I should hope so, because we are giving their citizens the settled status that is required to live here.

I have completely mixed up all the questions, but I shall go through them as I come to them. The noble Lord, Lord Rosser, asked whether our plans will change in a no-deal scenario. It is fair to say that the Prime Minister has been very clear from the beginning of this process that she wants EU citizens and their families in the UK to be able to stay. She gave a personal commitment to EU citizens in October, when she said:

"I couldn't be clearer: EU citizens living lawfully in the UK today will be able to stay".

We are not anticipating failure and, as the Prime Minister set out in her Florence speech, we are confident that we can find a way forward that makes a success of this for all our people. We have a responsibility to make this change work smoothly and sensibly. We have reached an agreement with the EU guaranteeing the rights of EU citizens living in the UK and of UK nationals living in the EU, and we do not expect this to be reopened.

The noble Lord, Lord Rosser, asked about the criteria for status and who is eligible for the scheme. Any EU citizen and their family members residing in the UK before the end of the implementation period on 31 December 2020 will be able to apply for settled status under the EU settlement scheme. People considered to be resident in the UK will include those here before midnight on 31 December 2020 and will include those previously resident in the UK who are outside the UK on that date but who have maintained continuity of residence here.

A close family member, which includes a spouse, civil partner, durable partner, dependent child or grandchild, and dependent parent or grandparent living overseas, will be able to join an EU citizen resident here after the end of the implementation period where the relationship existed on 31 December 2020 and

continues to exist when the person wishes to come to the UK. Children born or adopted after December 2020 will also be eligible for the scheme.

The noble Lord, Lord Rosser, asked how the Government came to the figures of £65 and £32.50. The current fee for a permanent residence document for EU citizens is £65, and we think that the lower fee for a child is appropriate at half the price. I must add that, for a child in care, there is no fee.

The noble Lord, Lord Paddick, asked whether this would be a repeat of Windrush. I hope that this is the complete opposite of Windrush. People will be able to establish their status, as opposed to what happened with the Windrush generation, where, over time, some people became less and less able to establish their status, even though that status was implied when they came to this country. That is why it is crucial that EU citizens apply under the scheme, so that they will be able to evidence their status in the future.

Both noble Lords asked me about criminal records checks. All applicants aged 10 and over will be checked against the UK's national police database and watch-list, as the noble Lord, Lord Paddick, said. Applicants aged 18 or over will also be asked about their criminal history in the UK and overseas. The assessment of suitability will be conducted on a case-by-case basis and will take account of the applicant's conduct in the UK and overseas, including whether they have any prior criminal convictions.

Cases will be refused where the applicant has committed criminality prior to the end of the implementation period that meets the EU public policy test. Any criminality committed after the implementation period will be considered in accordance with UK deportation rules. This means that an EU citizen who, in relation to an offence committed after the end of the implementation period, is convicted and receives a custodial sentence of 12 months or more will be considered for deportation.

The other point raised was about people who had committed crimes decades ago being refused. As I have said, conduct before the end of the implementation period will be considered against UK deportation thresholds. We think this is a sensible approach and one that will not affect the overwhelming majority of EU citizens and their family members.

The noble Lord, Lord Rosser, asked about the consequences of not applying. It is important to take a pragmatic approach in respect of people whose individual circumstances have prevented them applying, an example of which might be a mental or physical health condition. Over the coming weeks, we will be discussing with stakeholders what assistance we can give to people who might require it.

The noble Lord, Lord Rosser, also made a point about Irish citizens. As I said, they do not need to apply for settled status to protect their status and rights in the UK. However, the arrangements for existing close family members to join EU citizens resident in the UK are provided for by the withdrawal agreement and not by the UK-Ireland bilateral arrangements linked to the common travel area. Irish citizens might want to consider applying for settled status now to support future applications by family members. A successful application by an Irish citizen to the settlement scheme will make this process smoother for any family member applying in the future. However, the system will not prevent applications being made after the end of the implementation period by close family members seeking to join Irish citizens protected by the withdrawal agreement who do not have settled status.

The noble Lord, Lord Paddick, asked which family members are affected, given his own situation, which others might find themselves in. I think I answered that question earlier, so I hope that will suffice.

The noble Lord, Lord Rosser, asked who will staff the contact centre. Further details of this will be confirmed, and we will be discussing with stakeholders what the right service is and who will provide it.

Finally, the issue of landlord checks was raised. Landlord checks and the right to rent are not specific to EU or non-EU citizens; it is a requirement for all landlords to carry out such checks. Therefore, it does not matter where in the world you are from, as long as you have the right to live here.

I hope I have answered all the questions. If I have not—and there were quite a few—I will write to the noble Lords.

2.15 pm

Lord Kirkhope of Harrogate: My Lords, I was trying to ask a question of my noble friend when she answered the initial questions. As someone who has had some experience as a Minister of schemes of one kind or another where the Home Office has been involved with developing ID arrangements or helping people with passport applications and so on, I welcome the fact that something is being put in place here, but I urge her to look carefully at the logistics. Is she satisfied that enough resource is being made available for this extra duty? One of the proposals is that applicants can send their passports or ID documents to the Home Office, but I am sure she is aware that, when we are dealing with EU citizens, they tend to be much more mobile on a more regular and frequent basis, going backwards and forwards from here to Europe. Can she be sure that we will make certain that we have a better level of efficiency than, sadly, we have had in the past in turning round documents quickly and in dealing with the matter as speedily and with as little complication as possible?

Baroness Williams of Trafford: My noble friend will have heard in the Statement that we will start to roll out the process in the summer and towards the end of the year. I would not call it a trial run, but the "private beta" phase—which I had never heard of before—is apparently a dry run, using real people who will get real documents. That is a good way to test how the system is working.

I also mentioned earlier the delivery of the settlement scheme and the Treasury's allocation of £170 million for the further development and delivery of the settlement scheme. As my noble friend alluded to, we do not underestimate the scale of the challenge and we want to get it right. Every year, we process millions of visa

[Baroness Williams of Trafford]
and passport applications, but that does not undermine our wish to get it right. Our passport service has a good customer service record and I can tell my noble friend that, over the past year, the average turnaround time for passport applications was approximately seven days. I might add that the Institute of Customer Service ranks HMPO in the top 50 high-scoring organisations across the public and private sector.

Lord Clark of Windermere (Lab): My Lords, the Minister knows that we have discussed this matter across the Floor on a number of occasions, and I am very grateful for her lucidity today. I have been arguing that, for those European Union citizens who have been successfully granted permanent right of residency, the right should be continued. As I understand it, that is what the Minister, in a rather roundabout way, has announced today. But, in view of the pressure in the Home Office, what is the logic of requiring European Union citizens who have acquired the right of permanent residency in this country to reapply—adding to the burden—for settlement? Why do we not simply grant that without them having to go through the process, as it has already been cleared by the Home Office?

I come to my last point. As the Minister knows, my main driver in this has been the National Health Service. If I am right in saying that most of those who have five years' residency can stay in this country, will the Minister write to National Health Service trusts to point that out and to ask them to communicate it to all European Union residents who are working in the health service and are still very confused about their status?

Baroness Williams of Trafford: I thank the noble Lord for making that point. Permanent residency status was afforded to EU citizens when we were—as we still are—in the European Union. That will change, but their settled status will not change once we leave the EU. They will move from the status we had when we were in the EU to one that we will have when we are outside the EU—settled status—and they will not be charged for it. I know that it is not ideal and that they should automatically have it. However, that is the reason for the change.

Baroness Hamwee (LD): My Lords, the Minister talked about working with stakeholders, and I believe that the Immigration Minister's recent meeting with the organisation the3million was, according to its website, very successful. I think we should be grateful to the3million for its forensic analysis of the position. For instance, one of its 150 detailed questions is how a stay-at-home parent—one of the examples used in the Statement—can prove his or her residence. When will the Home Office be able to give answers to all those questions, as I understand it has agreed to do? Secondly, I believe that the withdrawal agreement states that the process is to be monitored by an independent authority. Can the Minister give the House details of that? Finally, on the point about British citizens in Europe, I wonder whether she is aware that the organisation British in Europe suggests on its website today that the Home Secretary is asking the wrong questions, because the current registration systems across the EU 27 are "largely working well", and it is only France, along with the UK, that does not require a form of registration, so our Government should be asking what is planned to tweak existing systems. British in Europe also points out that the real issue for its members is free movement, which is a huge issue for British people on the continent, as 80% of Brits in the EU 27 are of working age or younger and rely on free movement for work and to keep their family together.

Baroness Williams of Trafford: I thank the noble Baroness for her questions. I think I addressed in the Statement the very example she gave of stay-at-home parents. As the Statement says, applicants will not need to show that they meet the detailed requirements of free movement rules, which I think was the point that the noble Baroness was making. So if you are a stay-at-home mum—to pick a stereotype—or somebody who is retired, will you have to prove free movement rights? No, you will not. That is the simple answer to that. Regarding the independent authority, I do not think it has been announced yet, although I will confirm that in writing to the noble Baroness. I am pretty sure that it has not been announced, but it will be in due course.

The Earl of Sandwich (CB): My Lords, I apologise for arriving late for the Statement, so I may have missed something. I know that the Statement is about EU citizens here, but can the Minister say whether she will make a similar Statement on UK citizens in Europe? Given that in our many debates the principle of reciprocity has applied, will this arrangement also be reciprocal? This issue has always been treated rather separately from the other Brexit issues. The Government declared their hand very early, so there must have been a lot of reaction in Europe, even if it has not been a consistent EU reaction.

Baroness Williams of Trafford: UK citizens in Europe will, of course, be a matter for Europe. We did declare our hand very early; we had a lot of pressure in Parliament and the country to do so, and to do so in good faith, and that is what we did.

Lord Judd (Lab): My Lords, while this Statement will obviously need a great deal of scrutiny, I certainly join with those who have welcomed it most genuinely. Together with other things that are happening, it seems to indicate that there is a long overdue and welcome change of direction in the atmosphere at the Home Office and in the role that it is trying to fulfil. That is to be encouraged. I like these words in the Statement:

> "Throughout the process, we will be looking to grant, not for reasons to refuse, and caseworkers will be able to exercise discretion in favour of the applicant where appropriate, to minimise administrative burdens".

That is the right kind of language.

As I say, we will need to look at the detail. In the meantime, will the noble Baroness agree that the Government have yet to legislate for settled status in domestic law? What legal guarantees will those who

have registered for this status prior to agreement of the withdrawal agreement be given under UK law? Can she guarantee that the agreement on citizens' rights that has been reached with the EU will be honoured even if the UK is unable to reach an acceptable deal with the EU 27 under Article 50?

Baroness Williams of Trafford: I thank the noble Lord. On the legal status, when an applicant applies for settled status they will receive a digital token and a letter that says that they have obtained settled status in this country. I think that the noble Lord is asking what will future-proof that status. Is that the point he is making? I cannot look into the future to see what a future Government might do, but this Government will do as much as they can to ensure that these people are here with settled status as proof that they are legally here.

Lord Judd: May I just respond to the question that the noble Baroness put to me? My point is that it is not yet established in law. How soon will it happen, and can we be sure that it will happen? In the meantime, how will their status be guaranteed in law? That is the point. Perhaps I may also say that, in view of all she has been saying, I hope that the position of the vulnerable and those who do not have access to high-tech means of communication will be covered in the spirit of what has been said in the Statement.

Baroness Williams of Trafford: I hope that the noble Lord will be more satisfied with this response. It will be established in law. I cannot say what those future laws will look like under perhaps another Government because laws change, but it will be established in law.

Baroness McIntosh of Pickering (Con): My Lords, my noble friend referred firmly to the fact that we are still in the European Union. Can she explain whether Britain will be represented at the meeting dealing with migration that is due to take place on Sunday? In particular, will Britain be arguing the case for a possible third country taking migrants before they are settled in the EU, which seems a very interesting idea? Does she have any idea which these third countries might be?

Baroness Williams of Trafford: My Lords, we will be a third country, as my noble friend will appreciate. On the meeting on migration to be held on Sunday, I will have to write to her because I really do not know and there is no point in pretending that I do.

Baroness Ludford (LD): My Lords, today's Statement represents a welcome step forward, but there are an awful lot of detailed questions which remain unanswered. If my memory is correct, the group the3million has produced 150 of them. Like the noble Lord, Lord Judd, this morning I had the advantage of meeting the Home Secretary in the EU Justice Sub-committee and we drew that to his attention. Perhaps I might also make the point to the Minister. Can she ensure that those questions are gone through and answered in some detail?

Baroness Williams of Trafford: I think that my right honourable friend the Minister for Immigration met with representatives of the3million group. I will inquire as to whether she is going to go through each of the 125 questions. I have to say that I do not know. I will get back to the noble Baroness or I will ask the Minister to write to her.

At this point, perhaps I might take the opportunity to revisit an answer I gave to the noble Lord, Lord Rosser. I talked about the EU public policy test for the implementation period when he asked me about criminality and then I started to talk about UK deportation rules. I should not have talked about UK deportation rules because it will remain the EU public policy test. He may or may not have noticed that I switched tack, but I would like to clarify that now.

Lord Stunell (LD): My Lords, the most welcome phrase in the whole Statement is that officials will be looking for reasons to grant rather than reasons to refuse—that will be a tremendous change of culture for the department. I do not believe that any civil servant in the Home Office, the Border Agency or the Passport Office has ever earned a bonus in the past for issuing more visas than the quota. Can the Minister assure the House that this is going to be a genuine culture change within those agencies: otherwise, I fear that, whatever the good intentions may be at ministerial level, the outputs will look dismally like they always do on these matters? Of course, I am sure that Commonwealth family applicants will be looking for the same kind of approach by officials when their applications are considered. Perhaps she could give us some guidance on whether this culture change is going to reach to the furthest edges of the Home Office.

Baroness Williams of Trafford: I think that it became clear, when my right honourable friend became Home Secretary, that culture change was afoot across the Home Office. He talked about a more humane approach to decision-making and about the end of the hostile environment, which would instead become a compliant environment. The wording of the Statement today was no accident. It reflects a much more positive attitude to people who make applications and tries to help them. As I say, I do not think that that is accidental and, since my right honourable friend became Home Secretary, his actions have shown that.

Lord Marlesford (Con): My Lords, how does this settlement relate to the agreement with the EU on reciprocal treatment under the NHS? My noble friend will be aware that, under the present system, HMG pay for UK citizens who require medical treatment in the EU and we are meant to be repaid for treating EU citizens here. The trouble is that for some years it has been totally out of balance. The last time I looked at the figures, HMG paid out some £500 million for the treatment of UK citizens in the EU and received only about £50 million for the treatment of EU citizens in the UK. How is that relevant to what the Prime Minister said about the Brexit dividend?

Baroness Williams of Trafford: What I am talking about today is not particularly related to that issue, but my noble friend is absolutely right to ask what the reciprocal arrangement will look like when we leave the EU. I do not think that the area of NHS reciprocal arrangements has yet been determined, but I shall confirm that in writing to my noble friend. I think that it will be determined in due course.

G7 Summit and Future Trade Relations

Question for Short Debate

2.35 pm

Asked by ***Baroness McIntosh of Pickering***

To ask Her Majesty's Government what assessment they have made of the implications for the United Kingdom's future trade relations of the failure to reach an agreement at the G7 Summit in Canada.

Baroness McIntosh of Pickering (Con): My Lords, I am delighted to have secured this topical debate today and I look forward to hearing noble Lords' contributions. Perhaps I may take this opportunity to welcome the Minister to her place and say how appropriate it is, on the longest day and the summer solstice, that in responding to the debate she represents the department known as the "department of sunshine".

The G7 summit earlier this month, hosted by Canada and held in Quebec, aimed to promote the rules-based international order to advance free and fair global trade, promising talks leading to more trade between the subscribing nations. Why does the G7 matter? In my view, it matters precisely because it bridges trade relations between the EU and world trade through the World Trade Organization. In looking at the implications for our future trade relations in this debate, we must ponder the reasons for the failure to reach agreement in Canada.

The background to the June G7 summit was the latest UK trade figures in April 2018 showing a widening of the total UK trade deficit to £9.7 billion in the last quarter for which figures are available. This change was due mainly to falling exports in both goods and services. Exports of goods fell by £3.1 billion due to falls mainly in exports of machinery, pharmaceuticals and aircraft, while exports in services fell by £2.5 billion. I find the figures surprising given that the pound is at a low level. In this situation one would have expected exports to have risen. Given the fact that we are negotiating our exit from the European Union, it is perhaps not surprising that our trade deficit in goods with the EU has grown while that with non-EU countries has improved.

Looking at the backdrop to these figures and the failure to reach agreement at the G7 summit, I conclude that trade relations pose the greatest threat to the global order. In a post-Brexit world, we in the UK are seeking to negotiate our own trade deals, with the Government aiming initially to strike a good trade deal with the EU and subsequently with America, India, Australia and so on. Success will depend on all players playing by the rules but, following Donald Trump's behaviour at the summit and subsequently introducing tariffs on trade, respect for these rules is now in doubt.

I am delighted to say that Yorkshire seems to have bucked the trend. Trade figures show that the region outperformed the national average in the first three months of 2018, with an increase in both the amount of goods that Yorkshire exports and the number of companies exporting. In terms of food and farming, Yorkshire is well placed to compete with other regions of the UK and internationally. Exports to China from Yorkshire are growing, helped in particular by the sale of pigs' trotters and other parts to China where they are considered delicacies.

Without doubt, the EU is the UK's most important market for food and drink exports, followed by the US and China. It generated £13.3 billion of the total food and drink exports in 2017, which accounts for 60% of the total. The EU has 36 preferential trade agreements with more than 60 countries, representing 15% of all UK-traded goods, not just food and drink. Many Commonwealth countries have economic partnership agreements with the EU, giving preferential access for their goods to what will be a market of 440 million consumers after Brexit. The application of the EU's standard rules of origin on the day after Brexit would be hugely damaging to UK-EU trade. Will my noble friend the Minister give the House a commitment today that the Government intend to negotiate specifically that this could not possibly happen?

In terms of the share of national exports as a percentage of world exports, China, excluding Hong Kong, led in 2016, followed by the EU, then the United States. As a major trading nation, the UK should welcome every opportunity to improve its international trading relations, so it was a disappointment that the June G7 summit was divisive and inconclusive. The attempt by President Trump to persuade the G7 partners to readmit Russia, following on from the decision to impose US tariffs on steel and aluminium, poisoned the atmosphere of the talks, which were then doomed to fail. Russia was admitted to the G7 in 1997 and removed in 2014, following the annexation of the Crimea. We should remember that in August 2014, Russia announced a ban on imports covering a wide range of agri-food and drink products from the EU, the US, Canada, Australia, Norway, Ukraine and other countries. In the year following the ban's implementation, UK food and drink exports to Russia fell by 52%. EU food and drink exports to Russia fell by 53%. US threats to impose tariffs on EU and Chinese exports to the US look set to raise the temperature in international trade talks further still, with consequent retaliatory measures. Rising trade tensions globally do not augur well for trade; nor do the signs of the world index in stock markets across the globe falling, as we saw this week. Signs of slower economic growth can only be increased by the prospect of a trade war between the US, the EU and China.

How can we best navigate these choppy waters in international trade? How do we replace the existing market of 505 million consumers on our doorstep with alternatives? There appears to be no simple answer. Current international tensions highlight the dangers

of leaving a trading bloc of 505 million consumers, of which we have been an intrinsic part since 1973. This debate provides the Minister with an opportunity to share on their behalf the Government's priorities for future trade talks, mindful of the importance of talks to the food, drink and other manufacturing sectors.

I conclude with a small number of questions for my noble friend the Minister. The World Trade Organization's existing trade dispute settlement mechanism currently dictates that the EU Commission manages trade disputes on behalf of the UK and other member states. Can the Minister assure the House that by the time we leave the EU on 29 March 2019, the Government will be in a position to defend any trade disputes brought against the UK? Can she share with the House what the dispute resolution mechanism will be, as was envisaged—we would know—in the White Paper at the end of last year?

Finally, what is the current progress of the recent EU dispute brought before the World Trade Organization, relating to the US tariffs on steel and aluminium imports? As a general rule, what is the average length of time for such a dispute to be resolved? No matter how difficult we might think our relations and negotiations with the EU have been, I think the Minister will confirm that future negotiations on trade matters with the World Trade Organization could be 10 times worse.

2.46 pm

Lord Whitty (Lab): My Lords, I thank the noble Baroness, Lady McIntosh, for this timely debate. I am somewhat worried that there are not many speakers; indeed, I am the only Back-Bench speaker. I intended to participate in the debate after contributions in support of the noble Baroness from many sides of the House. I will utter a few correctives to the overall approach.

I certainly agree with the noble Baroness, Lady McIntosh, that this is a crisis point for the world and the UK. Unfortunately, the two coincide. The timing of Brexit, along with the timing a breakdown in the cohesion of the G7 and the rejection, in many respects, of the WTO order by the United States, presents us with a double problem. The noble Baroness also pointed out that the British trade balance has moved in the wrong direction, with the notable exception of Yorkshire. Despite the low level of sterling being a bit of a cushion hitherto, we need to take that signal very seriously. The situation underlines the need for us to come to terms rapidly with the EU on our future trading arrangements—thereby moving into the 36 countries that have a trading agreement with the EU—and how they will apply to the UK and beyond.

However, I intended to make two rather broader points. My first concerns how the theory and actuality of world trade sometimes clash. Secondly, I want to refer to the political reaction in many countries, including our own, against the perceived consequences of free trade. I am interested in two news items from the past few days. First, the Charlevoix communiqué, which was very noble. It talked about many things but did not say much about how to extend freer trade. I was also taken by a poll in the United States, which indicated that nearly 80% of the population thinks that the present system of free trade does not benefit them. I am afraid that this may well be repeated in many other countries.

As to what we do about it, my mind is taken back to my youth, which was quite a long time ago. In far left circles, there was an argument between those who argued for socialism in one country and that any trade barriers would defend the building of socialism—as espoused largely by the Communist Party at the time—and those who argued the opposite, as espoused by some but not all strains of Trotskyism: that workers of the world should unite and we all benefit from trading with each other, as long as it was not in the hands of the capitalists. Some of those arguments are still going on. In a sense, I am not surprised that they are still going on in the Labour Party and the far left, but I am surprised that they seem to extend, in a rather mirrored form, to the right of the political spectrum and to the Cabinet, between those who are for a Brexit that is a sort of little England taking control and running our own affairs, and those who see us as a buccaneering global power doing deals with everybody but with nobody restricting the way we do it.

The reality is that progress towards freer global trade on a multilateral basis had already stalled long before President Trump came into office. Indeed, I go back 20 years to when we began talking about the Doha round for a multilateral trade agreement that never transpired. It partly fell on its face—I speak as a former Minister of Agriculture—because of the inability to deal with agriculture in that context and protectionism within it. In fact, we moved from that ambition to relying very heavily on regional free trade areas or near free trade areas—the EU, obviously, but also Mercosur, NAFTA and the Pacific agreement. It was expected that the blocs would have deals between them. That, of course, has not happened. Indeed, the whole TTIP saga shows that it is very difficult to make it happen. Therefore, progress towards world free trade under a rules-based system has been stalled for a long time. It has been replaced by some serious inconsistencies between different approaches in different parts of the world and some weakening of the rules in the World Trade Organization et cetera.

Meanwhile, we have the political reaction. In the United States, Europe and many developing countries the political reaction has been against any further reduction in trade barriers. It is denounced in some circles as populism. Populism is basically an idea that the lower orders find attractive and the elites deplore. In this context, the ability of the European Union and the powers that be within Europe to face down this popular reaction, or to convince those who, for understandable reasons, are beginning to support that action, is one of the big political problems of our time. There has been a very serious reaction against the effects of free trade on people's jobs, on the structure of industry, on the nature of employment and on the degree of migration that some of that free trade has been associated with.

We also have to remember that they are not entirely wrong. The lesson of history is at best mixed. After all, the UK grew to its manufacturing predominance behind high barriers—plus a bit of imperial preference.

[LORD WHITTY]
So did the US, Germany and Japan. More recently, so did China. It is only very recently that China, having become a successful power, has emulated the United States and Britain in earlier things and, having developed its industry behind barriers, become a great advocate for free trade. At the Davos before last, China claimed that it was the biggest advocate of free trade in the world. The world is actually in a bit of a mess on this.

Democracy is also in a bit of a mess, because when the population blame the world order for their problems and not their own Government we see a kicking over of the traces. We see it in the election of President Trump, in Brexit here and, in a slightly different context, in the election of anti-migration Governments in Poland, Italy and other parts of Europe. We need to grapple with that. It is no use assuming that the rules under which the WTO has operated will work for ever. There is a fear that the supposed rules of the WTO are not being enforced properly and that, as a second order issue, the enforcement mechanism of the WTO is neither accessible nor effective in enforcing those rules and that it takes an awfully long time over it.

But there is another aspect. Whereas rules on, for example, labour standards, modern slavery, treatment of workers, health and safety and so on are often not enforced as part of trade agreements—likewise, environmental standards are not being properly enforced—some aspects are, directly or indirectly, because of the world trade order. For example, on state aid or preferential public procurement states can claim breach of WTO rules and get the WTO to do something about it. The rules that apparently everybody agrees with in standards, treatment of workers, the environment, safety and product standards are not being enforced properly, whereas the rules related to government intervention are being enforced rather officiously—on occasion, they are even claimed to be part of the US Government's attempt to turn over the WTO procedure.

This suggests that the world trade order and the political reality are getting seriously out of step. We might need to rethink not only how we deal, in the G7 and elsewhere, with world trade and how we take immediate steps to off-set the detrimental effect of Brexit in our own trade negotiations, but whether the WTO rules and disputes procedure are right or whether we as the G7—I hope led by the EU while we are still a member—ought to take the issue a little more seriously and look at how the system as a whole works under the WTO.

2.56 pm

Lord Purvis of Tweed (LD): My Lords, we are indebted to the noble Baroness, Lady McIntosh, for bringing this Topical Question to the Chamber to elicit the Government's position so fresh after the very worrying G7 summit in Quebec. We are grateful to her. I will address some of my points to the very pertinent issues she mentioned. I know that it is a gentle convention in the House that the Front-Bench speakers reflect on contributions made by the Back Benches. I can do that very briefly by saying that I agreed almost entirely with the contribution from the noble Lord, Lord Whitty.

The point that the noble Baroness, Lady McIntosh, mentioned that is probably the most troubling of all is that we see trends in global trade and global growth that are a worry. In a recent meeting, representatives of the World Bank were very clear that they are concerned that what has been happening over the past decade—a global growth trend that was uniform across the planet—is now under threat. We start to see this particularly with what is likely to be a looming trade war, where leaders' pride and nation states' interests collide. That will mean that many citizens and consumers will be worse off. I represented a constituency that is still living with the impact of a trade war in the 1990s with high tariffs on the textile industry. Trade wars impact people's livelihoods and their futures. They are not to be taken lightly.

The Minister will know that for a number of months I have been concerned about the WTO's capacity to address some of these issues. I was at the WTO ministerial conference in Buenos Aires in December. It failed to agree a communiqué as the US delegation left early. I was not entirely surprised, therefore, with the US's approach in Quebec. I had the benefit of being in Washington last week, which I will return to a little later. It was fascinating meeting the Canadian ambassador, discussing with the US trade envoy's office to Europe the very pertinent issues that the noble Baroness, Lady McIntosh, raised.

I also agreed with the noble Baroness in raising issues relating not just to tariffs. In many respects, the debate about non-tariff measures is as important as that about tariffs. While such measures serve highly legitimate policy goals such as protection of human health, animal and plant life and the environment, they make it more difficult for SMEs and small farmers in smaller nations and least-developed countries to compete effectively in the international markets.

According to the WTO, there has been a phenomenal increase in the number of rules and regulations affecting international trade. While most favoured-nation tariffs have declined from an average of 5% to 6% to below 3% to 4% between 1995 and 2015, the number of non-tariff measures rose from more than 1,500 in the mid-2000s to more than 2,500 in 2015. It was the UK's desire in the 1980s to avoid what was known to be the trend of growth in non-tariff measures and to reduce the cost and burden on business and exporters that led us to support a single trading market in goods and services. No doubt we will return to Brexit in other debates in the House.

It is a simple fact that smaller nations and least-developed countries lack the financial and technical resources to develop effective policies, regulations and institutions to address non-tariff measures such as technical barriers to trade and vital sanitary measures. UNCTAD and other bodies are doing sterling work to raise issues regarding the burdens on least-developed countries. Those who lose out in trade wars between large nations are not just consumers in those nations; there is a considerable impact also on smaller trading nations especially on a regional basis. In many respects, they are the collateral damage of such trade wars. It is therefore no surprise that there is considerable concern among members of networks established for the very

purpose of reducing trade barriers, such as Mercosur, the Pacific Alliance, within the Maghreb, SADC and ASEAN, all of which are focused on reducing non-trade measures, reducing time and cost of border crossings, reducing customs costs and aligning and then harmonising regulations. There is deep concern across all those networks that the WTO is in many respects hampered by the position of the United States and not assisted by the strategic position of China, with its alternative approach that we are starting to see in the Shanghai Cooperation Organisation.

The UK Government must have a clear position. We would have needed a clear position regardless of Brexit but, with it, the Government need to be clearer than ever. As we embark on the first trade negotiations in history to create trading barriers rather than reduce them, the Government need to be even clearer.

This might have been an easier situation to manage had it not been for the latest position of the United States. There is no doubt that the White House has a transactional, nation-state-first trade policy that is not likely to change in the foreseeable future. If we add to this the very clear position of our non-EU trading partners that they will need to know what arrangements the UK enters into with the EU before they agree positions with us, we see that this is not a conducive trading environment in which to be entering a new, third-country relationship with the biggest single trading bloc.

The position of the US was made clear to me on my visit there last week. As the noble Lord, Lord Whitty, said, it cannot be denied that there is no universal support for free trade anywhere within the United States and certainly within Congress. It is perhaps possible to re-engage in the TTIP discussions; it is perhaps possible to rescue from the embers the NAFTA relationship within the United States; and some form of relationship with the new progressive trade partnership being formed within Asia and the Pacific may well be possible, but it cannot be guaranteed—nor can we base our future trading relationship with the US on those assumptions. It cannot necessarily be taken for granted that the US Congress would be satisfied with a UK FTA. I met delegations in both the Senate and the House. Both Republicans and Democrats made it clear that they would not support a free trade agreement. They would support trading relations and look at areas where barriers could be reduced, but what they would ask for would be broadly unpalatable to us. It would be helpful to get a clear understanding of the latest position of our trading and investment working group with respect to the United States.

I met a Congressman who addressed the point mentioned by the noble Lord, Lord Whitty: the dichotomy of where we are. Republican Congressman Joe Wilson from South Carolina has a massive Trump-supporting base in his district, but he also represents a BMW factory that employs 10,000 people there. Any X range of BMW that you see on the streets of London is made in his district in the United States. He understands how interrelated are global supply chains in trade, but the White House has a position which is absolutely contrary to it. That is likely to be a contradictory position that we see going forward.

We know that the policy of the White House, with Ambassador Lighthizer and adviser Navarro, is for disruption, uncertainty and unpredictability, but we need to address the fact that it is not directed towards adversaries only; it is directed also towards allies and trading partners. That it is the President's clear position to offend, insult and undermine a key ally to the United Kingdom in the Canadian Prime Minister should be a clear warning signal. Ultimately, it means that when we consider our approach to trade post Brexit—if it happens—we will need to address much more deeply the type of trading relationships that we have and not just what goods and services are included in them.

This Parliament will need a much clearer position on setting a government mandate, to enhance scrutiny arrangements and to have deeper means of ratification than those currently provided by the Government. I thank the noble Baroness, Lady McIntosh, for bringing these issues to the House. I know that they will set the cloth against which we look at our trade policies in a post-Brexit world. I look forward to hearing what the Minister has to say in response.

3.07 pm

Lord Stevenson of Balmacara (Lab): My Lords, I, too, thank the noble Baroness, Lady McIntosh of Pickering, for securing this debate, which comes at a good time, poised as we are to go into the Trade Bill. "Poised" may be an overstatement; I think that we might get to it at some point in the next six months, but we are not being told when. This debate gives us a chance to reflect on some of the issues that arise, specifically from the G7's failure to reach agreement but also in a wider context.

I agree with the noble Baroness that the G7's failure to deliver even the pre-agreed communiqué was astonishing, and it was right that she drew attention to it—I think that we are at a crisis point in that sense. I agree also that deteriorating trade relations represent one of the biggest security threats around. More worrying is the US abandoning, or seeming to abandon, a rules-based system—if indeed it is doing that. It may make for good domestic US politics, but it sends a tremor over the whole world, as growth will be affected. I look forward to the Minister's responses to the noble Baroness's specific questions.

My noble friend Lord Whitty took a slightly wider approach to this issue, drawing attention to the lack of agreement on the benefits that free trade can bring. I agree that it is also a particular problem. If we are going to make a success of where we are post the EU withdrawal Bill, we will have to spend a lot more time thinking harder about what we want to say to people about the benefits that can flow from a much more engaged approach to free trade. It is also true, as the noble Lord said, that another series of actions is going on in the world, with a different, perhaps more populist, approach to politics that is anti a sense of engagement with an open basis for trade and which will have a wide impact if we do not think harder about how to counter it. His comments were important and should be listened to. The noble Lord, Lord Purvis, also picked up, as did my noble friend Lord Whitty, that we

[Lord Stevenson of Balmacara]
were already in trouble before the G7 summit. The WTO seems to have stalled in terms of its activities; it has lost credibility in the last decade or so and there will be real problems if a trade war gets going in any real sense.

Although the numbers signed up to this debate might suggest otherwise, I believe that there is a burgeoning interest in trade issues, and I think we will be able to capitalise on that as we go forward to the Trade Bill. Having said that, I take the Government's view that this narrow, technical Bill is not something we can use to expand very widely on considerations to do with trade. However, I argue that if we are seeking to emulate, post Brexit, the arrangements currently in place for the making and amending of EU trade agreements, which is the main, narrow purpose of the Bill, it must make sense to see the Bill in the light of where the Government see us ending up on this more generally. Of course, we have to scrutinise the main measures in the Bill, such as the powers of the new trade remedies body. We need to check that the TRA has sufficient expertise, knowledge and resources; we need to think about government procurement; and there is the question of state aid rules, particularly following the announcement that the CMA is to be given responsibility for this area across the whole country.

We need to have more detail on the Government's thinking on what exactly our trade policy is. What, for example, is trade? It sounds a very simple question: it obviously includes goods, but what about services, intellectual property and investment? Most modern trade agreements deal with all these issues—they are interwoven and inseparable. Our policy will need to reflect that approach. How does trade interface with development? There is clearly a link between grant in aid and the economic activity that follows from it: it may be based initially in agriculture, but it soon works out that it needs to be involved also in economic growth.

The noble Lord, Lord Purvis, said that one of the biggest threats to free trade was non-tariff barriers such as regulation. How do we approach that? Are we going to look for a mutual recognition approach or will we be reliant on detailed agreement on our regulatory framework, making sure that it stands up to any tests that anybody might wish to put it to? If we are a rule taker, that does not sound a very good place to be. How will we be sure that our regulations will be effective and where will disputes be settled? Does the WTO have the skills to expand and act as an enforcement regulator if we are talking about much broader issues than simply goods and not services?

Others have talked about country of origin rules, which are really important, and not just for the EU. I was at a meeting yesterday at which someone was talking with expertise about what happens to New Zealand chickens. It may be a familiar story to others, but I was completely shocked to discover that the average chicken is divided into 48 different component parts, each of which goes three times around the world, virtually, before it finally gets consumed—the mind boggles. Not just the mind—the stomach boggles as well. And don't get me started on what happens to chickens in Northern Ireland, where the problem is not so much what happens to the actual chicken but what happens to its feathers, which are apparently taken off early—don't ask—and taken to another country, probably the Republic, and dealt with under different rules. That will cause real difficulties in any trade agreement. We will perhaps not be working at the level of detail of chickens, but I think we will be going to interesting places on the Bill. Yes, it has narrow issues, but it has to be much broader.

How are we going to balance consumer rights and producer rights? Will we be able to assert professional standards in a way that will allow us to make sure that they are treated properly across the world? Will we even be able to get membership of the world's standards bodies when we are not part of the EU? On the much broader canvas of engagement with other groups, we are not going to be part of the EU single market, it seems, but we already hear suggestions that we should join NAFTA and the CPTTP, which is the Trans-Pacific Partnership agreement that took over from the TTP when the United States left. Membership of those bodies is a very different concept from engaging with free-standing free trade arrangements—it may indeed be a jump out of the frying pan into the fire.

In some ways, that makes a much broader point. If we are talking about joining other trade blocs, these are also about geopolitical alignment. The fact that we are in a trade alliance with this bloc or another may actually be more important than the volume of trade, however it is defined, that is being done. Who decides that? What interest does the Foreign Office have in these matters?

I will end by talking a bit about human rights. If we are going to take this step into the unknown with a new set of trade arrangements, we have to think very carefully about what we in Britain want to see coming out of them in terms of our respect for the various rights. Most of us will be interested in the fact that many companies increasingly understand that there is a very good business case for respecting human rights. It brings business benefits in various ways. It helps protect and enhance a company's reputation. It helps it to protect and increase its customer base. It helps it attract and retain good staff. It reduces risks to continuity from conflict inside the company and it appeals to institutional investors, many of whom have interests in human rights. Companies told us that they need policy coherence and clear and consistent policy messaging from the Government. It is interesting that the Foreign Office has adopted the Ruggie principles, emanating from the United Nations Human Rights Council, almost lock, stock and barrel. Can the Minister confirm whether DIT will do the same?

In any case, we have ratified a series of international treaties that need to be accommodated. Our treaties and agreements include the International Labour Organization's eight core conventions, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. The Government may have turned their face against incorporating the European Convention on Human Rights, but I sense that the issue has not gone away. In any case, the Human Rights Act ensures that individuals in the UK have a remedy for the breach of

rights that are protected by the ECHR, and it applies to all public authorities and to other bodies performing public functions, as private companies sometimes do. So this is definitely going to be in play—and this is before we look at broader legal frameworks such as employment regulations, equality legislation, the Health and Safety at Work Act, environmental protection and most recently, of course, the Data Protection Act.

So there is a lot of regulation already in place and we have a lot of history and practice in this area. There are many instruments, such as the Bribery Act, the OECD guidelines for multinational enterprises, where we have a national contact point, and our own Companies Act 2006, which makes it clear that directors have to have regard to the impact of a company's operations on the community and the environment, and the desirability of the company maintaining a reputation for high standards of business conduct.

The Trade Bill is not just a simple, technical exercise in making sure that we can move from an EU-led series of negotiated agreements to agreements negotiated with the UK: it is not cut and paste with a word processor. It raises all sorts of questions about where we want to be on trade, how we want to define it and take it forward, which elements are important to us as a country going forward, and which will pay the best dividends in terms of the negotiations we have. Are we going to go to blocs and join them in much the same way as we do with the EU? Are we going to continue to try to plough our own furrow? And all this comes at a time when there are upsets and difficulties in the whole rule-based system that we are used to. We need much more certainty about that. It would therefore be worthwhile taking this forward. I look forward to the Minister's comments.

3.17 pm

The Minister of State, Department for International Trade (Baroness Fairhead) (Con): My Lords, I, too, thank my noble friend Lady McIntosh of Pickering for her Question. I thank her and other noble Lords for their rich and probing challenges. The noble Lords, Lord Whitty, Lord Stevenson and Lord Purvis, raised the challenges of the multilateral trading system, and I think we can all see that those challenges are there. As we said, the G7 was one of the most tense of recent years. My right honourable friend the Prime Minister made it clear that the discussions were difficult. But we also have to see that these meetings provide opportunities for close allies to discuss many things apart from trade, such as empowering women, security and sustainability, in particular of the ocean environment. It should be recognised that they have that purpose as well.

However, the debate today is on trade and that is where I will focus. I shall touch on the summit at the beginning. The agreed communiqué had two parts. The first was, indeed, about the importance of a rules-based international trading system and the continued fight against protectionism. The second strand was a trilateral discussion between the US, the EU and Japan, talking about level playing fields, industrial subsidies, inadequate protection of IP and non-market oriented policies. As noble Lords have highlighted, the communiqué was later dismissed by the President of the United States, but let me be very clear that the commitment of the UK to the contents of the communiqué and to the other non-US members of the G7 remains unchanged. Furthermore, there is a determination to work constructively with all parties, including the US, on that trilateral dialogue between the US, the EU and Japan.

As the noble Baroness, Lady McIntosh, pointed out, the summit took place against the backdrop of the US decision to raise tariffs on steel. We are allies—close allies—but where we disagree, we will say so. We disagree with these tariffs. We have made clear, and continue to make clear to the US Government at the highest levels, the importance of UK steel products to US businesses and defence projects. We will continue to work with the EU and the US Administration to try to achieve a permanent exemption because, as the closest allies, we think we should be permanently and fully exempt.

That said, we have proceeded with our complaint at the WTO. The noble Baroness asked for some information about the timing of that and where we were. On 1 June, through the Commission, we launched the case at the WTO. These typically last around two to three years. However, we are able to impose countermeasures relatively immediately. Those countermeasures were announced on 18 May and can be applied 30 days after that. We can also conduct studies and investigations, one of which is under way on steel, to look at whether any safeguarding is needed to protect our industry. That is what we are doing.

We have been very clear that we do not want a tit-for-tat escalation. The important thing here is to focus on the global overproduction of steel, and a multilateral approach is the right way to do it. The noble Lord, Lord Purvis, spoke of his concern about a trade war. It is a real concern and we need to work multilaterally to find a solution. Free trade matters. I take the point made by the noble Lord, Lord Purvis, about his visit to the US. Free trade is challenged at the moment in the US and elsewhere but we should look at what it has achieved: 1 billion people taken out of poverty. In the 1990s per capita income in developing countries grew three times faster if they opened their borders. In the developed world, the OECD found that a 10 percentage point increase in trade exposure led to a 4% rise in income per capita. It is good for consumers and good for choice.

In addition, multilateral systems allow us to bring down the cost of trade. I take the point made by the noble Lord, Lord Whitty, about some stalling in multilateral capability in the WTO but there is progress; for example, the recent entry into force of the Trade Facilitation Agreement. Once fully implemented, it will improve global trade by £70 billion. Yes, it has stalled in many areas. The noble Lord, Lord Stevenson, also made the point that the CPTPP was signed recently. That was 11 disparate countries. So there is progress.

The challenge for us is that we need to have free trade and a multilateral system that works for all. There has been a sense that it works on a broad basis but the costs and impact are local and immediate. That requires a much more sophisticated, joined-up reaction, both domestically and internationally.

[Baroness Fairhead]
Domestically, we are making sure that the industrial strategy focuses on bringing skills and people so that we have skilled jobs all around the country, bringing a future for the young people of this country. We are linking that up with the export strategy that is coming down the track. We are trying to look at regional development as well.

The noble Lord, Lord Stevenson, mentioned the importance of trade for development. I am absolutely clear that trade helps not just prosperity but security and sustainability. I hope the noble Lord will be pleased to hear that the DIT has recently taken responsibility in government for leading the Prosperity Fund, aimed at development but with trade as one of its focal points.

Concern was expressed about leaving the EU. I will touch on some of the general numbers on our export performance that the noble Baroness, Lady McIntosh, gave. I think she gave the monthly numbers. I tend to look at the annual numbers because there can be volatility. On an annualised basis, exports grew by 7% and the deficit reduced. Historically we have seen a reduction in the amount of exports to the EU. We are likely to see non-EU trade growing faster over the long term because that is where faster growth is expected. As we leave the EU, we are clear that we need to grow and build a strong and ambitious relationship with our EU allies as well as countries outside the EU.

The noble Baroness, Lady McIntosh, raised rules of origin. Clearly, those are part of the negotiations. I agree they have a particular effect on food and drink. It is too early to say exactly what those will be. It is part of the technical way that we will have to adjust some of the agreements that we have with third countries, but we recognise that this is an issue that needs to be given serious attention and that is what we are doing.

A number of noble Lords raised concerns about the WTO and how it is working. We know it is not perfect but we believe the best way to manage it is from within. That is why I am happy to say that my right honourable friend the Secretary of State is in Geneva today with the WTO, meeting ambassadors there, including our ambassador to the WTO, making the case for free trade and a multilateralism that works for all.

As we exit the EU, our primary focus is on continuity, to make sure that there is no cliff edge for our businesses and the businesses of the EU. We are also working in parallel with the other parties that we are party to agreements with because of our membership with the EU. We fully understand the importance of EPAs with developing countries, which the noble Lord, Lord Purvis, talked about. I agree that non-tariff barriers are as much of an impediment as tariff barriers to their coming up and developing. That is clearly going to be a part of what we are making sure that we follow over.

When it comes to the TRA and the dispute resolution mechanism that we will have, we believe in free trade but we need to make sure that we have the powers to protect our consumers and our businesses. That is why we are working to set up the TRA—Trade Remedies Authority—before we leave the EU to ensure that we can continue to provide a safety net. We have taken a number of steps already, including a ministerial direction on 29 March 2018 to begin critical spend on the establishment of it prior to Royal Assent on the Trade Bill. We have begun recruitment, including of the chair and specialist roles. On 10 May 2018 we announced the location: Reading. Our aim is that the TRA will have a full suite of remedies at its disposal.

A number of noble Lords talked about the relationship with the US. Clearly, the US's approach to free trade has raised some concerns. We have a commitment from the highest level to enter into preparatory discussions with us. Noble Lords will be aware that we cannot negotiate but we have a trade and investment working group. It has met three times already, focusing on SMEs and science and technology. We also have an official-led financial regulatory working group. We will be proceeding on that and there is active progression of that preparation.

Lord Purvis of Tweed: We are grateful for the Minister's very clear response to the debate. While I was in Washington last week it was apparent that there is some lack of transparency over what issues are discussed and the scope of the working group's discussions. Will the Government lay in the Library some more information about the meetings, their scope and the meetings that are planned for this trade working group?

Baroness Fairhead: I believe we give what we can. We obviously have to agree it with the US, but I will look into it and see what we can do in that context.

Environmental, human and labour standards do not have to come at the expense of future trade agreements, and we will be looking at all options in future trade agreements. The noble Lord, Lord Stevenson, made some very clear points about human rights. It is a very complicated area and I think I would prefer to write to him.

This is a challenging time for the multilateral trading system. However, we will continue to be a strong believer in the multilateral system in championing the needs of developing countries, and a strong voice that wants the lives of citizens all around our country and in the world to be strengthened so that we have a more prosperous, secure and sustainable world.

Defence Fire and Rescue Project: Capita

Statement

3.31 pm

The Earl of Courtown (Con): My Lords, I shall now repeat an Answer to an Urgent Question asked earlier today in the other place:

"I am grateful for the opportunity to put on record the justification for the awarding of this contract. The defence fire and rescue project has been examining potential improvements in how fire and rescue services are provided to the Ministry of Defence, both here in the United Kingdom and overseas. The total value of defence fire and rescue operations is around £1.3 billion.

We intend to award a 12-year contract worth around £400 million to Capita Business Services Ltd. However, this is open to possible challenges—the normal process ensues—following the issuing of the contract award decision notice and possible parliamentary challenges to the contingent liability.

The contract will deliver improvements in the safety of military and civilian firefighter personnel and improvements in the equipment and training available to them. It will deliver savings that will be reinvested in the defence budget while sustaining our ability to support operations around the world and to support local authority fire services, should that be required at times of heightened national need. In doing so, it will ensure that our personnel, airfields and strategic assets worldwide continue to be protected from the risk of fire.

I assure Parliament that the proposed contractual arrangements have been subject to the fullest range of testing and scrutiny across government to ensure that the services will be delivered in a sustainable and resilient manner. Safeguards are in place to ensure that there is no break in service provision. Capita is a strategic supplier to the Government, and the Cabinet Office maintains regular engagement with the company, as with all strategic suppliers.

Fire risk management will remain a defence responsibility after the award of the contract. In no circumstances will there be any compromise to our personnel's safety. Over the course of the bidding for the contract, Capita's financial status has been analysed by the Ministry of Defence's cost-assurance and analysis service, and we have in place the necessary contingency plans to ensure that the contract is managed accordingly. We will actively manage the contract to provide early warning of any performance concerns so that they can be addressed thoroughly.

Following a competitive bidding process, Capita's bid was deemed to deliver the best technical solution and the best value for money for defence. Robust evaluation and modelling processes were undertaken to test the deliverability of the proposed contracts to ensure that all risks were identified. As well as the full assessment of the proposal, we have a contract that clearly defines the obligations for the contractor. A performance mechanism has been developed to make sure that Capita is reincentivised to ensure that delivery targets are clearly defined.

I should be clear that this is not the first time that contractors have been used in this way. Several sites, including Porton Down, are already using contractor fire service capability. In addition to offering significant financial savings that can be reinvested in defence, the project aims for the delivery of sustainable and agile defence fire and rescue services that meet the requirement without compromise".

Before we go into questions, I should make the point that my right honourable friend Tobias Ellwood mistakenly quoted a figure of around £400 million for the value of the contract. He should have said £550 million.

3.34 pm

Lord Tunnicliffe (Lab): My Lords, I thank the Minister for repeating the Answer. I have to admit to being little short of amazed by this award. Yesterday's *Daily Telegraph* said:

> "An assessment by financial analytics experts from Company Watch, which is used by the MOD, gave Capita a risk score of 10 out of 10. The higher the figure, the greater the perceived level of financial distress. Published on June 6, the report also measured Capita on a separate metric, a so-called health score, which plunged to just three out of 100".

All in defence know the appalling mess Capita made of the Armed Forces recruitment programme, which has been saved only by the Armed Forces duplicating the work Capita should have done. Surely Her Majesty's Government—of the party that is supposed to understand business—understand that the Capita business model is bid low, exploit the contract to its limit and cut costs remorselessly. How will Her Majesty's Government ensure that the inevitable cost-cutting will not result in the death of members of the Armed Forces?

The Earl of Courtown: My Lords, I thank the noble Lord for his questions. I obviously do not agree with him. I think this is basically a good thing for the Ministry of Defence, its budget and the taxpayer. The noble Lord mentioned a document that has been doing the rounds of the newspapers. The document in question was produced by the strategic supplier management team. The ratings on the SIB are taken from the Company Watch report and are provided for information purposes only. The SIB is not used in the formal assessment of the company's financial health and is purely for background.

All competitive proposals were thoroughly analysed by subject-matter experts from within the defence and wider fire and rescue sectors. The recommendations were also subject to detailed scrutiny by the Ministry of Defence, Her Majesty's Treasury and the Cabinet Office. The scrutiny extended for more than six weeks longer than it needed, to ensure that due diligence had been carried out.

Baroness Smith of Newnham (LD): My Lords, what experience does Capita have of running fire and rescue services? What does the Minister think we should be taking from the fact that, as the noble Lord, Lord Tunnicliffe, pointed out, Capita doing recruitment for the Army has not been a notable success? Is value for money—meaning cost-cutting—the only thing that matters to the Government in letting this contract?

The Earl of Courtown: My Lords, the noble Baroness asked a number of questions. She asked about value for money. This is a good thing. The fire and rescue service will be modernised. It will have far better training and equipment. This will all be put in place far quicker than if it had been left in the MoD budget. The noble Baroness also mentioned the matter relating to—will she remind me of the matter also mentioned by the noble Lord, Lord Tunnicliffe?

Baroness Smith of Newnham: It was the fact that Capita doing recruitment for the Army has not been terribly successful.

The Earl of Courtown: My Lords, I think the noble Baroness is trying to compare apples and pears. The recruitment process has all sorts of population issues. Capita has experience in this field. It has extensive experience in training and firefighting and is a respected professional in that matter.

Lord Sterling of Plaistow (Con): I have certain experience of outsourcing in different areas. In my experience, it is linked—as we have sadly seen in the past—to the experience of the top team. It is crucial that the top team lives only this contract and nothing else. If there is a top team—I should have tried to find out beforehand—is it a group which has huge experience? If the suggestion is that, somehow or other, outsourcing is going to make it safer, I would be interested in making certain that Capita has people who really understand this and do not have to learn on the job.

The Earl of Courtown: I thank my noble friend for his question. On the question of the management and oversight of this contract, it will be managed within the Defence Fire Risk Management Organisation, which is part of the Ministry of Defence. It will be responsible for monitoring the contract operations, including performance.

Lord Stirrup (CB): My Lords, previous outsourced contracts have very often relied for their lower costs on the fact that the companies making the bid are able to rely on trained personnel who were once in the military conducting these duties. However, that source of trained and experienced personnel inevitably dries up after a few years, resulting in enormous increased cost pressures on the company. Can the Minister reassure the House that in this case the full training costs over the years of the contract have been taken into account by Capita?

The Earl of Courtown: My Lords, I cannot actually comment on the contract itself because the exact details will not be made public until the contract is formally awarded. However, there is going to be strict governance over this contract, as I mentioned before, by the Defence Fire Risk Management Organisation, and of course this tender was highly examined in the Cabinet Office, the Treasury and the Ministry of Defence to ensure that it was a feasible and worthwhile contract to go with.

Lord Fox (LD): My Lords, my party leader and I met David Lidington recently to discuss public procurement. In that discussion, he expressed the Government's desire to get the strategic providers to focus in on particular areas rather than simply being centres of excellence for getting money out of government. It seems to me that, while there are a small number of fire and service rescue contracts under Capita's name, this is the Government doubling down on a strategic provider that needs their help. Can the Minister assure us overall what operational risk has been reviewed and how it is going to be managed?

The Earl of Courtown: My Lords, as I said earlier to the noble and gallant Lord, the operational risk was considered heavily during the tender process and the management of the contract will be carried out by a Ministry of Defence team in the Defence Fire Risk Management Organisation. One also has to look at the benefits of this contract: investment in modern firefighting vehicles; improved safety for firefighters; better training—Capita has a great track record in training fire professionals; and centralised management information to monitor trends and reduce risk. This is a good deal, and I think we should congratulate the Government on it.

Viscount Thurso (LD): My Lords, the Minister will undoubtedly be aware of the comments of the chief executive of Serco regarding government procurement to the effect that the Government have proved to be the worst procurer and the worst client, driving many large companies into difficulty. In that regard, what assurance can he give the House about the quality of the actual contracting process in this case so that that is not the end outcome here?

The Earl of Courtown: My Lords, as the noble Viscount will be aware, Serco was the underbidder in this contract so it had an interest in this issue. As I have now repeated three times, the monitoring of the contract will be carried out by the DFRMO in the Ministry of Defence. These are Ministry of Defence civil servants who have great experience in this field.

Armed Forces: Reserves

Motion to Take Note

3.44 pm

Moved by ***Lord De Mauley***

To move that this House takes note of the contribution of the armed forces reserves to national security.

Lord De Mauley: My Lords, I declare my interest as president of the council of the Reserve Forces' and Cadets' Association, colonel commandant of the yeomanry and colonel of the Royal Wessex Yeomanry. I joined the TA in 1975 and served for 30 years, commanding my regiment in 2003-04.

In my early years the reserve forces were just recovering from the ravages of cuts by Harold Wilson's Labour Government. A proportion was dedicated to supporting the British Army of the Rhine in the event that the Cold War suddenly warmed up, and the rest were a general reserve for home defence and other tasks. We were a genuine reserve, and it was clear to us that we were to be used only when our country's back was to the wall. As such, we had to accept that we would tend to be issued with second-generation or third-generation equipment, most of which worked some of the time, and that payment for our time would be, shall we say, perhaps a bit more than notional. Broadly speaking that was how matters remained, with occasional minor changes, until the early 21st century, when Blair's Labour Government had a radical rethink.

The strategic defence review determined the numbers would be substantially reduced but that what was left would no longer be a reserve but would be required to be available to be mobilised to support the regular forces on operations. In respect of the latter, in the short term not much changed at the sharp end, especially in terms of funding for training, so perhaps not everyone was fully aware of the implications. Suddenly, however, in 2003, brown envelopes started to drop through reservists' letterboxes instructing them to report for duty in Iraq with a fortnight's notice. This was a bit of a shock to most, particularly to wives and employers, by no means all of whom had even known they had a reservist in their midst. That was a painful period, and those of us who were in charge at the time had to manage things very sensitively to avoid risking devastating our units by wholescale mobilisation without adequate forethought, lest the bulk of those who returned from Iraq hung up their boots to enable them to rebuild shattered careers or marriages, leading to a decade-long recovery period for the unit in question.

Things were not helped when, in 2009, Gordon Brown ran out of money and removed the entire reserve training budget while we were still trying to prepare people for Afghanistan. In 2010, the reserve was suffering an increase in net outflow of those who had justifiably become disenchanted with their situation because the degraded proposition offered them was not properly met.

A decade and a half later, things are very different. In the FR20 White Paper, the Government allocated £1.8 billion of additional funding over 10 years. Most now serving have joined in the expectation of being mobilised for operations at some point in their reservist careers. Training is of a much superior quality, and the equipment is effectively the same as that of the Regular Forces. One of the most significant and important of several key improvements introduced by the Cameron Government was that on 1 October 2014, the Reserve Forces' and cadets' associations were given a statutory duty to report annually to Parliament on the state of the United Kingdom's Reserve Forces. For years, the Reserve Forces, which are managed by the Regular Forces, had been pillaged for funding whenever things got tight, which they frequently do. Indeed, now is no exception, but the difference now is that there is a channel of communication direct to the Government and Parliament so that they—we—can know that it is happening. The next EST report is due to be published imminently, and I should be grateful to know from my noble friend when she expects that to be.

The concerns today are of a different order of magnitude from what they have been historically, but there are concerns none the less. The 2017 EST report, on which I shall draw, made a number of points, all important. Because of time constraints, I shall focus on just a few: first and, for me, most importantly, recruiting. As is the EST, I am extremely concerned about the viability of the recruiting partnership for Army reserves.

The process was designed to be centrally managed and, even if it worked properly, does not recognise the fact that the characteristics of the reserves—who, by their nature, are recruited locally—mean that they desperately need local resources. I say "even if it worked properly". Frankly, it is a disaster. I am told that for five months late last year, not a single recruit emerged from the system. As a result, units have had to find workarounds to undertake functions that should have been done by the national recruiting centre.

Last year, the EST recommended a full contract review of the Army recruitment partnership. This year, it may go further. Operation Fortify introduced the initially temporary regimental sub-unit support officer. This post has made a huge positive difference in addressing the inadequacies of the central system. It has undoubtedly proved its long-term usefulness. It was at one stage suggested that this post become permanent. Indeed, if it does not, attestations are likely to decline, pipeline losses will increase and, hence, the Government's planned manning levels will be almost impossible even to meet, let alone to maintain. Can my noble friend exercise any influence in that direction?

The Royal Auxiliary Air Force, by contrast to the Army Reserve, has already exceeded its manning targets—which, in pure numbers were of course more modest. The performance of its six new squadrons has been excellent. How has it managed to perform so well? Interestingly, apart from not being subject to the recruiting partnership for Army Reserves—lucky them—unlike in the Army Reserve, as we shall see later, work on maintaining and improving the Royal Auxiliary Air Force's physical training estate has largely carried on. That is indicative of several things that are going better in the Royal Auxiliary Air Force.

Secondly, and related to recruiting, I turn to medicals. These remain the cause of the lengthiest delays in the enlistment process. Although matters have improved slightly, it is patchy and relies on proactive candidate management by units. Stories proliferate of candidates who have needlessly walked away because of overlong processing. Every unit reports a large proportion of candidates being referred for further medical examination for reasons such as non-recurring childhood ailments, emotional instability because of stress in the wake of, say, a family bereavement, or the over-rigid application of a body mass index. In too many cases, rules have been applied without adequate background knowledge or common sense. Can my noble friend give any news of improvements in that area?

There is a waiver system which can allow someone to join to join a specific and, perhaps, less physically demanding role, but it is not properly understood and is applied patchily. Unlike the Army Reserve, however, the Royal Auxiliary Air Force has been able to use it effectively to challenge initial medical screening decisions.

My third point concerns the use of the reserves. It is those reservists who are fully trained who expect to generate real capability, and it is from their use that they derive their professional satisfaction, yet frequently, their ambition to serve on operations and in other capacities is supported by cancellation on spurious grounds of cost saving. The size and shape of the reserve is now predicated on its ability to deliver complementary capability to the Regular Forces. The reserve's relative size alone demands that it is now used proportionately. Cost is, unsurprisingly, the most

[Lord De Mauley]
frequently cited reason given by operational planners for resisting, reducing or cancelling reserve involvement in operational activity. This is particularly disturbing when the required capability and expertise is found wholly or mainly in the reserve, but the requirement is either completely dropped or absorbed into a less capable regular alternative.

The Regular Forces, meanwhile, is subject to increasing overstretch due to undermanning—the so-called saving which is taken as a contribution towards the budget imbalance. It would be logical to use the reserves to make up the shortfall in regular troops, but this is not happening. The EST strongly recommended that the MoD, Joint Forces Command and the single services review consider the terms under which reserves are included on or in support of operations and other important activity to develop protocols which make their inclusion easier.

My next point is about retention. Avoiding the loss of expensively and time-consumingly trained reservists is even more important than recruiting new ones, not least to sustainable effectiveness. Furthermore, effective recruiting depends on experienced people conducting the training, providing leadership and acting as role models. Use on operations of reserves is also key to their retention. Repetitive and boring continuation training can also quickly turn off a seasoned hand, yet the first casualty of the cuts is too often overseas training opportunities.

Reservists need access to a range of resources and training facilities not held at unit level. While some of the establishments providing the necessary facilities have embraced their reserve obligations, we still hear too often of last-minute changes and cancellations of courses. Often units are told that courses have been cancelled because of poor take-up, yet in large part the problem's resolution was within the control of the training establishment. The very fact that so many reserve course places are allocated so close to the course start date demonstrates a complete lack of understanding of, or sympathy for, the pressures of their civilian work on reservists.

Many training establishments are constrained by support contracts that operate only on a nine-to-five, five-day week regime, while reservists are mainly available for training at weekends. Contract owners and managers too often seem reluctant to review contracts to make courses more reserve-friendly. Also, strongly related to retention, there is considerable evidence that, when in-year savings are applied—typically caps on reserve service days or reduced availability of training areas—they tend to realise very little in the way of real savings, especially when compared with the considerable negative impact that they have on recruitment and retention of reserves.

I turn to equipment support, particularly relating to vehicles. Crucial to retention as well as to effectiveness, many Army units, especially those whose role is implicitly vehicle-based, rely heavily on local provision of some of their main vehicles to complete their training. But it is the paucity of equipment support for those units that hold equipment that is of real concern. With very few exceptions, the EST judged that equipment support provision on most reserve units is "badly broken", to use its words. There are two elements to this. First, commanding officers have now lost their independent specialist—the officer commanding the Light Aid Detachment, who could advise on and assure equipment support at first line and the quality of service being returned from third line. Secondly, most units are suffering from significant shortages of skilled civilian support, often with 75% or more gapping of civilian posts. Although the EST has raised this in at least its last two reports, there does not seem to have been much improvement.

On the reserve training estate, the deductions that the EST draws are that it remains in a sustained period of only just being kept viable in an increasingly degraded condition. The Defence Infrastructure Organisation has allowed expenditure on estates to fall by 37% over the six-year period to 2016-17. Preventive maintenance expenditure has reduced almost to zero. The reserve training estate is consequently building up what the EST calls a bow wave of annually increasing maintenance requirements, with little confidence that funding will be available to address that growing need in the near term. Because no meaningful investment is being made, alternative strategies for provision of a low-maintenance, appropriately located, fit-for-purpose reserve training estate will take a protracted period to implement.

I mentioned earlier that the Royal Auxiliary Air Force was in a considerably better situation. While things started off better, too, in the Royal Naval Reserve, budget pressure seems now to be threatening the previously ring-fenced Maritime Reserve FR20 funding, potentially including two important projects; both of them were underpinned by FR20 funding, which now appears to be earmarked to bailout measures unrelated to the reserves and, therefore, beyond that ring-fence.

Despite everything, the EST acknowledges the enormous progress that the Armed Forces have made in delivering a reshaped reserve with a new sense of self-worth and purpose. Many reserve units are well on track, not only towards meeting their manning targets but towards creating meaningful capability on which defence can rely with confidence. As the EST says, the challenge confronting the services is, first, to convert reserve numerical strength into meaningful and routinely useable capability. Secondly, it is to transition from a reserve concentrated on growth into one in a steady state—and, thirdly, to preserve the support mechanisms that a reserve ecosystem thrives on, while being much better integrated with its regular counterparts. I beg to move.

3.59 pm

Lord Stirrup (CB): My Lords, I thank the noble Lord, Lord De Mauley, for securing this timely debate on such an important aspect of our military capability—a capability that continues to be of the greatest importance to our nation, not least in this time of global unrest and uncertainty, although one might be forgiven for thinking that not everyone in the Government understand this as well as they should, given today's press reports.

More years ago than I now care to remember, I commanded an RAF squadron in what was then the Federal Republic of Germany during the final decade

of the Cold War. As part of my duties, I had to be prepared to deal with the media in the event of some newsworthy event or other attracting their attention. To prepare for this unhappy eventuality, I had to undergo the appropriate training. The officer who conducted the training was, as it happens, a reservist; he commanded a small Royal Auxiliary Air Force unit that specialised in public relations and communication. In his day job, he was a highly experienced journalist, and the guidance and advice he offered were therefore grounded in an understanding of the perils and pitfalls of media engagement that no regular officer I have come across could ever have matched. His contribution to what we sought to do in Germany in those days was unique, and it was likewise invaluable.

A few years later, when I was commanding an RAF station in Norfolk, I had the privilege and pleasure of having both a Royal Auxiliary Air Force regiment squadron and a Royal Engineers Territorial Army squadron under me. If ever I felt I needed an injection of enthusiasm, I had only to go to see the men and women of those units training over the weekends. The determination and élan that they displayed as they worked hard in what should have been their time off were quite remarkable. The members of the Royal Engineers squadron, in particular, never ceased to amaze me. Their role was airfield damage repair and, as a consequence, many were experts in the handling of industrial machinery. They thus came to us from far and wide, since Norfolk is not exactly the heart of the construction industry in the UK. Despite the distances that they had to travel, there they were at the weekends, carrying out their role with enormous skill and huge enthusiasm. Some time later, I had the great privilege of being an honorary colonel of a Royal Engineers TA regiment, and the years I spent in that role brought home to me in the most convincing fashion that my experience at Marham was not in the least unusual, but rather the norm.

In the latter stages of my career, when I was Chief of the Defence Staff, I saw at first hand the outstanding performance of reservists from all three services in Iraq and Afghanistan. I was particularly struck by the fact that the regulars to whom I spoke told me that the contribution of the reservists was indistinguishable from that of their full-time counterparts. Beyond this, the reservists were at times able to use the expertise and skills of their civilian professions in all sorts of unexpected but enormously valuable ways. They were an integral and important part of the deployed force.

These and other experiences over the course of many years have led me to a number of conclusions regarding the place of reservists in our military structure. The first is that reservists are not just some kind of locum tenens for regular personnel; they make a unique contribution in their own right and are a crucial part of the force structure, not merely an optional add-on. What is that contribution? It is, in part, the expert knowledge that many reservists bring from fields of endeavour that are underrepresented, or not represented at all, within the regular part of the force. Sometimes this is delivered through their membership of specialist units, but it can also be available as a useful additional skill that is not a normal part of their military duties. But reservists bring something more than this: they bring a wish to serve, just not as regulars. They bring a wish to serve in a more limited but nevertheless important way. In a democratic society, such a wish should not be scorned; it should be encouraged, nurtured and turned to the nation's advantage.

Outside general war, we in this country do not have an extensive tradition of citizen soldiers, but it is nevertheless an important concept. It connects the military and the society it serves and from which it springs more closely. It both embeds more deeply and widens the sense of duty, which is such an important element of responsible citizenship. For all these reasons, reservists should be seen as an important part of the force mix within our military.

My second conclusion, though, is that reservists have to feel useful. My two reserve squadrons at Marham were training to fight the Warsaw Pact, just as their regular counterparts were; they were an integral part of the team. The reservists deployed to Iraq and Afghanistan made a crucial contribution to the conduct of those campaigns. All of them knew that what they did was important, and that it was appreciated. Reserve units must not be seen as some kind of weekend social club. Reservists do not want to be treated in such a way. That kind of approach demeans them and the responsibility they show in electing to serve in the first place. So, however we organise our military, the place of reservists within the structure must be both clear and useful, and to feel useful, reservists need to be used—not just as additional bodies but in the roles and for the purposes that led them to sign on in the first place.

My final point is that the size of the reserve component should be considered in its own right, not as a way of providing a cheap and cheerful alternative to regulars. All too often the debates over force structure, usually driven by financial constraints, centre on the cost of regulars compared to reservists, versus the inadequacy of reservists as opposed to regulars. Well, reservists are not regulars, and cannot be used for roles that require regular service. As I have argued, however, reservists are important in their own right. The debate should therefore be about what reservists bring to the force mix, not about how we save money. Indeed, reservists cost money. They need to be properly trained and equipped for their operational roles. The noble Lord, Lord De Mauley, has highlighted some of the current shortfalls in this regard. If reservists are not properly trained and equipped, and if the Government use them merely as a fig leaf for force structure reductions to cut costs, they will not stay. The regular/reserve mix should be determined by overall capability, not by financial expediency.

Reservists are therefore important to this country in all sorts of ways. They have a remarkable history, which we should celebrate, and an important future, which we should protect. That future—indeed, the future of our Armed Forces as a whole—is at this moment in the balance. The Ministry of Defence is carrying out a review under the rather disingenuous title of "modernising defence". It is no secret that to deliver the force structure set out at the conclusion of the 2015 defence review, the Ministry of Defence will require additional funds. But it is by no means clear

[LORD STIRRUP]
that these will be forthcoming, particularly given recent statements by the Chancellor and today's press reports. I therefore take this opportunity to remind the Minister that many of us are watching carefully to see whether the Government intend to discharge properly what is acknowledged to be their first duty to our citizens: their defence and security. If they should fail to do so, they should not expect us to sit idly by.

In this debate we are celebrating the contribution that reservists make to national security. They, and their regular comrades, can continue to make that contribution only if they are adequately funded. The Government frequently and rightly acknowledge the quality and courage of our Armed Forces. Those are fine words, but it is time to back them up with decisive action.

4.08 pm

Lord Sterling of Plaistow (Con): My Lords, I very much appreciate my noble friend allowing us to have this debate, because it is particularly important. As the noble and gallant Lord just said, this is about the nation at large, and not just about reservists.

I shall give a little history. During the war, 48,000 Royal Navy officers—nearly 80% of all its serving officers—were volunteer reservists. This is often forgotten. In earlier days reservists did not even get paid.

I have the honour of having been made an honorary vice-admiral. I am attached to HMS "President". I go there regularly. Indeed, next week we have a gathering with a whole number of employers coming along. Most employers have a bit of a moan and groan along the lines of, "How do I handle this, what is it going to cost me and how do I replace people?" I had the honour of running P&O during and after the Falklands War. We had 100,000 people worldwide and I encouraged them to be part of the reserve. We had a very large number of reservists, not just in the Navy but in the Air Force and Army as well.

The point that has just been made is particularly interesting: there is nothing more splendid than a volunteer. Recently I was at a gathering at HMS "President" and some of the new cadet officers were there; some had been there for only a few weeks. I went over and said hello to one girl who was about 27 or 28, tall and well turned out. I asked, "How long have you been with us now?" and she said, "Six weeks". I said, "What's your day job?" She said, "I am a junior partner in one of the major city law firms". It was one of the top firms, as a matter of interest. I asked her why she joined us and, looking me straight in the eye, she said, "I felt it was time, sir, to put something back". That is the best reply. What more could you ever want from anybody?

Following on from the noble Lord's point, if you go down to the reserve units, they have been cut back in every conceivable way. They are even short of knives and forks. I asked, if they were that short, why they could not get some money. They replied that they could not get any money and were being cut further. I said to let me know and I would help out; I would whip down and buy a couple of dozen. It is becoming ludicrous how they feel they are cut back.

When you are of that age in the Army, Air Force or the Navy—which I know slightly better, I suppose—the excitement comes from being involved. One of the excitements, particularly if you are in the Army, if you are not going into battle for real, comes from an exercise. You tell your family what it will be about and then, all of a sudden, three days beforehand, it is cancelled. I do not think anybody has any feeling for what that is like, although we have all been 18 or 19 years of age.

From my own experiences, I know that many people among the reservists have very specialist jobs. For example, in the first Gulf War there were thousands of vehicles in the desert. There were a huge number of fires before the war even started and the first people called up to serve were three half-commander reservists at HMS "President" who were all burns specialists in Harley Street. They flew out because some very serious burns needed to be attended to. There were many specialists.

Interestingly enough, I was speaking to some of our young one-stripers the other day and I said, "What do you do in your day job?" Because of the jobs they all have, I suppose HMS "President" has almost the highest IQ in the armed services. But many of them do not want to do the job they do in civvy street. They want the excitement of doing something different. I can understand that. You want a change and not to do the same thing in the evening. Although comments have been made about the work being done at weekends, a large number of units also serve on weekdays.

Sadly, I believe that the big decision by the armed services or whoever to increase the number of reservists was made on the basis of bringing down the numbers at the sharp end, particularly in the Army, and expecting reservists to do the job. I say that having been somewhat intimately involved in this area. I happen to have spent a lot of time in America and can look at this through the eyes of the National Guard. Anybody in the Marine Corps would say that, however good reservists are, you cannot expect them to do the job of a trained front-line soldier. It is impossible. However, carrying out specific roles is a different matter.

There was a very good example of that during the early part of the war in Afghanistan, when Gordon Brown was Prime Minister. Noble Lords might remember that we had discussions about having no helicopters out there in any quantity. It was then announced that there would be a 60% increase in the number of helicopters. In fact, there were only about 10 extra helicopters but it always good to give the figures as percentages. In real terms, the shortage was to be found among combat pilots and combat crews. Back then, I suggested that the reserves had many highly trained helicopter pilots—indeed, we had three or four in my own company—who were carrying out flight training for hours every day across the North Sea and so on. If you have 50 combat crews trained and ready to be called up within a fortnight, that is when you can bring in people from a civilian background to do the various jobs. Nobody here would disagree about the advantage of having that type of training and brain power in cyber and other areas. In due course, a good

number of scientists will become involved as well, combining their role in civvy street with a role in the armed services. One sees how it can be done.

We had a debate here the other day about floods and what would happen in flood areas, although I was too late to ask a question. I remember having a discussion about this with my noble friend Lord Attlee. We agreed that if there is a local problem, there is nobody better to ask to help than a reserve group who live locally, know the people and know where the kit can come from to deal with it. There is also an element of excitement in it for them and it is another way of them being recognised for what they do.

During a debate the other day I said that some of us would like to see inshore patrol boats stationed in various small ports to protect our shores. In that way, the populace at large would see reservists with, if necessary, reserve marines on board. They would be in uniform and people would realise that the armed services play an important role in protecting them. One difficulty that we have today is that there is very little opportunity for the populace at large to understand the role of reservists and what is behind it. That said, people are very proud of them. The marines have the highest rating in the country and all the other services have a rating in the high 90s in percentage terms, but it is quite rare to see them in action.

I shall finish by saying that it all comes back to money. I have been involved in this argument for several years. As the noble and gallant Lord, Lord Stirrup, said, we need more money. Today, we have talked about whether we should even continue to be a tier 1 power, which I find extraordinary. Several of us have strongly advocated a 3% increase in spending, not 2%, but even that is not 2% in reality. In practice, as we start to re-emerge and take on a more global role, we will unquestionably need more capability. Sadly, I am afraid that our friends in Washington do not believe that we have this capability. They have very strong views and they do not trust that we will deliver in the longer term.

We need more money. This will come to a head, and I believe, like many of us here, that the appropriate time for us to demonstrate that we are going to do more and have more sustainability is at the NATO meeting on 11 and 12 July, at which it should be announced: "The Brits are back".

4.20 pm

The Earl of Cork and Orrery (CB): My Lords, I also thank the noble Lord, Lord De Mauley, for providing this timely debate. I was struck indeed by the words of my noble and gallant friend Lord Stirrup, who covered most of the more intellectual aspects of the needs of and background to the reserves. I propose to concentrate on the role and manning of the Royal Naval Reserve, which is about one-10th the size of the Army Reserve and has not succeeded so well in recruiting in recent years.

The naval reserve was formed out of a national register of seamen in 1835. On mobilisation in 1914, it already consisted of some 30,000 officers and men and was intended to provide a reserve of trained personnel drawn mainly from professional seamen and trawler-men for rapid mobilisation in times of emergency. In 1958, after the Second World War, it was amalgamated with the much larger RNVR, which was by then an officer-only reserve, as part of the post-war rationalisation of Reserve Forces. This led to the establishment of a dozen sea training centres based in 12 commercial ports around the UK, which were specifically designed, as we have heard, to keep the Royal Navy in the public eye and to provide seagoing training for volunteers, from ordinary seamen to commanding officers. These training centres were equipped with a permanent force of Ton-class mine countermeasures vessels, which were organised into the 10th Mine Countermeasures Squadron, and some smaller craft. This squadron provided training in all disciplines of naval life and career progression up to command of a small ship. In 1984, the MoD introduced a new class of 12 mine countermeasure vessels to replace the old and rather tired wooden minesweepers. These River-class vessels, not to be confused with the current Batch 1 and 2 offshore patrol vessels of the same name, were withdrawn within 10 years as a result of the Options for Change review and sold abroad, mainly to Brazil and Bangladesh. At this point, the RNR lost any meaningful seagoing role, and with it the incentive to recruit for all trades and for command. Who wants to join a reserve that does not have the essential tools to train those who are interested in joining, and with no ships and no crews?

The RNR has since been reduced in size by successive defence reviews until, by 2010, it consisted of 3,600 trained personnel. The SDSR of that year sought to increase the size and role of the Reserve Forces, but recruitment difficulties and some controversy over the continuing reductions in regular strength—what exactly are the underlying reasons for reducing regular strength and increasing reserve strength?—had the effect that, by 2015, this number had fallen to 3,160. The most recent figure for 2018 is 2,750. These volunteers are seen as part of a "whole force" arrangement with the Regular Navy, of which they form roughly 10%, and are designed to facilitate movement between the two groups for training or support purposes. Again, that looks very much like using the reserves as a back-up when and where you do not have enough people in the regulars. This figure is for reservists who have completed the first two phases of their training, both basic and trade. However, the Ministry of Defence is now reporting its overall figures as 3,600, which, for the first time, includes those reservists who have completed only phase 1 training—basically a few weeks of marching around a square. A cynic could argue that this massaging of the figures does not assist the service's cause.

Another fundamental point is that the figures for the Royal Naval Reserve include a fairly steady number of Royal Marines reservists—usually about 750. The current Royal Naval Reserve number of trained reservists is therefore only about 2,000. These volunteers are spread between a total of 18 units and subdivisions, which may seem surprising, given that it means that there is an average of only around 110 personnel at each, but it preserves the essentially local nature of the units and enables local recruitment to continue unaffected by distance. Another potential source of training, however, is the 15 university royal naval units—sometimes known as URNUs—which come under overall RNR command, although managed by the Royal Naval

[The Earl of Cork and Orrery]
College at Dartmouth. These operate some 14 small inshore patrol craft—exactly as the noble Lord, Lord Sterling, was suggesting—of the Archer P2000 class, and all trainees are treated as officers under training, being taught leadership, navigation, seamanship and other similar disciplines. As it stands, however, this means that there is no scope for their use for general training of reserves. Each URNU consists of some 50 undergraduates, who join for three years. The vessels were built in a steady stream between 1985 and 1998, which means that they are all at least 20 years old, and I see no indication that their replacement has been formally discussed.

At present, it seems that the Navy's three batch 1 offshore patrol vessels—"Tyne", "Severn" and "Mersey"—are seen as surplus to RN requirements with the arrival of their batch 2 successors. The hybrid HMS "Clyde", currently the Falkland Islands guardship, may find a further role. The brand-new HMS "Forth", which was commissioned earlier this year, appears to be suffering from so many faults that she has been taken back in hand by her builders for rectification work, and her crew transferred to "Tyne", one of the older class, which has been reactivated from reserve. Being charitable, this should prove to be a temporary situation, which will leave the three older OPVs available for disposal or for future use in reinforcing our border and fishery security.

And here is where the RNR might come in, by providing crewing and incentives. Since these vessels are only 15 years old and are fairly basic patrol ships with simple systems, could the naval service not find a use for them? They require a crew of 30 men, which is well within the capability of an RNR unit to provide, and, if the Regular Navy cannot find the men to man them, this could be a useful solution to the worrying problem of border and fishery protection post Brexit. They also have the capacity to carry up to 20 troops, which would provide excellent additional trainee accommodation for RNR personnel. The Border Force has only a very small number of coastal enforcement cutters, three available at any one time, and these vessels could augment this. I envisage their use in fishery protection—they were technically part of the Fishery Protection Squadron until they were retired—and for coastal law enforcement once we leave the EU. By sharing them between RNR units, one could be based in each of the three dockyard ports, Portsmouth, Devonport and Faslane, and could be maintained partly by the RN establishment, and partly by their own pool of trained ratings.

This would provide an incentive for young volunteers to get to sea, as well as for older regular service "leavers" who could join the reserve to provide the specialist knowledge required to maintain the ships and train their successors. Such a hybrid manning system might initially lean rather heavily on the regular service, but as it gained momentum, this should give way to a steady stream of volunteer crews available and trained to assist the regular service.

At the same time, we should continue the programme of using small numbers of maritime reservists on board regular RN ships to generate more seagoing interest within the reserve, and I suggest that the Archer-class P2000 patrol boats of the URNUs should be fully integrated with RNR activities to maximise the use of these handy small vessels. This will give ample opportunity for the volunteer reservists to train in their own time, but it is important that the reserve is not seen—to echo the noble Lord, Lord Sterling—as some steady-state manpower provider to the Regular Forces. It is also important that the reserve ethos is not lost. The current shift to the "whole force" stance has inflicted a cultural change on the reserve which makes recruitment more difficult than in the past.

I request that the Minister comment on the plans for disposal of the OPVs and for manning in the future.

4.29 pm

Lord Burnett (LD): My Lords, I draw the attention of the House to my entries in the register of interests. I thank the noble Lord, Lord De Mauley, and congratulate him on securing this debate which has come at an opportune time. The noble Lord has a proud record of service in the reserves and is an invaluable champion of them in this House.

I have two general but important points that I wish to make, along with some more detailed points. The general points affect the regular part of the Armed Forces as well as the reserves. A number of noble Lords have referred to finance for defence. Two of the most respected national newspapers in this country, the *Times* and the *Financial Times*, have this week had on page one as their main articles fears for the defence budget. The headline on page one of the *Financial Times* today is:

"Theresa May casts doubt on UK's status as a 'tier one' military power".

There are reports of "shockwaves" at the MoD. The view is widely held in this House—we have heard it time and again in this debate—in the other place and in the Ministry of Defence that there is a desperate need for additional funding for our Armed Forces, including the reserves. They say that you should not ask a question without knowing the answer. Unfortunately, I think I do know the answer, but nevertheless I would ask the Minister: when will we know whether the Armed Forces are to be allocated additional funding, and how much will it be?

My second general point is on recruitment. I hope that the noble Baroness will agree that it is always a grave error to put the brakes on recruiting. The Armed Forces are left with a shortfall in personnel for months and perhaps years, and this takes a long time to resolve.

I have some specific points on the reserves, but as I have said, the earlier points have a direct impact upon them. I shall confine my remarks to the Royal Marines Reserve. The Royal Marines reservists make up an exceptional force of dedicated men of the highest calibre. There are approximately 750 trained ranks stationed in four United Kingdom RMR units. Around 10% of the trained reservists are drafted to the regular corps on long-term secondments at any one time. All reservists must pass selection and the rigorous commando course. Some are civilians, but many are former regular Royal Marines.

The four units and detachments are as follows: RMR Bristol with detachments at Cardiff, Lympstone near Exeter, Plymouth and Poole; RMR London with detachments at Oxford, Cambridge and Portsmouth; RMR Merseyside with detachments at Birmingham, Leeds, Liverpool, Manchester and Nottingham; and RMR Scotland with detachments at Aberdeen, Dundee, Edinburgh, Glasgow, and from which the Belfast and Newcastle detachments are run. It is an extremely efficient and economic organisation and it is invaluable to the regular corps, not just for manpower support but also for recruiting and retention. I must stress that it is essential that the infrastructure of the Royal Marines Reserve—the buildings and other facilities used by the RMR—is preserved. Reservists cannot develop their capabilities without them.

We as a country are very fortunate that we have outstanding men like Lance Corporal Matthew Croucher, one of four Royal Marines or former Royal Marines to be awarded the George Cross in recent years, and Corporal Seth Stephens, who was posthumously awarded the Conspicuous Gallantry Cross; he was also a Royal Marine. Noble Lords will know that the Conspicuous Gallantry Cross is just under the Victoria Cross and is a fairly recent decoration. Your actions under fire have to be of exceptional bravery. Such men come forward to serve their country, and the House will be interested to know that the wife of Corporal Croucher is called Victoria and her maiden name was Cross.

Corporal Seth Stephens, who was posthumously awarded a Conspicuous Gallantry Cross, was a regular Royal Marine, as was Corporal Croucher before becoming a reservist. Corporal Stephens rejoined the regular corps, but then volunteered for Special Forces selection. An outstanding candidate, he was badged into the Special Boat Service. With the leave of the House, I will read a short excerpt from the coroner's report into the action that ultimately lead to his death.

After more than five hours of heavy fighting, the SBS found progress extremely difficult. They fought their way through an orchard, coming under fire from all sides. On his own initiative, Corporal Stephens used a ladder to climb a nine-foot compound wall and began to fire down on to enemy positions that were attacking the men stranded in the orchard. In adopting this position, he would have been acutely aware of his own vulnerability. A SBS commando who followed him into the compound was shot and wounded by an insurgent firing over a seven-foot wall close to Corporal Stephens. The commando tried to warn him of the threat as the gunman had a clear line of sight on to Corporal Stephens. Between 15 and 30 seconds later, Corporal Stephens was shot in the back of the head in the exposed area between his helmet and body armour. Corporal Stephens made a conscious decision to move to provide more effective covering fire. He was in a very exposed position under accurate fire at increased risk to himself. That single act of selfless bravery almost certainly saved the lives of his comrades.

Corporal Croucher, to whom I referred earlier—himself a recipient of the George Cross—put his life in mortal danger to save his comrades; that is selfless bravery. I say to the Minister and the Government—I exhort them—that we cannot fail such outstandingly brave and selfless men.

4.37 pm

Viscount Trenchard (Con): My Lords, it is a great pleasure to follow the noble Lord, Lord Burnett, from whom we have heard much about the Royal Marines Reserve and its proud history, of which I was fairly ignorant. I am most grateful to my noble friend Lord De Mauley for introducing this timely debate.

The external scrutiny team's 2017 report is encouraging. It is to be welcomed that FR20 now looks as if it can be successfully achieved on time and on budget. However, it would perhaps have been better if we could have debated the 2018 report today. I note that the 2017 report, signed by General Brims, is dated 21 June 2017—exactly a year ago. I think it likely that the 2018 report, if it has not already been signed, must be very close to completion.

I declare an interest as an honorary air commodore of 600 (City of London) Squadron, Royal Auxiliary Air Force, a position I am honoured to have held for the past 12 years. The report notes that among the three services, the RAF Reserve alone has already achieved its manning and trained strength targets, according to the set timescale. The 600 Squadron has 170 people; that number is rising. They are in good shape and represent a wide variety of different trades. At any one time, a number of them are deployed at home and overseas. As part of the RAF's 100th anniversary celebrations, I have had the opportunity to visit many Royal Air Force establishments. I almost always find members of my squadron deployed to the squadron or station I visit.

While I cannot claim any experience of the Royal Naval Reserve, it has been well covered by my noble friend Lord Sterling and the noble Earl, Lord Cork and Orrery. I also have 10 years' experience in the TA, or Army Reserve as we call it now, in both the Cambridge University OTC, through which I obtained my commission, and 4th Battalion the Royal Green Jackets, now 7th Battalion the Rifles.

The degree of adaptation necessary for the RAF reserves to fit into the new "whole force" concept is less than is the case with the Army Reserve. The reasons for this are several. Whereas the normal means by which personnel discharge their obligation to give two weeks' continuous service a year is different—in the Army Reserve many units still deploy as a unit to annual camp—RAF reservists typically spend the two weeks backfilling regular units at home and abroad. I therefore think that the dividing line between regulars and reservists is less obvious in the RAF than in the Army. The Navy is also closer to the RAF in this regard. Of course, the Army, in terms of the relative weight in numbers of reservists to regulars, is much more dependent on reserves, which form more than a quarter of target strength, whereas in the other two services it is 10%.

As my noble friend Lord De Mauley and the noble and gallant Lord, Lord Stirrup, have explained, the Royal Auxiliary Air Force is in very good shape, and new or restored squadrons based at St Mawgan in Cornwall, Aldergrove in Northern Ireland and Woodvale in Lancashire have improved the geographical coverage of the service. As far as the Royal Air Force is concerned, the development of the whole-force concept is proceeding

[Viscount Trenchard]
well. The acceptance of reservist personnel by their regular counterparts has taken root, at least to some extent. The "whole force" concept assumes an output of trained strength based on a combination of regulars together with full-time and part-time reservists, in addition to outsourced civilian organisations, many of whose personnel are former servicemen and servicewomen.

For this concept to reach its full potential, it is necessary for commanders to have the flexibility and mindset to use the reserves quickly at short notice, without the need to legislate prior to mobilisation. For example, 4624 Squadron was engaged on a training weekend at Brize Norton when Hurricane Irma struck last September. Some personnel were able to be mobilised immediately and deployed with regulars to the Caribbean. A further opportunity to test how easily reserve forces might be deployed will be provided by Exercise Saif Sareea, to take place in the Gulf this coming October.

I ask the Minister: are there plans to make the annual training commitments for reservists more flexible? For example, RAF part-time reservists are required to undergo 27 days' training a year, of which 15 days should be continuous. This rule was set in 1909 for reservist rifleman, but it is no longer appropriate, particularly for Royal Auxiliary Air Force personnel. Most exercises undertaken by regular formations do not last two weeks and many are shorter than one, so there are not many opportunities to join a two-week exercise. Would it not be better to remove the requirement for reservists to do periods of continuous training and allow them to do more periods of shorter duration? One size no longer fits all.

Speaking for 600 Squadron, I understand that we engage well with some employers, particularly large companies, but less well with SMEs, which are of course less able and less willing to lose their scarce human resources for military training. Many of them are unfortunately still slow to recognise the improvement in output that their reservist employees will deliver to their companies. Will the Government consider providing tax benefits to companies that employ reservists, or at least setting up a compensation scheme to mitigate their loss of output during periods when their employees are engaged in annual training or deployed for longer periods?

I strongly endorse what my noble friend Lord De Mauley said, particularly about the tightness of funding. The Government have committed to spend 2% of GDP on defence, but I understand that the costs of the intelligence service are now included in that, as are pension costs, so we actually spend only around 1.6% of GDP according to the old method of counting. Perhaps in the new, more uncertain and unpredictable world that we inhabit today, 3% would be a more appropriate share of GDP to commit to defence, remembering that keeping the country safe and free is the Government's first duty.

4.46 pm

Lord Mountevans (CB): I want also to thank the noble Lord, Lord De Mauley, for initiating this timely debate. I declare my interest in the register as an honorary captain in the Royal Naval Reserve, and perhaps also as a former Lord Mayor; the City, of course, is very close to the reserves and the cadets. London is particularly strongly represented among the reserves. Like the noble Lord, Lord Sterling, I am affiliated to HMS "President", the largest RNR unit in the country.

I want to salute a success story—we have heard about some of the problems, but there is a considerable story of success to be told with our reserves. Right across the spectrum of the three services, reserves contribute in war fighting, defence engagement and, importantly, from time to time in homeland defence. Reserves are part of the forces by design, part of the capability. It is not all a matter of how many are mobilised, as it was at one time. Under the RSD—the reserve service day—payment structure, a daily rate for international training or otherwise across the globe is in place and seems to work well. Some capabilities and specialisations are now reserved almost exclusively for the reserves by design. The reserves used to be a last resort; they are now part of the capability when properly structured.

We are approaching the end of the period addressed under the *Future Reserves 2020* report of 2011. This should end in 2021, but I think that the end is generally regarded as March 2019, as outlined by the then Minister Brazier. The thrust of the review was addressing the fall in the number of reserves. It was heavy on numbers and allocated, as we have heard, £1.8 billion over 10 years. The premise was that the reserves had been underfunded and were thus in decline. However, this verdict did not fit with the experience of other nations. Foreigners were getting more out of their reservists; we in the UK were overreliant, perhaps, on the regulars for everything.

We are now approaching the end of that period. Broadly, the aims of *Future Reserves 2020*, or FR20, have been or will be achieved. In the context of national security, having dealt with the decline in reserve numbers and broadly achieved the trained strength of FR20, what is the next goal? This seems to have been left to the individual services. How do we achieve more horsepower from the reservist cylinder block? Given that we have broadly achieved FR2020, how do we now maximise the output?

Today we have some of our reserve operations in what must be called a traditional role in terms of numbers, but there are elements, such as cyber reserves and intelligence analysts, who are delivering operational capability without being mobilised or deployed overseas, for example. As noble Lords speaking before me have all, I think, noted, funding is the issue going forward. A Government—any Government—who neglect our defence will receive history's censure; we should be in no doubt about that. I support the call of the noble Lord, Lord Sterling, and other noble Lords for 3% of national income to go to defence.

I thank employers for their vital support. The employer recognition scheme, with gold and silver levels and the involvement, for example, of Prince William and Prince Harry, has been very successful. The Armed Forces covenant has been a big success: I think around 25 firms a week are now signing up to the idea that we should not disadvantage those who have served. Firms benefit

because reservists gain soft skills, such as leadership, a can-do attitude, responsibility and reliability, but also hard skills of value to the economy and to their businesses: planning, logistics and industrial and other skills which can be as simple as driving.

Not only are we very fortunate in this country in the professionalism and excellence of our regulars, we also have exceptional and dedicated reservists. I am echoing the words first uttered by my noble and gallant friend Lord Stirrup. I have experience of them in my affiliated ship, "HMS Westminster" and, echoing the remarks of the noble Lord, Lord Burnett, I have had the privilege of experiencing something of the Arctic winter training of the Royal Marines and the Royal Marine Reserves. It was indeed hard, frankly, to tell the reserves from the regulars on occasions. These are fantastic people. We are so fortunate that these exceptional volunteers want to serve and contribute. As Lord Mayor, I saw the high level of support received from employers resulting from FR2020 and the Armed Forces covenant.

I might add, in concluding, that the Lord Mayor's show simply could not happen without the highly professional contribution of the reserves. Some 400,000 people line the streets of the City and more than 1.8 million view this on television, including a worldwide audience. It is the BBC's longest-running outdoor broadcast. Noble Lords may say that this is not defence, but it is an excellent example of the marketing of Brand UK. This means employment and it means taxes. We see the contribution of the reserves in so many areas, contributing to employment and taxes—taxes that pay for our defence.

4.52 pm

Earl Attlee (Con): My Lords, I too am grateful to my noble friend Lord De Mauley for introducing this debate and I agree with everything that noble Lords have said so far. My noble friend performed his task in a far more skilful way than I did many years ago. I want to start my contribution by stating that I do not really know what I am talking about. This may surprise noble Lords, but to an extent it is true.

When I came to your Lordships' House in about 1992 I was in the middle of my TA career. I had already spent 18 years in the ranks and by 1998 I was a major commanding a REME recovery company which has since been disbanded. For most of the 1980s I was involved with first line support in the REME, supporting a Royal Logistic Transport Squadron, and I understand exactly what my noble friend Lord De Mauley was talking about in terms of first line support. I also knew a lot about army life at unit level, both in the regulars and in the volunteer reserves, and I believe that I added value to your Lordships' debates. I have not visited an Army unit, regular or reserve, in the field for at least 12 years, so to that extent I am out of touch. In fact, apart from my own regiment I do not think I have visited a land-based military unit for many years—10 years plus. The good news is that I understand quite a lot about defence at the strategic level so I think I can still add value. However, I think we should look closely at how our Lords system of allowances works because there is no incentive to visit a reserve unit on a weekend exercise but every incentive to pop in for Question Time on a Thursday morning. Similarly, I really ought to visit BAE Systems in Barrow and on the Clyde but, again, the current system of travel and other allowances strongly discourages this.

In introducing this debate, my noble friend Lord De Mauley painted a somewhat encouraging picture. As an honorary colonel, he will be very well informed. But I detect some worrying trends. The first concerns the willingness to take a calculated risk and for Ministers to accept that, in a very large organisation, mistakes will be made when the risk calculation proves to be wrong. As I have already indicated, I served a long time in the reserves but bad accidents of any sort were very rare, even though we took numerous calculated risks. For instance, in 1980 I was allowed to operate a heavy recovery vehicle even though I had received no formal training as a recovery mechanic. At the time I was a qualified Army driving instructor and the senior NCOs had correctly assessed that I was able to operate the equipment safely. In short, it was a reasonable risk to take. Nowadays that would absolutely never happen and no doubt my noble friend the Minister will express pride that that is the case. But the calculated risk taken by my superiors meant that I was highly motivated and attached great importance to going on TA exercises because it was seriously good fun and rewarding. In 2003, 23 years later, defence was still reaping the benefits of taking that reasonable risk in 1980. In those days, it was all about what you could do rather than what you could not. I am sorry to say that I regularly detect commanding officers being extremely risk-averse with regard to bureaucracy and regulation in order to protect their careers, and who can blame them?

My second worry is as follows. SDSR 2015 indicates that we need to be able to deploy at large scale—that is, a division—against a peer opponent. The notice to move at that scale of effort is 180 days, which I believe is far too long given the risk of unexpected events. Our opponents and allies have to believe that we have the capability to deploy at this scale so that we can maintain strategic clout. I agree with noble Lords that it is extremely disappointing that my right honourable friend the Prime Minister has indicated that she thinks we do not need to be a tier 1 power; we will need to look at this very closely in the future. At home, politicians and Ministers need to be confident that we have the capability that we set out in 2015. In my view, the best way of achieving the desired state is to actually deploy at this scale of effort on exercise, at divisional strength and out of area. It may be more economical to demonstrate that the capability we have actually works, rather than to fund an increase in theoretical capability but never know if it actually has any benefit.

The main challenge of deploying at large or even medium scale is the logistics—what is called combat service support or CSS. To move a division from the seaport of disembarkation to the area of operations, which could be 500 kilometres away, is a huge logistical challenge and very few nations can do it. In fact, you need a logistics brigade of around 3,000 personnel to do it. Much of this capacity should come from the reserves, since the skills and capabilities required suit reservists and the capacity is not required much in peacetime. The regiments most involved are the Royal Engineers, the Royal Military Police, the Royal Army

[Earl Attlee]
Medical Corps, the Royal Electrical and Mechanical Engineers—my own regiment—and, of course, the Royal Logistic Corps. Will the Minister write to me stating, including caveats and time constraints, whether we have the CSS capacity to move a division that includes at least one armoured regiment and at least one armoured infantry regiment with appropriate combat support 500 kilometres from the SPOD to the AO? If I am not confident that we have the capability to do so, why should a peer opponent or, just as importantly, an ally, be confident? We must demonstrate and test our capability.

My noble friend Lord De Mauley mentioned overseas training exercises. In the 1980s, in my experience, very few TA soldiers would leave once we had been warned of a BAOR exercise. The Minister may pray in aid Exercise Saif Sareea, but she will know that that was not even a brigade-strength, medium-scale deployment. It was a small deployment involving nothing like the effort required for a divisional deployment.

The final worry concerns the reserve manpower statistics, which were touched on by the noble Earl, Lord Cork and Orrery. As I understand it, a reservist is classified as trained if he or she has passed their recruits course but not necessarily their initial trade course. I have to tell the House that this is very dangerous indeed and will tempt Ministers into a fool's paradise. A regular service person will spend around 16 weeks on their phase 1 training alone, but there are only two weeks available for reservists' phase 1 training because of the availability of the reservist and the cost. In terms of breadth and depth of training, there is simply no comparison between regular and reservist phase 1 training. Yes, of course, a phase 1 trained reservist could do something useful during a civil emergency, provided that it did not involve maintaining order or exercising force, but I have to be blunt and state to the House that phase 1 reservists on a medium or large-scale deployment are a danger to themselves as well as their comrades. Too much would be expected of them, especially when dealing with difficult situations that can arise at any time.

In my opinion, for an Army reservist to be safe, efficient and effective on an overseas deployment exercise or operation, as an absolute minimum they will need to have attended a phase 1 recruits course, a two-week trade course, a two-week annual camp with their unit and numerous weekend exercises. Even then, they will still be limited compared to a phase 1 trained regular soldier. The problem is that there is a constraint on the amount of training that can be offered to a recruit, so there is little chance of a reservist being genuinely deployable in less than three years. Therefore, my next helpful question to the Minister is: how many Army reservists have attended at least three two-week periods of continuous in-camp training as well as a commensurate number of out-of-camp training days? How much training do I believe is necessary for an Army reservist to be really effective and as useful as a regular? In my opinion, they need to be double camping—the annual camp and a trade course—and doing numerous out-of-camp training days, adding up to around 50 a year. If you want reservists to be immediately deployable, you need to be training them 50 days a year. That is my experience over many years in the TA.

Many noble Lords have said that we need more resource for defence. In my opinion, if we do not go to at least 2.5%, we will get our posterior kicked hard, and we will deserve it. I am even more depressed that the Prime Minister has indicated that we do not need to be a tier 1 military power.

5.05 pm

Baroness Smith of Newnham (LD): My Lords, like all contributors to this debate, I am grateful to the noble Lord, Lord De Mauley, for bringing this important issue this afternoon.

Much of this debate has focused on the issues of recruitment and training, and perhaps we have not spent as much time as might have been desirable focusing on the actual contribution that the reserves make. Obviously there were a few notable exceptions, particularly the noble and gallant Lord, Lord Stirrup, and my noble friend Lord Burnett talked about some practical examples where the Royal Auxiliary Air Force and the Royal Marines Reserve have made particular contributions.

Almost everyone speaking today has a particular interest to declare in terms of having served in the reserves or the regular military. I stand here slightly as an impostor because I may be the only speaker—although I suspect this may be true of the Minister also—who is not ex-military. I have some experience, not of going out to see the reserves on a Saturday morning, as the noble Earl, Lord Attlee, talked about, but of doing the Armed Forces Parliamentary Scheme for almost three years. So I have a bit of a sense of some of the issues, and that occasionally includes talking to reserves. I am also part of the committee on military education for the east of England, and here the fact that the noble Earl, Lord Cork and Orrery, talked about the university royal naval units brings in a link between the university and OTC aspects and the reserve units. I thought I would mention that not quite as an interest but to express a point that I want to come back to.

We have heard about a lot of issues regarding recruitment, and the Urgent Question that was repeated immediately before this debate mentioned Capita. The noble Lord, Lord De Mauley, mentioned the difficulties of recruitment and the fact that at some point last year a whole five months went by when there did not appear to be anyone coming through the pipeline. Can the Minister tell us what progress has been made in improving reserve recruitment, not just in ensuring that appropriate information is given to people who wish to join the reserves but, in particular, in how the medicals are dealt with?

There are particular problems about the medicals that are delivered for reserves—and this is where I bring in the universities as well. If you apply to be part of the OTC, your university royal naval unit or your university air squadron, you are faced with a medical where you are expected to meet the same standards as if you were going to join the Royal Marines as a regular. There may be some questions about whether that is appropriate, but even if those standards should

be maintained, whether you are going to be in a university unit or a reserve or a full-time regular, there are a set of issues that are rather different for reserves and for university OTCs. Capita has been told, "These are the standards", and that no flexibility or discretion is ever used. If you are joining the regulars, you will have a medical with an Army, Navy or Air Force medic. If you are trying to join the reserves, you may go to your own doctor but you may be sent to a Capita doctor. If you say, "Yes, I had a Ventolin inhaler when I was a child", that automatically leads them to say, "You can't join the services". You may be able to put in for an appeal, but that can take months.

If you are joining as a reserve, are you going to keep coming back to do the medicals again? That is not efficient or conducive to ensuring that people who think they want to be reserves really feel that the military is taking them seriously. That is not the fault of the military; it is the fault of the recruitment process, and it may be an issue to do with the contract. I ask the Minister to tell the House whether the contract has recently been looked at, what questions Capita is told to ask and whether they could be reviewed.

That would also fit with the fact that reserves, in particular, may be doing specified jobs, as noble Lords have mentioned. That may mean not needing to be deployed in the field to Iraq or Afghanistan in the way that we would expect regulars to do. They may have particular activities for which they are responsible. Do they necessarily need to meet the same standards of health on attempting to join the reserves as an 18 year-old joining the military full-time for the first time?

If we have sought to increase the recruitment of reserves, it would be helpful if the Minister could tell the House, as the noble Earl, Lord Attlee, suggested, what percentage of new reserves are fully trained beyond phase 1. At the moment, there is a real danger that the Government will say, "We have recruited 90% of our 2019 target, so everything is fine", but if many of them are only phase 1 trained, will they actually be deployable? The House of Lords Library briefing reminds us that the shadow Secretary of State for Defence, Nia Griffith, suggested that that was artificially inflating the recruitment figures, to which the response was that the,

"figures now more accurately represent the reality on the ground, following a decision to allow for phase 1 trained personnel to be more widely deployed, such as in response to natural disasters".

That might be fine if it did not also seem to be the case that the reserves are supposed to be filling a gap when full-time regulars are being reduced. Are the Government trying to square a circle that is not squarable? Are they trying to say, on the one hand, that reserves will maintain the numbers of our Armed Forces but, at the same time, they do not need to be trained to the same level? Is that not a real danger to the security of our country? What are the Government expecting from the reserves, how far do they really believe in a whole force understanding of the military and how are they delivering it?

There has been a lot of talk of training and retention and the two things going together. If you are in the reserves, you may want to be deployed, but you also want meaningful training. Can the Minister say whether the provisions in place for the reserves are adequate and whether they have been reviewed recently? We have heard the slightly different things from the noble Earl, Lord Attlee, and the noble Viscount, Lord Trenchard, about the expectations. The noble Viscount suggested that the requirements for Air Force Auxiliary training were essentially too long and related to requirements for 100 years ago. The noble Earl, Lord Attlee, seemed to suggest that the Army Reserve needs rather more training. Has any of this been looked at?

Earl Attlee: My noble friend Lord Trenchard is actually quite right. I am talking about initial training. When you start your military career, your reservist career, you need to do a longer period of training, but when you are more experienced and doing different roles, you might not need to do the continuous training.

Baroness Smith of Newnham: I am most grateful to the noble Earl for that clarification.

I conclude, following the call by my noble friend Lord Burnett and various other noble Lords, with the hope that there is no truth in the *Financial Times* article this morning that somehow the Prime Minister is asking the Secretary of State to think again about whether the United Kingdom should be a tier 1 country. I hope that the Minister can reassert that the Government understand that their primary duty is the security of the realm.

5.14 pm

Lord Tunnicliffe (Lab): My Lords, I too thank the noble Lord, Lord De Mauley, for introducing this debate. Much of what he said I agree with. There has been little disagreement between noble Lords on these issues.

I suppose I ought to declare my own reserve credentials, although they are from so long ago that I had almost forgotten them. In 1963, for two and a half years, I was in the University Air Squadron, where I rose to the dizzy rank of acting pilot officer—a rank so junior that the RAF has since abandoned it. This was in the heyday of the Cold War. In today's money, I believe that the RAF spent at least £50,000 training me to be a pilot and introducing me to the traditions of the Royal Air Force, which changed my life so much. I certainly would not be here today without that experience. It probably also saved me from a criminal prosecution, because who wants to be a hooligan when Her Majesty gives you an aeroplane to be a hooligan in?

I have no recent experience of the reserve and, therefore, like all hack politicians, which I suppose I must now accept I am, I reverted to Google. I found an organisation that at first sight sounded rather tame—the Council of Reserve Forces' and Cadets' Associations, of which the noble Lord, Lord De Mauley, is president. As I went into its role, however, I found that an entirely inaccurate assessment. Among other things, it has a statutory obligation to report on the health of the reserves. It does that with an external scrutiny team, to which the noble Lord, Lord De Mauley, referred, which is a pretty heavyweight team. It consists of a chairman who is a former three-star general.

[Lord Tunnicliffe]
There are five members—one two-star, one one-star, a captain, a colonel and a civilian—and a two-star clerk. Of course, all the service personnel are retired officers. It reports annually—however, to some extent, not that you would notice.

The noble Viscount, Lord Trenchard, suggested that we should be discussing the 2018 and not the 2017 report, and I have a lot of sympathy with him. But what happened to the 2017 report, you may ask? Certainly, I did once I started my Googling. After some effort, I discovered that the Secretary of State responded to it some six months later. The report was dated 21 June, and he responded some six months later, on 19 December. If noble Lords are curious as to why they have never heard of this response, it is largely because the Ministry of Defence failed to issue it. Technically, it has been published today in a Written Ministerial Statement, dated 21 June, which means that it is exactly one year after it was presented to the Secretary of State. It is a pretty poor performance, taking six months to publish a letter. I have always believed in the cock-up and not the conspiracy theory of history, and I am sure that this was a cock-up. As an ex-bureaucrat, I always sympathise with cock-ups, but it would have been nice to have an apology. In fact, we almost got a cover-up—not of Nixonian proportions, I have to admit—in that the WMS carefully avoids mentioning the date of the letter it publishes. I hope the MoD thinks of offering some sort of apology.

The response was bland. Indeed, of all the recommendations, I do not think there is a single one where the Secretary of State agrees to do something new or different as a result of the report. It was Panglossian in nature.

The report itself is an excellent document and much more balanced. It is, in a sense, quite positive, comparing where the reserves are now with two or three years ago, when the new reserve force 2020 programme was launched, but it leaves me with a number of concerns. I will confine my remarks to the Army, because it seems both larger and to have more problems than the Royal Air Force reserves or Royal Navy reserves, which the report is genuinely fairly positive about. The first area that comes to mind is the absolute shambles of reserve recruitment in the Army—the noble Lord, Lord De Mauley, touched on this. The Capita performance was dreadful. This came to the attention of the external scrutiny team, which repeated its view that this should be fully reviewed again; it is likely to repeat that even more strongly this year. The situation was saved by the Army itself, which devoted considerable local resources to recruiting. Because it was doing Capita's job for it in the local area, the numbers in the Army reserve, with a little cheating on the side—quite significant cheating, really—have roughly reached the target of 30,000. The cheating consists of labelling anybody who has completed phase 1 training a member of the trained reserve. As the noble Earl, Lord Attlee, has brought out—much more richly than I could—the difference between the phase 1 reserve basic training and even the old definition of phase 2 training, where they have been trained in trade, is quite significant. The relabelling, incidentally, probably caused a bounce in the numbers of about 1,500.

My second concern regarding recruitment is over the whole concept of effectiveness. The report puts a question mark over the whole training and involvement of reserves. The central issue here is how we measure the effectiveness of these reserves, because there is almost a sleight-of-hand concept whereby you have lost 20,000 trained soldiers but you have 30,000 reserves, and it will be all right. How many reserves are needed to make up a fully trained soldier? That must surely be a question that we have to address to know whether replacing full-time soldiers with reserves is valid. On replacement in the specialist trades, it is very clear—overly clear—that only by taking people who are doing specialist day jobs in their day-to-day life do you get that effectiveness. When it comes to combat roles, I am sure we simply must not think in terms of one for one.

Another area that has been mentioned is development. The report particularly brings out the problem of developing an effective officer cadre but the emphasis is on the need for involvement in real operations—I think the noble Lord, Lord Sterling, touched on this; the noble and gallant Lord, Lord Stirrup, certainly did—and a requirement for continuity of training, to keep up both the skills and morale of the individuals.

I move on to retention and duration. Military people are very expensive, because they do not really do anything. They do in civil emergencies, but most of the time we are training them to be capable. Therefore, if we do not have the military personnel capable for a reasonable period, the expense of training them to be capable is enormous. Retention is therefore crucial to get this in-depth training, development and good value for money. How do you get retention? People need to feel capable and wanted, and to feel that they are being used well.

Finally, on money, in Future Reserves 2020—FR20—£1.88 billion of ring-fenced money was allotted. That has created the improvement found in the report, but that money will soon run out. The reserves' needs will have to be set against other challenges in defence—to paraphrase the Secretary of State's response—and, frankly, that is code for cuts. The Armed Forces have worked hard to make our reserves more effective. I hope the Government will not let this slip away.

5.25 pm

Baroness Goldie (Con): My Lords, I must first declare, to what I am sure will be your Lordships' universal disappointment, that, like the noble Baroness, Lady Smith, I have absolutely no connection with the Reserve Forces, and I feel much diminished at having to admit that deficiency. However, perhaps that enables me to look at this totally objectively and to say explicitly how much I admire exactly what the Reserve Forces contribute to our national security and interest.

I am most grateful to my noble friend Lord De Mauley for giving the House the opportunity to discuss our Reserve Forces' significant contribution to our national security. Their role is much valued; I pay tribute to all our reservists and thank them for what they do. I also pay tribute to my noble friend's long-standing and distinguished involvement with the Reserve Forces. He is the president of the Council of the Reserve Forces' and Cadets' Associations, and I acknowledge the vital

role they play in delivering the external scrutiny team, the next report of which I expect will be laid before Parliament prior to the Summer Recess. I believe it is well advanced; your Lordships will understand that the publication is not within the Government's control.

Lord Tunnicliffe: May I ask the Minister a simple question? I have every confidence that the people of the noble Lord, Lord De Mauley, will deliver on time, but will the Secretary of State do better than taking six months to respond?

Baroness Goldie: I noted the noble Lord's reference to the letter, and I was going to deal with that later on. However, I can deal with it specifically now. There was a delay, for which the department clearly apologises. I understand that at the time the report was laid before the House, a Written Ministerial Statement and a short response were issued; only the longer response was delayed. None the less, it was an administrative error and the Ministry of Defence apologises for that oversight.

As my noble friend Lord De Mauley well knows, reservists contribute their commitment and expertise to the defence and security of this country, and it is important to acknowledge that. He observed that the reserves are fundamental to the whole force. They provide generalists and specialists in everything from cyber and communications to logistics, giving us the flexibility and capability to scale up our response in times of crisis. The noble and gallant Lord, Lord Stirrup, appositely captured the flavour of that contribution when he referred to his having received an "injection of enthusiasm" from the reservists with whom he has engaged. He also talked about them being a crucial part of the force structure, and I agree. Indeed, the dangers to which they are exposed were described movingly by the noble Lord, Lord Burnett, when he referred to the selfless courage of Corporal Stephens. We should feel humbled by such sacrifice and bravery, and we all pay tribute to that.

Many points have been raised, and I will try to deal with them as best I can. The revitalisation of the Reserve Forces under the future reserves programme has been critical to our ability to deliver defence on a sustainable financial basis. Over the life of the programme the Government will be investing £240 million in Reserve Force training and £207 million in equipment. This will help to ensure that the Armed Forces are structured and resourced to meet the challenges of the 21st century.

The noble and gallant Lord, Lord Stirrup, referred to the modernising defence programme. We are on track to share headline conclusions of the programme by the NATO summit in July. These will set out our overall approach and how it needs to evolve and what we regard as the highest priority areas for investment. These conclusions will not include detailed issues on the capabilities and numbers comprising the joint force, but will be an indication of where we see the future going.

A number of contributors raised the general question of budget. The UK is one of very few allies to meet both the NATO spending guideline of 2% of GDP on defence and spending 20% of our annual defence expenditure on major equipment. The budget will rise by 0.5% above inflation every year of this Parliament. I also point out that the UK calculates its defence spending in accordance with NATO's guidelines, and NATO's own figures show that we spend over 2% of GDP on defence. The Government are categorically committed to retaining the UK's position as a tier 1 defence nation.

On the contributions of the reserves, there have been more than 16,000 separate mobilisations in the last 10 years, including more than 500 in the last financial year alone. The reserves have proved invaluable to support the achievement of defence objectives alongside their regular counterparts. While it is true the number of reservists deploying on operations has decreased in recent times, that is an inevitable result of our changing international commitments, and the reduction in reservist deployments is proportionate to that in regular deployments.

As many of your Lordships will be aware, reservists are currently supporting UK operations in various locations abroad, engaged in counterterrorism and counterpiracy operations and on operations to counter the threat of Daesh. They also bring key specialist skills to the whole force. They are the backbone of Defence Medical Services, both in clinical provision and in manning specific clinical employment groups. My noble friend Lord Sterling of Plaistow raised this very specific aspect. Reserve work groups also provide unique national engineering infrastructure expertise used at home and abroad by defence and government more widely. Specialist reserve squadrons provide in-house IT software and hardware expertise at a level available only from highly paid civilian practitioners. Importantly in this modern and challenging world, we are also growing the number of dedicated cyber experts to deliver cyber operations.

Our reservists have also made an enormous contribution to non-military operations. Most notably following the tragic fire at Grenfell Tower—the anniversary of which we marked just last week—the Army deployed military assessment teams to advise on structural safety, the removal of debris, and the water supply. In reply to my noble friend Lord Sterling of Plaistow, Operation Boomster, the Ministry of Defence's response to the severe weather in March this year, saw Army reservists from the Scottish and North Irish Yeomanry deployed to enable the movement of NHS staff and other essential civilian responders. Operation Temperer saw reservist personnel deployed following the bombing at the Manchester Arena in May 2017 and reservists continue to be deployed on Operation Morlop, the operational response to the nerve agent attack in Salisbury.

The noble and gallant Lord, Lord Stirrup, raised the important matter of how we use our reservists. We are exploring how we can better use them across a broad spectrum of defence tasks. To support this, we remain committed to giving them the physical infrastructure they need to train effectively. To that end, last year we made available an additional £4.8 million.

My noble friend Lord De Mauley raised the issue of the training estate. I believe that the Royal Navy projects to which he referred are Project Cardiff and

[Baroness Goldie]
Project Solent. Funding for Project Cardiff has not been altered at all. It is proceeding on schedule and is due to complete in the final quarter of 2019. However, Project Solent is yet to be initiated.

My noble friend averred that the Regular Forces are becoming too small and that the subsequent pressures on the reserves are unsustainable. However, 12,360 recruits joined the regular Armed Forces in the year to April. The noble and gallant Lord, Lord Stirrup, raised the matter of the Government's commitment to the Armed Forces, as did the noble Lord, Lord Burnett. We are committed to maintaining the overall size of the Armed Forces. The services are meeting all their current commitments, keeping the country and its interests safe, and are active in 25 operations in 30 countries throughout the world.

Another issue to be raised by a number of contributors, not least the noble Baroness, Lady Smith, was recruitment. The number of trained volunteer reservists has grown from around 22,000 to well over 32,000 since the beginning of the future reserves programme, and it continues to grow. The number of reservists employed on a full-time basis has also increased by nearly 60% in the last four years alone, demonstrating the value that we place in the skills of our reservists and our commitment to ensuring that those who wish to make an additional contribution are able to do so.

I share the frustration of a number of your Lordships about the introduction of the new defence recruiting system. This has been a major undertaking and I think that noble Lords will understand that, although there will inevitably be problems with such a large IT system, it is replacing a 20 year-old process. I hope that there is a recognition that the new system is starting to deliver a quicker and easier recruitment process for applicants. In the 2017-18 financial year, the Army alone, despite these challenges, recruited over 9,000 service personnel. The Government recognise that there remain challenges to overcome with the new system. We have developed an improvement plan and are working with Capita to deliver it. I say to my noble friend Lord De Mauley and the noble Baroness, Lady Smith, that we do not feel it necessary to review the current contract.

A number of your Lordships, including my noble friend Lord De Mauley and the noble Baroness, Lady Smith, raised concerns about the medicals process. It is right to note that it is the lengthiest stage of the recruitment timeline. However, earlier this month the Chief of Defence People and the Surgeon-General jointly chaired a medical symposium looking at medical entry standards and their application. In the meantime, the services are considering a range of measures of their own to provide solutions in the shorter term.

Questions were raised about other challenges. The Government's full commitment to our Reserve Forces extends to training, which is frequently delivered at weekends and during evenings to fit around civilian employment. Reservists also continue to benefit from a range of overseas training opportunities, the number of which will rise this year. As my noble friend Lord De Mauley noted, this is one of the key drivers for people wishing to join the reserves. I think that my noble friend Lord Attlee also referred to that.

This Government recognise that the impact of defence operations on service personnel is wide ranging, and we have invested heavily in the delivery of more effective post-operational stress management for service personnel. Indeed, reservists benefit from the same level of support in this area as their regular counterparts. This effort is underpinned by the veterans and reserves mental health programme, which provides assessment and treatment for reservists who have been deployed overseas.

I shall try to deal with a number of specific contributions. My noble friends Lord De Mauley and Lord Sterling of Plaistow spoke about equipment and equipment support for Army Reserve units. The Army Reserve is considered in the fielding of all new equipment. For example, the Army Reserves development programme has funded a number of Virtus body armour sets to be issued to reserve units to enhance their training opportunities and experience. As the Army continues to modernise, the equipment support to the reserves will do so in sync.

The noble Earl, Lord Cork and Orrery, expressed a particular interest in the matter of offshore patrol vessels. The Royal Navy is in the process of introducing five new, more capable offshore patrol vessels intended to replace the original four deployed in the UK and the Falkland Islands. As part of the review of the requirement to support maritime security and fisheries protection post Brexit, we are considering how the Batch 1 offshore patrol vessels might contribute. They are currently being placed in extended readiness while this work concludes.

The noble Lord, Lord Mountevans, and my noble friend Lord Trenchard talked about trying to understand the needs of employers. We understand that they have unique needs and face real challenges in a tough economic climate, in particular small and medium-sized enterprises. We are working together to make things easier for them so that they know who the reservists are and can plan ahead for training and mobilisations. Should either my noble friend or the noble Lord want specific information about the employer awards system, I shall endeavour to write to them with that.

My noble friend Lord Attlee asked some interesting questions, to which I have to say I do not have the answers. He asked specifically about logistics and the capacity to move detachments. He also raised the issue of the training that reservists attend over the period of a year. I shall endeavour to get more specific information and pledge to write to him on that, and I will place a copy of that letter in the Library.

The noble Baroness, Lady Smith, and, I think, the noble Lord, Lord Tunnicliffe, asked how we deal with phase 2 and quantify who has been doing what. It is my understanding that only the Army includes service personnel who have not completed phase 2 training in its strength. I can write to her with the specific percentage, as she requested. Reservists are vital to the whole force and we will continue to invest in the reserves and to utilise them in operations at home and abroad.

The noble Lord, Lord Tunnicliffe, raised the issue of the letter, which I have dealt with. He also said, if I understood it correctly, that he suspected a duplication of numbers in the phase 1 and phase 2 computation. Let me try to make it clearer. The nature of Army

services is that soldiers can be used quite readily across a multitude of different military tasks at the conclusion of phase 1 training. However, the increased specialism of most naval and Air Force reservists means that this is generally not possible. That is why reservists in those services do not count towards trained strength until they have completed phase 2 training. To reassure the noble Lord, we do not in any way double count reservists, and the noble Lord can trust the published statistics.

The noble Lord raised a number of other points, including how we measure the effectiveness of the Reserve Forces. We continuously seek to develop how we do that. That said, the noble Lord will note the variety of operations I talked about earlier and the numerous specialisms that Reserve Forces have deployed in recent times, both at home and overseas.

The noble Lord also raised the issue of retention. As your Lordships will know, today sees the publication of the fifth annual tri-service reserves continuous attitude survey, the results of which provide an important insight into the mood and attitudes of serving reservists. This helps the MoD to understand reservists' opinions, which assists with the developing of reserve service policy, especially relating to the Future Force 2020 and the Future Reserves 2020 programmes. Interestingly, the survey shows that nine out of 10 volunteer reservists, or 93%, feel proud to be in the reserves, and that three-quarters of volunteer reservists, or 74%, are satisfied with service life in general. That is a pleasing outcome.

Some concern was raised about savings and the impact of short-term savings, and I detected that as a theme across all the contributions. The services recognise the potentially disproportionate effect that short-term savings measures could have upon the reserve experience and, for that reason, in-year savings measures have tended to be deflected away from the reserves, and our investment in the reserves continues to be strong.

I have tried to cover the points that have been raised, and if I have omitted anyone's contribution or failed to answer any point that your Lordships have referred to me, I do apologise. I shall look at *Hansard*, and I shall endeavour to address these points in a letter.

This has been an opportunity to celebrate and pay tribute to what our reservists do. They make a tremendous contribution to our national security. Our support as a Government is continually evolving, but our support is solid and robust. The ever-changing threats to security and allies mean that we cannot be complacent. Perhaps it is appropriate to conclude by reminding your Lordships that next Wednesday we celebrate Reserves Day, which will provide the country with an opportunity to celebrate the very important contribution that our reservists make to the UK's defence capability, as well as recognising the support they receive from their civilian employers in enabling them to meet their training and other military commitments. There will be many events taking place around the country, and perhaps your Lordships will find ways of supporting these activities, which I know would be greatly welcomed. I would encourage as many people as possible to get involved by making contact with your local units and attending an event.

5.46 pm

Lord De Mauley: My Lords, I am extremely grateful to all noble Lords who have taken part in this debate. Noble Lords have raised a number of important issues, which I am not allowed the time to summarise. Several of the matters raised involve money, but they are not just about money, and they are not just about the amount of money. Some, especially recruiting, are in part about accepting when something is not working, and changing course; and some are about spending money in a more effective way. The noble and gallant Lord, Lord Stirrup, and the noble Lord, Lord Mountevans, also emphasised the importance of using the reserves to encourage and maintain their sustained capability. In summary, though, the reserves are in good heart and on track towards achieving the objective set them in 2014. I exhort the Government not to allow that encouraging situation to evaporate by spoiling the ship for a ha'p'orth of tar.

Motion agreed.

Offshore Environmental Civil Sanctions Regulations 2018

Motion to Approve

5.47 pm

Moved by ***Lord Henley***

That the draft Regulations laid before the House on 23 April be approved.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con): My Lords, the regulations will provide BEIS's Offshore Petroleum Regulator for Environment and Decommissioning—OPRED—with powers to impose financial civil sanctions as an enforcement option for contraventions of offshore environmental legislation. The regulations do not create new offences; they allow OPRED to impose financial civil sanctions for breaches of a suite of existing regulations.

The current enforcement options available to OPRED are not consistent with those held by onshore regulators and do not provide for sufficient deterrence against non-compliance with environmental legislation. This is because, in the majority of cases, the only enforcement options available are criminal prosecution, or to take no action at all. As prosecutions are disproportionate in the majority of cases, no action can be taken. Expanding OPRED's powers to allow for the imposition of civil sanctions would bridge this enforcement gap.

OPRED investigates breaches of environmental legislation in respect of offshore oil and gas platforms operating on the United Kingdom continental shelf. Unlike onshore regulators, OPRED does not have the powers to impose financial civil sanctions in respect of the majority of those breaches. Current enforcement options for OPRED include: serving an enforcement or prohibition notice, revocation of a permit, and referral for consideration of prosecution. OPRED can issue civil sanctions in relation to breaches of the

[Lord Henley]
European Union Emissions Trading Scheme but has no power to do so in relation to its remaining regulatory regime.

Since 2016, OPRED has been made aware of 4,178 potential breaches of environmental legislation by offshore operators and has undertaken 78 formal investigations. Seven resulted in the issue of enforcement notices and two were referred for criminal prosecution. Although the remaining 69 were judged to meet the required standard of proof and involved significant non-compliance with legislation, most involving spills of over 1 tonne of oil or chemicals, OPRED could take no formal enforcement action due to the lack of an appropriate and proportionate response. This has had the consequence of undermining the deterrent effect of the existing environmental regulation. The introduction of civil sanctions would allow for fines to be awarded in the more serious of these cases.

The regulations provide for a more appropriate and proportionate enforcement response, allowing OPRED to maintain a consistent approach with onshore regulators and encourage greater compliance by operators. Enforcement or prohibition notices are not appropriate in all cases and the revocation of a permit, with the result that a holder could no longer operate, would not be a proportionate response to the majority of regulatory breaches. Prosecutions are reserved for only the most serious of cases. They are costly and time-consuming, with cases frequently taking more than a year to reach resolution. In addition, the decision whether to proceed with a prosecution is taken by bodies other than OPRED. Expanding OPRED's existing powers to enable the imposition of civil sanctions would allow for a more timely, cost-effective and proportionate response that would not unnecessarily criminalise oil and gas operators.

The civil penalties currently available to OPRED may be awarded only in respect of CO_2 emissions and cannot be utilised for any other regulatory breaches such as oil or chemical spills. As such, the vast majority of contraventions of environmental legislation currently result in no enforcement action being taken. The regulations will allow OPRED to take swift action where previously it could not, thereby providing greater deterrence against non-compliance and tackling the behaviour of those who perform poorly or ignore their environmental responsibilities. Civil sanctions will be applied instead of, not in addition to, criminal prosecution in cases where the criminal standard of proof is met. The fact that breaches must be proved to the criminal standard before a sanction can be issued is required by the parent legislation. The fixed and variable civil sanctions that OPRED will have will give it the ability to impose fines ranging from £500 to £50,000. This range has been chosen to maintain a consistent approach with onshore regulators and reflects the statutory minimum and maximum fines available to the courts through criminal prosecution.

The objective of the regulations is to provide OPRED with the powers to impose financial civil sanctions on offshore oil and gas operators who contravene specified environmental legislation. To this end, the regulations will provide a more proportionate enforcement response than criminal prosecution alone while retaining this option for the most serious breaches. They will maintain a consistent approach with onshore regulators and encourage greater compliance by offshore operators by allowing for enforcement action to be taken more swiftly in more cases. The regulations will come into effect on 1 October 2018 and I commend them to the House.

Lord Bruce of Bennachie (LD): My Lords, I thank the Minister for that explanatory introduction, and I have just a couple of points to raise with him. I welcome the purpose behind this change in the law, which I assume is to reduce the number of incidents. Has the regulator made an assessment of the impact it will have? The figures the Minister gave are for the number of breaches, most of which were not serious. However, those that were serious cause a little concern, and obviously the point that prosecutions are not effective under the present law has to make it a consideration as to whether civil sanctions will make a significant difference.

My second point is whether the criminal burden of proof will have a difficult impact in the sense that it is quite a high standard of proof, although that is right and proper given that these are new regulations. Nevertheless, is the regulator satisfied that it will be able not only to prosecute effectively but, more importantly, that it will be able to create a climate in which there will be a significant reduction in the number of incidents? That is really what I am seeking. Has there been any assessment by the regulator of that?

Lord Teverson (LD): My Lords, when I first read the regulations, I had a vision of a motorboat chugging up to an offshore oil rig and sticking a parking ticket on it with a fixed penalty fine, but obviously that will not be the situation.

One of the questions I was going to ask is about numbers. I thank the Minister for going through them. It is certainly very stark that we have two prosecutions for environmental offences out of 4,000. I guess that is one of the reasons that this measure is needed.

Paragraph 7.2 of the Explanatory Memorandum states:

"The need for the instrument has arisen due to a number of contraventions of environmental Regulations"—

the Minister has gone through those very well—

"going unpunished as a result of OPRED's lack of a proportionate enforcement response".

What resources does OPRED have? Is it an organisation with capacity? Is it underfunded at the moment? Is that part of the problem? Can it do enforcement in a quicker and cheaper way?

I want to expand on my noble friend Lord Bruce's point. It rather surprised me that we were moving from criminal law to civil law but the burden of proof did not move to balance of probability; it stayed at the level of criminal proof—that is, beyond reasonable doubt.

Regulation 9(1) states:

"A person on whom a final notice is served may appeal to the Tribunal in relation to the decision to impose the fixed monetary penalty".

That is fair enough. However, Regulation 9(2) states:

> "In any appeal where the commission of an offence is an issue requiring determination, the relevant enforcement authority must prove that offence according to the same burden and standard of proof as in a criminal prosecution".

If I were faced with a £48,000 fine, what would I do? I would just say, "Take me to court. Go through this criminal proof". If that is getting in the way of prosecutions at the moment, the barrier is still there. There is a quick and easy way for justice to be avoided once again.

Going through the regulations, I looked at the fixed penalties. Although I realise that they are rather more draconian than going through a Cornish village at more than 30 mph, I wonder whether £500, £1,000—as for most of them—or the top limit of £2,500 would even be in the petty cash of the sort of organisations that we are talking about, which I assume are the potential offenders. Although I realise that the fines can go up to £50,000, I wonder whether organisations would even notice these fixed penalties, which are the cutting edge of these regulations. It seems that it will be part of the P&L line where you just pay your money to avoid environmental regulations.

I have a final question for the Minister. I assume that the answer will be no. I like the idea of immediate penalties in low-impact environmental impacts, so that the system is sped up and more enforcement takes place. Might this apply to any marine-based activities other than the hydrocarbons industry?

Lord Grantchester (Lab): I thank the Minister for his introduction to the regulations before the House. They are relatively straightforward, which the memorandum explains very well.

The instrument will allow the offshore petroleum regulator for environment and decommissioning—OPRED—to impose civil sanctions under the Regulatory Enforcement and Sanctions Act 2008 for RESA offences and the European Communities Act 1972 for ECA offences. The memorandum explains that these regulations are due to the number of contraventions going unpunished, as the noble Lord, Lord Teverson, explained. However, I am a little more relaxed than he is on them. I will explain why. The regulations are a sufficient and proportionate deterrence against non-compliance. They will tackle poor behaviour and stop it becoming persistent. They are consistent with measures available to onshore environmental regulators.

6 pm

The regulations were subject to an extensive debate in the other place—which also expressed the concerns expressed by the noble Lord, Lord Teverson—where all the interpretations and potential messages implicit in them were examined. However, having enjoyed a long career in agriculture, I understand and appreciate what is being proposed; the use of the court system can be costly, cumbersome and combative—all unnecessarily extravagant to the incident under question. OPRED needs to be able to distinguish splashes and spills from discharges and pollution incidents that would necessitate court action. The burden of proof and the seriousness of the offence are the same, and the enforcement process is not undermined. All operations must be carried out in a safe, clean and environmentally safe manner.

I am grateful to my honourable friend Dr Whitehead in the other place for pointing out that the memorandum had not revealed that OPRED already carries out civil functions and civil sanctions under the Greenhouse Gas Emissions Trading Scheme Regulations 2012. OPRED already has the necessary experience. These regulations will bring the same set of measures—enforcement notices, civil penalties and, for the worst cases, prosecution—to bear on non CO_2-related breaches, most notably oil and chemical spills. I would have thought that, in a marine environment, where spills can be dispersed more quickly, evidence-gathering would be more commensurate to a civil sanction regime than under the court system. This would emphasise that all breaches will be followed up and cut the number of contraventions going unpunished.

Could the Minister share with your Lordships' House the helpful table that the Minister, Claire Perry, shared with the committee in the other place, portraying the underlying regulation, the offence and the proposed level of sanction? I suggest that the department should consider publishing a report to Parliament each year on the operation of the sanctions. Should the Minister underline and confirm that civil sanctions in no way downplay the significance of environmental breaches and is not a signal that there will be in any way less stringent enforcement of the regulations, I will be very pleased to affirm them.

Lord Teverson: My Lords, before the Minister gets up, I declare an interest as a board member of the Marine Management Organisation, which has certain responsibilities relating to marine pollution in the English seas.

Lord Henley: My Lords, I note the declaration of interest from the noble Lord, Lord Teverson. I am more than happy to share the table that the noble Lord, Lord Grantchester, referred to, which my right honourable friend Claire Perry shared with colleagues in another place. I will write to the noble Lord and the other noble Lords who took part in the debate.

In response to the noble Lord, Lord Teverson, let me make it absolutely clear that the regulations apply only to breaches of legislation by offshore oil and gas companies in this field and that they do not cover other marine activities. Obviously they are, as the noble Lord, Lord Bruce, put it, designed to reduce the number of incidents. I quoted figures of a little over 4,000 since 2016. That figure sounds rather alarming, but it includes, as far as we know, spillages of the most minor sort, just as any petrol station will report even very minor spillages if it is operating properly. We want to make sure that we can deal with the more serious matters. By extending this to civil sanctions, we are trying to offer OPRED a more proportionate response in how it deals with these matters. I can assure the noble Lord, Lord Teverson, that OPRED is perfectly content with the resources that it has—it has some 20 offshore inspectors, no doubt speeding around in their boats waiting to put their parking tickets on the various rigs, as the noble Lord put it.

[Lord Henley]

However, as we said, we want to make sure that we can make an appropriate response in the right case. The noble Lord, Lord Teverson, said, "But, hold on, you've got exactly the same standard of proof, and since they can appeal against this, wouldn't it be just as easy to use the criminal sanctions, as they are already available?" The point of being able to use civil sanctions is that one can operate much more speedily, whereas with criminal sanctions, OPRED, not being a prosecuting authority, would have to hand this over to other bodies. Not understanding much about criminal law in Scotland—I am sure that the noble Lord, Lord Bruce, will correct me if I am wrong—I imagine that would be to the procurator fiscal, whereas by using civil sanctions, one can be more nimble-footed.

The imposition of civil penalties will be published. Although, as the noble Lord, Lord Teverson, put it, we are talking about small change for some of the big boys, it is our considered view that, because we can publish this information, offshore operating companies would be very keen to avoid the negative publicity. In addition, criminal prosecutions have to be retained in the relevant regulations for the most serious breaches. The noble Lord, Lord Bruce, suggested reducing the burden of proof for the civil prosecutions. I do not think that is possible under the parent legislation in terms of the powers we have to make this regulation—if I am wrong, I will certainly write to the noble Lord to correct it. Therefore, we will be looking at the same standard of proof.

I am grateful for the words of support from the noble Lord, Lord Grantchester. I commend the Motion.

Motion agreed.

Offshore Combustion Installations (Pollution Prevention and Control) (Amendment) Regulations 2018

Motion to Approve

6.07 pm

Moved by ***Lord Henley***

That the draft Regulations laid before the House on 24 April be approved.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con): My Lords, the regulations will provide BEIS's offshore petroleum regulator—that is, OPRED, as referred to earlier—with powers to impose emission limits on atmospheric pollutants from certain types of combustion plant and monitoring requirements for those pollutants.

The regulations transpose two European Union directives and will allow OPRED to impose emission, monitoring and reporting controls on specific atmospheric pollutants from certain types of combustion plant, such as gas turbines and engines, on offshore installations. Obligations from these directives are transposed by amending the existing Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013.

The 2013 regulations implement provisions of chapters I, II and VII of the industrial emissions directive. The controls are enforced through permits for combustion plant, such as gas turbines and engines, on offshore installations that, alone or when aggregated, have a thermal rated input equal to or greater than 50 megawatts. When the industrial emissions directive was being implemented, there were no offshore facilities with qualifying large combustion plant such as boilers, heaters and diesel engines and none was foreseen. Consequently, those obligations relating to large combustion plant in chapter III of the directive were not transposed. However, there are now two offshore installations with plant that fall within the scope of chapter III of that directive, and relevant provisions in that chapter will now apply. The medium combustion plant directive obligations mean that we now also need to extend our regime to medium combustion plant to include boilers, heaters and dual-fuel engines with thermal capacities in the range of 1 to 50 megawatts.

Twelve offshore installations will be subject to the new requirements. There will be new requirements to control, monitor and annually report data on specified atmospheric emissions from large and medium-sized combustion plant, in line with the directives. Relevant existing permits issued under the 2013 regulations will be revised to incorporate the new obligations. Where necessary, new permits will be issued. The regulations will also ensure that inspection reports relating to large combustion plant are made publicly available. This is not required for medium combustion plant. The Offshore Environmental Civil Sanctions Regulations 2018 will apply to the regulations and will act as a deterrent against non-compliance.

In September 2017, a four-week public consultation on these draft regulations was undertaken. Eight responses were received seeking additional clarifications and concerns were raised regarding combustion plant which would be unlikely to meet the emission limits. The Government's response addressed the consultation comments and we agreed to publish an updated guidance note to support operators' compliance with the regulations.

One substantive issue arose from the consultation regarding the provisions in Regulation 15, under which emission limits will be included in permits to control the level of pollutants emitted into the atmosphere. The concern is that, in some cases, those limits may not be achievable because replacement or retrofitted abatement of existing plant will not be possible due to space limitations and technical configuration on offshore installations which were designed many years ago. We took account of industry concerns by making clear that we will work with operators on a case-by-case basis to manage the situation in line with the regulations. We understand the importance of maintaining the security of energy supplies and maximising economic recovery of hydrocarbons and do not want to see offshore installations entering early cessation of production.

The regulations are needed to control and reduce emissions of pollutants harmful to the environment and human health and implement two EU directives. Without additional powers to monitor air pollutants at the individual plant level, it is difficult to accurately

quantify the emissions and ensure compliance. The regulations will contribute to our aim of ensuring that offshore hydrocarbon activities are carried out in a safe, clean and environmentally sound manner.

In conclusion, the object of the regulations is to control atmospheric emissions from offshore combustion plant which are harmful to the environment and human health, in line with EU directive requirements. This will be achieved through permits for qualifying combustion plant to set emission limit values, monitoring and reporting conditions; conducting offshore inspections and investigation of breaches; and the use of enforcement notices to instruct operators to take action to address breaches within specified timescales.

The regulations will enter into force 21 days after being made. The requirements will take effect immediately for large combustion plant, but there is a phased implementation for medium combustion plant. I commend these draft regulations to the House.

Lord Bruce of Bennachie (LD): My Lords, I thank the Minister for that introduction. He has touched on my concerns, but I want to press him a little further. I appreciate that this is the implementation of an EU directive and we want to maintain compliance with EU regulations, but it is a fact, nevertheless, that the largest volume of offshore installations are in the UK or the Norwegian continental shelf. I am not denying that there are other installations in Germany, the Netherlands and Denmark, but the big ones in the most exposed conditions are in the UK and Norway.

Of course, in the past the EU has attempted to have more direct involvement in the regulation of the North Sea, which has been resisted, I think correctly, by the UK. What I want to explore, and the Minister did touch on this, are the concerns, particularly with some of the mature investments we have in the North Sea, that the difficulty or the disproportionate cost that might be involved in meeting these could affect future production. The Minister has indicated that the Government want to work with the industry, but how sure are they that we will not reach a situation in which significant production or investment will be compromised?

I say that with some hesitation. I know the environmentalists tend to want to shut everything down, or be resistant, and I certainly do not wish to give the impression that I am not keen to ensure that we operate the highest possible standards. But we have to operate within realities and it is true that large installations in really difficult conditions such as the northern North Sea are likely to have larger requirements for generating capacity, which could cause them problems.

My final questions are: given that it is an EU regulation, is Norway applying the same conditions? Is there any question that UK installations would be at any cost disadvantage compared with Norway, or do we have an assurance that Norway is operating at least the same standards?

6.15 pm

Lord Teverson (LD): My Lords, as this is a separate debate, I declare that I am still a board member of the Marine Management Organisation, as far as I am aware. I was going to start by telling the Minister that I very much support this but I am not sure that that is in line with my noble friend Lord Bruce's contribution. I am sure we are agreed on this. The industrial emissions directive is generally an excellent piece of legislation. It is intelligent, in that it looks at best practice and varies its requirements according to what is possible and as best practice improves over time. Of course, it replaces the rather obsolete large combustion plant directive.

I have only a couple of questions about this because I welcome it. Coming back to one of my noble friend's questions about cost, the medium combustion plant directive 2015, which is part of the EU's clean energy package, says specifically that for new plant the directive applies immediately but for retrofit it does not need to apply until 2025 or 2030, which comes back to my noble friend's point. My only real question on that is: is that the sort of timescale the Government are looking at in their understandable, correct and—lenient would be the wrong word—intelligent approach to getting these installations right? My other question is one I should know the answer to: what is the enforcing authority on this and how is it enforced—how are emissions measured—offshore? It is fairly straightforward onshore but how is that done offshore?

Lord Grantchester (Lab): My Lords, once again I thank the Minister for his explanation of the regulations before the House. This instrument widens the scope of the 2013 regulations to include both the industrial emissions directive, IED, which applies to large combustion plant over 50 megawatts, and the medium combustion plant directive, MCPD, which applies to plant with an individual thermal input of up to 50 megawatts.

Previously, the control of pollutant emissions from large combustion plant was not seen to be relevant for offshore facilities. Controls from the MCPD need to be extended to regulating emissions harmful to human health and the environment. The objective of these regulations is to control atmospheric emissions from offshore combustion plant that previously had been limited to onshore facilities under the Department for Environment, Food and Rural Affairs. The Explanatory Memorandum explains:

> "The amending of the existing Regulations and widening of permit requirements are already familiar to offshore operators, who will receive a single permit covering all the qualifying combustion plant for each installation".

We welcome this rationalisation. The memorandum further explains that OPRED, the offshore regulator mentioned in the previous regulations, will have its duties extended to implementing the instrument and will be able to recover its costs through fees charged for permits. Rather like the noble Lord, Lord Teverson, I assume from the previous regulations that OPRED will have the sanctions we have just approved to ensure compliance.

I understand that there are two large offshore plants over 50 megawatts, as the Minister explained, and 13 smaller offshore plants covered by the MCPD. However, the memorandum explains that implementation will apply to plants covered by the MCPD according to a timetable, whether they are new or already in existence. Further expanding on the words of the noble Lord, Lord Teverson, new plants will need a

[Lord Grantchester]
permit from 20 December 2018. However, if they are already in existence, implementation is phased according to whether they are greater or smaller than 5 megawatts. Those greater than 5 megawatts will require a permit from 1 January 2024 and those less than 5 megawatts will require a permit from 1 January 2029—five years later. This begs several questions. First, for what reason are existing plants given this grace period of five or 10 more years? I would be grateful if the Minister explained. Secondly, why is a distinction made between plants over or under 5 megawatts? Of the 13 plants covered, how many will fall each side of the line? What is the significance of that, and does it lead to a discrepancy on costs or to competitive distortion between the various plants? The consultation did not give rise to any comments on this point.

The consultation merely gave rise to issues regarding the ease of monitoring and access to exhaust stacks on existing facilities. I am glad to see that the department is aware of this and that OPRED will be taking a pragmatic approach. However, there could well be issues regarding the monitoring of carbon monoxide for its effects on human health. Can the Minister assure the House that this pragmatic approach will not give rise to possible monoxide risks to human health? With the assurance that these issues are not material, I am content to approve the regulations today.

Lord Henley: My Lords, I thank noble Lords for their comments and interventions, and I hope I can deal with most of the points raised. I can give an assurance yet again to the noble Lord, Lord Teverson, that OPRED will continue to be the enforcing authority for the offshore oil and gas sector, but the emissions will be monitored by the operators, which have a duty to report them annually to OPRED. OPRED will then take note of them.

The noble Lord, Lord Bruce, intervened with his concerns about the industry, which he voiced in a Question earlier this week on the position of oil and gas in the UK. We understand his concerns about the industry, which is why in the consultation we wanted to know about the concerns of the offshore operators and how they are getting on. As I made clear earlier, when we originally transposed this directive there were no combustion plants of the size we are talking about, but the nature of the extraction of oil and the sort of oil that is being extracted, some of it being much thicker, has meant that there are bigger, heavier machines. That is why we have to bring in these regulations—to deal with that growth. That is what we are doing and why we want to consult on it.

I can assure the noble Lord that Norway will be following us in doing that as this directive applies to EEA states. It is difficult to say how the costs of compliance for us and for Norway may differ, but it is possible that they will be broadly similar, given that its approach to transposition should essentially be the same.

I think the noble Lords, Lord Bruce and Lord Teverson, asked why we were allowing some plant to operate in a non-compliant mode and why we were phasing implementation. This obviously follows the consultation, and OPRED appreciates that it would be difficult for some operators to ensure that some plant, with safety and environmentally critical elements, continued to comply with the relevant deadlines. OPRED certainly wishes to work with the operators in these circumstances on a case-by-case basis in line with the regulations.

Plant plays a critical role in the safe operation of stabilising and processing hydrocarbons by providing the heat and power I referred to in dealing with oil. Should one or more of those plants be prohibited from operating, it could result in implications for safety in processing the hydrocarbons, with the consequence of hydrocarbons then being lost. One has to balance pros and cons in that field, and for that reason it is clear that a degree of phasing has to come in. That is why we made it clear that further medium combustion plants and phased implementation will apply where prescribed for new plant after December 2018, for existing plant with megawatt thermal input of greater than 5 megawatts but less than 50 megawatts from January 2024, and so on.

Lastly, the noble Lord, Lord Grantchester, asked whether the civil sanctions regulations would apply to these regulations. Yes, civil sanctions regulations will apply to these offshore combustion insulation requirements.

I hope I have dealt with all the questions.

Motion agreed.

Scotland Act 2016 and Wales Act 2017 (Onshore Petroleum) (Consequential Amendments) Regulations 2018

Motion to Approve

6.26 pm

Moved by ***Lord Henley***

That the draft Regulations laid before the House on 30 April be approved.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con): My Lords, in line with the Smith and Silk commission agreements, the Scotland Act 2016 and Wales Act 2017 provide for the devolution of onshore oil and gas licensing to the respective Governments.

Today's debate will focus on the devolution of Section 45A of the Petroleum Act 1998 to the Governments of Scotland and Wales. Section 45A provides the means of assurance to the relevant authority that the relevant person will be able to plug and abandon a well or otherwise provide the necessary funds for it to be done. As such, Section 45A is a key part of the licensing regime and needs to be devolved to enable Scottish and Welsh Ministers to ensure that licence obligations can be met and wells can be plugged and abandoned as appropriate. We intend to transfer Section 45A powers to Scottish and Welsh Ministers for their respective territories, using powers to make consequential amendments under the Scotland Act 2016 and Wales Act 2017.

As recommended by the Smith and Silk commissions, it was agreed that powers related to onshore oil and gas licensing, aside from those relating to royalties, would be devolved to Scotland and Wales. The Scotland Act 2016 and Wales Act 2017 will transfer legislative competence for onshore petroleum to the Scottish and Welsh Governments when fully commenced, with the exception of matters relating to setting and collecting licence rentals.

To aid devolution, in February this year we commenced Sections 47 and 48 of the Scotland Act 2016, which transferred the existing UK onshore licensing regime as it applies in Scotland to Scottish Ministers. This means that Scottish Ministers have the powers to administer the existing onshore oil and gas licensing regime in Scotland and to create a bespoke licensing regime if they wish. It has been agreed between Welsh Ministers and the Secretary of State for Wales that provisions that enable Welsh Ministers to administer the existing onshore oil and gas licensing regime in Wales, or to create a bespoke regime if desired, will commence on 1 October 2018. Therefore, we intend to make and lay negative regulations necessary to deliver this in early September.

I turn now to the detail of the affirmative regulations that we are debating today. The proposed consequential amendments included in this statutory instrument will make amendments to Section 45A of the Petroleum Act 1998. These amendments are consequential on the devolution of onshore petroleum licensing functions to Scottish Ministers under Section 48 of the Scotland Act 2016, and to Welsh Ministers under Section 23 of the Wales Act 2017.

The consequential amendments that these affirmative regulations make reflect the role of Scottish Ministers as the licensing authority in Scotland, and allow the licensing regime to work as intended in relation to onshore areas in Scotland. The regulations provide for the position both before and after commencement of the Wales Act 2017, which makes equivalent provision for devolution of onshore oil and gas licensing to Wales.

As I set out at the beginning, Section 45A is a power that allows the relevant authority to issue a notice requiring a person, once they have begun to drill a well, to provide information regarding their financial affairs. If the authority is not satisfied that the person will be capable of plugging and abandoning the well following the submission of financial information, Section 45A allows the relevant authority to issue a notice requiring the person to take action. This notice could include the provision of security to the relevant authority, to ensure that the costs of plugging and abandoning the well are covered. Although this provision has not to date been used onshore, we consider that the power applies onshore, and therefore Section 45A forms part of the regime which should be transferred.

A negative statutory instrument will follow these affirmative regulations to make consequential amendments to the onshore licensing regime in Wales. Transferring powers from the UK Administration to a devolved Administration does not count as a regulatory provision, so we are not required to do a regulatory impact assessment. Furthermore, there has been no specific consultation on these technical amendments as they are necessary to the effective operation of the provisions set out in the Scotland Act 2016 and Wales Act 2017, which were consulted on separately.

The regulations assist in giving the Scottish Parliament, the National Assembly for Wales and Scottish and Welsh Ministers greater control over their onshore oil and gas resources, complementing the provisions of the Scotland Act 2016 and Wales Act 2017. These affirmative regulations are an important step towards delivering a recommendation of the Smith and Silk commission agreements and to ensure a smooth devolution of powers for onshore oil and gas licensing in Scotland and Wales to Scottish and Welsh Ministers.

I commend the regulations to the House.

Lord Bruce of Bennachie (LD): My Lords, of course I support the instrument, not least because, as the Minister said, it fulfils a pledge of the Silk and Smith commissions to transfer these powers to Scotland and Wales, but I have one question and a bit of context, because the transfer of these powers has generated a lot more heat than light in Scotland, where the Scottish Government claim that this gives them the power to ban fracking or any other form of onshore exploration, which the Court of Session says does not exist. In other words, the First Minister says that fracking is banned in Scotland, but the Court of Session says that it is not and is simply subject to normal planning considerations, so we are in a state of confusion, which is no responsibility of the Minister or the UK Government, having transferred that power.

This will become a significant issue only if there is a commercial desire to do significant onshore drilling or shale activity in Scotland, which Ineos has been preparing the ground for. It is entirely hypothetical, but it has been stated that if the future of Grangemouth, for example, depended on being able to extract shale oil that exists right underneath the plant, the issue would become politically more real, because you would be banning something that had a significant impact for Scotland, as opposed to current theological arguments about whether we should be doing that.

The only question I have for the Minister relevant to the regulations is on the section that says that everything is devolved except for the consideration—which is presumably the fee that might be involved. I completely understand that the administration and licensing of oil and gas energy is a reserved matter and therefore entirely for the UK Government, but I wonder, given the context that I have just outlined, whether adding to the pot the economic benefit of a licence—not only the commercial benefit but the revenue and royalties that might accrue to the Scottish Government—could change the tenor of the debate.

I have to make it clear that my party is not in favour of fracking and supports a ban. I personally do not agree with that; I think we should wait and look at the facts and the science rather than take a decision before it becomes a reality. Right now, it is purely theoretical; the whole thing is a power to do something that no one commercially is seeking to do and which the Scottish Government and public say that they do not want to happen. However, I can anticipate a situation in which reality will say that it is material and

[Lord Bruce of Bennachie]
significant—that there are jobs and investment that matter—and the devolution of this power will become a problem, albeit one for Scottish politicians, not UK politicians. But I repeat what I said about transferring the consideration as well—not necessarily the licence, but the consideration. That would just be another factor that might realistically be put into the mix.

Lord Teverson (LD): My Lords, my noble friend has pretty well gone through everything that I might have said, except to say that from these Benches we fully support this extra act of devolution in an important area. It is about making sure that those in the energy field—in this area it is petroleum, but it can also be nuclear, renewables or whatever—such as energy developers and owners, put the environment or land back to what it was originally. Should be public need that, the Government or the devolved authorities are able to insist on a financial consideration. So we very much support these regulations.

Lord Grantchester (Lab): I thank the Minister for his explanatory introduction. As he says, this instrument devolves Section 45A of the Petroleum Act 1998 to the devolved Administrations of Scotland and Wales. As obligations for plugging and abandoning wells are included in the licence conditions, Section 45A, relating to the financial ability of the relevant party, is a key part of the licensing regime that needs to be devolved.

I have only one curiosity to be satisfied in agreeing to the regulations. The territories of Scotland and Wales are defined in area according to the Territorial Sea Act 1987, which defines the onshore area to include up to 12 nautical miles offshore. Could there be a situation whereby an offshore activity could be undertaken under onshore petroleum legislation? I am sure the Minister may reply that up to 12 nautical miles offshore is, in fact, onshore territory. May I follow that up with a further question? Should there be a well or field that straddles the border both within and without the 12-mile limit, who would have to apply the wisdom of Solomon to adjudicate on whether it was onshore or not? While the Minister puzzles over the question, I am happy to approve the regulations.

Lord Henley: My Lords, I thank the noble Lord, Lord Grantchester. I certainly puzzled over the question, and I imagine that those who advise me in these matters are also puzzled. The simplest thing would be to say that I will write to him in greater detail on the Territorial Sea Act 1987—an Act we all wish to know more about. I am grateful to the noble Lord for his assiduous study of it.

I am also grateful for the comments of the noble Lord, Lord Bruce. As he rightly says, there is not much that I can do in the way of commenting on this—I certainly cannot engage in theological discussions between the Executive north of the border and the judiciary. It will be a matter for them to resolve. All I can say is that, like him, and unlike his party—I have had this discussion with his noble friend, the noble Baroness, Lady Featherstone, on a number of occasions—I am a great believer in looking at the facts on these matters, and a great believer in the possible economic benefits to this country and north of the border for the extraction of shale gas. I hope he will continue to do his work within his party. I did not quite discover what the views of the noble Lord, Lord Teverson, were on this; he indicates that he wishes to remain silent on these matters. He can discuss that with the noble Baroness, Lady Featherstone, in due course.

There are great opportunities in the extraction of shale gas, and we should look at the facts when it comes to that. Obviously, with the passing of these regulations, that and all the other activities will become a matter for the Scottish Government, but I hope they will listen to the noble Lord, Lord Bruce, and not other siren voices, on this matter.

I think I have dealt with all the questions, other than the rather technical ones from the noble Lord, Lord Grantchester, on the Territorial Sea Act 1987.

Motion agreed.

House adjourned at 6.40 pm.

Volume 791
No. 157

Thursday
21 June 2018

CONTENTS

Thursday 21 June 2018