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PARLIAMENTARY DEBATES  
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HOUSE OF LORDS  
OFFICIAL REPORT

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<b>Abbreviation</b>	<b>Party/Group</b>
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
Lab Co-op	Labour and Co-operative Party
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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# House of Lords

*Monday 1 July 2019*

2.30 pm

*Prayers—read by the Lord Bishop of Carlisle.*

## EU: Law-making Process

*Question*

2.37 pm

*Asked by Lord Pearson of Rannoch*

To ask Her Majesty's Government what plans they have to promote national awareness of the European Union law-making process, in particular the roles and powers of (1) the European Commission, (2) COREPER, (3) the Council of Ministers, (4) the European Court of Justice, and (5) the European Parliament.

**The Minister of State, Department for Exiting the European Union (Lord Callanan) (Con):** My Lords, the Government have no plans to promote national awareness of the EU legislative process. However, information regarding the EU law-making process is in the public domain. The GOV.UK website, the Parliament's website and the EU Commission website are just some of the many sources that explain the role of the EU institutions in the legislative process.

**Lord Pearson of Rannoch (UKIP):** My Lords, I thank the noble Lord for that Answer to this Question, which I tabled because I cannot find anyone normal who has heard of COREPER and thus understands the process which destroys our democracy.

Would it not help the Government's Brexit strategy if more people knew that only the unelected Commission can propose new laws, upon which national interests are then negotiated in the unelected Committee of Permanent Representatives, and which are then signed off in the Council, all behind closed doors, with nothing that this Parliament can do about it—

**Noble Lords:** Question!

**Lord Pearson of Rannoch:**—and that the Commission then becomes the executive for all EU law, subject only to the Europhile Court of Justice in Luxembourg, against which there is no appeal?

Second question, my Lords: would it not also help if more people knew that we are nearly always outvoted in the Council, and that this process has made over 20,000 of our laws since 1972, or more than one a day?

**Lord Callanan:** I thank the noble Lord for his many follow-up questions. In relation to the first, I suppose that having heard of COREPER makes me abnormal, so I apologise; I see the Opposition agreeing with that. I am not sure what the noble Lord is saying here. If he is saying to us that UKIP now thinks it a good idea for us to spend public money on an exercise educating the public on EU legislative processes, I suggest that that would be an unusual position for UKIP to take.

**Baroness Hayter of Kentish Town (Lab):** My Lords, what is important about the European Parliament is that today is the last day of the old Parliament and tomorrow is the first day of the new one, and that the new Parliament has to give its consent to whatever withdrawal deal we agree to. What talks are Ministers having with the new make-up of the Parliament so that we have an agreement that will be acceptable to it?

**Lord Callanan:** We are constantly having discussions with old and new MEPs. Indeed, last week I was in Brussels talking to some of the old and newly elected Members of the European Parliament to put forward our position. Of course there is a bit of an interregnum while we have a leadership election but the noble Baroness is quite right to say that, when we have a withdrawal agreement to put to the new European Parliament, it will have to agree it—as will this Parliament.

**Lord Wallace of Saltaire (LD):** My Lords, I declare an interest as a joint editor of a series of books on law-making in the European Union. I am quite prepared to allow the noble Lord, Lord Pearson, to read it. I know that Sir William Cash has read it, so perhaps he would like to. When and if we leave the European Union, will it not be all the more important for people interested in policy-making in Britain to understand the policy-making of the European Union, because outside it we shall still be influenced by decisions taken in Brussels and in other national capitals, and we need to know and understand those processes?

**Lord Callanan:** As someone who worked in the institutions for 15 years, I think it took me all those 15 years to understand them. I think it is important to understand how the EU legislative process works. I am delighted to hear that the noble Lord will allow the noble Lord, Lord Pearson, to read his books. Perhaps I can act as a bit of a matchmaker here and suggest that he might want to send him copies, so that he does not need to detain us by asking Questions about it.

**Lord Tugendhat (Con):** My Lords, is my noble friend aware of the old saying in the Army that time spent on reconnaissance is rarely wasted? In other words, one ought to know what the other side is doing and to be aware of its decision-making processes. No doubt he will have followed closely—I hope he has—the various tractations between Switzerland and the European Union. They are engaged in almost permanent negotiations, as will be the case with us. Does he not therefore feel that a certain amount of knowledge about how the other side works and how it takes decisions would enable British public opinion to judge more easily the policies that the Government pursue?

**Lord Callanan:** I know that my noble friend also understands the working of the EU extremely well from his time in the European Commission. I have been following the discussions with Switzerland quite closely. I note that there is not yet an agreement, but we will want to see how that pans out and what implications, if any, it has for our negotiations.

**Viscount Waverley (CB):** My Lords, is the practical reality not that this Question comes a little late in the day—in fact, 40 years too late—and that if we had had a better understanding of all these issues at the start we would not be in the pickle we are in now?

**Lord Callanan:** There may be some truth in that, but if I had any criticisms of the EU system—and I have a lot of them—I might suggest that the unnecessary complexity would be one of the reasons why people voted to leave.

**Lord Howell of Guildford (Con):** My Lords, would it not be a good idea in future to promote more understanding of how the European Economic Area works, because that is where we are highly likely to end up?

**Lord Callanan:** I will not comment on the last part of my noble friend's statement, but of course I think that knowledge of the internal or single market, the European Economic Area and free trade agreements is always useful for Members of Parliament, as well as for members of the public.

**Lord Hain (Lab):** My Lords, will the Minister confirm to the noble Lord, Lord Pearson, among others, that when there are votes in meetings of the Council of Ministers—most decisions are taken by consensus—in 95% of those votes Britain has won our position? That is an acknowledged and widely reported fact.

**Lord Callanan:** The interesting thing about the EU system is that there is some truth in what both noble Lords have said. There are rarely votes in the Council. In the General Affairs Council, on which I sit, there are hardly any votes but that is because compromises are arrived at. Countries accept that they will not get all that they want so, at the same time they can argue that they have been part of the winning side because some part of their position might have been incorporated into the final agreement. That, again, is one of the complexities of the system.

**Lord Kirkhope of Harrogate (Con):** My Lords, I declare my interest as a long-term Member of the European Parliament, as my noble friend was. On this, the last day that the European Parliament is meeting, does he not acknowledge the work that has been done by United Kingdom representatives in the European Parliament over many years, much to the advantage of this country both in the attitudes taken towards this country and in the positive outcomes of many of the initiatives that we have been involved in?

**Lord Callanan:** I need to be careful how I answer this. To be serious, yes, I do acknowledge that. Over the years the UK has been well served by a lot of its Members of the European Parliament, many of whom are sitting in the Chamber now. They come from all political parties and have often worked collaboratively in advancing the UK interest. I know that my noble friend did, I did, and the noble Baroness, Lady Ludford, and others will have done. You have to work across

parties if you are to get any agreement on many of the legislative files, but often there is no political disagreement about them.

## Environment and Climate Emergency Question

2.46 pm

Asked by **Lord Haskel**

To ask Her Majesty's Government what steps they will take following the adoption by the House of Commons on 1 May of a motion declaring an environment and climate emergency.

**The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con):** My Lords, the Government recognise the urgency of tackling climate change and protecting our environment. Following the Committee on Climate Change report, we have introduced legislation to achieve net zero emissions by 2050.

**Lord Haskel (Lab):** My Lords, contrary to the Prime Minister's misrepresentation, we on these Benches support the Government's climate change initiative, but can we not do better by establishing a model that other nations can follow? When setting the model, will the Government ensure that there will be no creative accounting in carbon by offsetting imports, using international credits or carrying forward over-performance, and that we will introduce environmental stress testing and report? Then, we can be really proud of our achievement.

**Lord Henley:** My Lords, I am grateful for the support of the noble Lord and the party opposite. I regretted its Motion on Wednesday last week because, as I made clear in the debate on the statutory instrument, I thought that it was unnecessary. We have set realistic targets following the advice that we received from the Committee on Climate Change—targets that we believe we can and should meet—and, as we set out in the order, we will aim to meet them.

**Lord Fox (LD):** My Lords, in last week's legislative debate, a number of your Lordships spoke about the need to will the means, as did I, and about the technologies that we will need to deliver zero carbon by 2050. The Minister and I agreed that one technology that is needed is bulk energy storage for our electricity grid. Given that he agrees that we need it, can he please tell us what the Government are doing to will this? How much money is being invested and how is the industrial strategy helping to do this? What is happening in this area?

**Lord Henley:** My Lords, in the time I have available to respond to a Question of this sort, I cannot go into detail on every single bit of research that we are doing into energy storage, carbon capture, use and storage, and a whole range of other things. I am more than happy to write to the noble Lord with greater detail on

this—he seems to be signalling to me to do that—but I can say that we are committed to doing all we can to meet the targets. We believe that with existing technology we can meet them, and with advances in technology we can do even better.

**Baroness Jones of Moulsecoomb (GP):** My Lords, I am absolutely delighted that the Government think they can meet that target but so far, I have not seen the sort of action that is needed. We need a massively rethought-out new green deal so that that we can discuss it in this Chamber and suggest ways forward for government.

**Lord Henley:** My Lords, we passed the legislation last week. We have announced an environment Bill, the Agriculture Bill is coming along, we have announced an energy White Paper and there is the industrial strategy, which has energy-specific parts. A whole range of government action is going on and there will be more to come.

**Lord Lennie (Lab):** My Lords, I will give the Minister a second chance—as he knows, everyone deserves a second chance—to answer the question that was not answered in last Wednesday’s debate. Why will international aviation and shipping not be included in the Government’s climate change emissions legislation?

**Lord Henley:** My Lords, as I made quite clear in the debate last week, our plans for net zero cover the whole economy, including international aviation and shipping.

**Lord Naseby (Con):** Is my noble friend in a position to clarify reports in the press that our aid budget is to be skewed in toto—or nearly in toto—toward reducing climate change impact on other nations, particularly the poorest in the world?

**Lord Henley:** My Lords, I have no intention of commenting on press reports of that sort. The aid budget will continue to be used to provide aid as appropriate. Where necessary, that could include help on climate change objectives.

**Baroness Tonge (Non-Aff):** My Lords, to achieve the targets announced by the Government, will the Minister now announce that there will be no third runway at Heathrow Airport?

**Lord Henley:** My Lords, again, this was asked of me last week. I was asked by one of the noble Baroness’s former noble friends whether I would lie down in front of the runway. I said that that was not my plan and I believe I made it clear—if I did not, I make it clear now—that we are awaiting further advice on Heathrow from the Climate Change Committee.

**Baroness Deech (CB):** Can the Minister explain how the planned Oxford to Cambridge expressway, with up to a million houses to be built alongside it, will contribute in any way to the reduction of carbon emissions?

**Lord Henley:** My Lords, following the comments on Heathrow, I do not think the noble Baroness would expect me to comment on every development or building project in the country. The Climate Change Committee has said that it believes we can meet our targets with

Heathrow, but we are awaiting further advice from the committee. If it wishes to comment on the Oxford to Cambridge expressway, or we feel it necessary to do so, we will do so.

**Lord Watts (Lab):** My Lords, if the Government are serious about climate change, do we not need to do much more about population growth around the world? I have visited some of the African states and, as the Minister knows, hardly any birth control methods are available to local communities. Should we not do more on this issue?

**Lord Henley:** My Lords, I believe that birth control is at the forefront of the Department for International Development’s concerns, but the noble Lord will be aware that the rate of population increase is slowing. Many people are saying there is a good chance that it will plateau by the middle to the end of the century. We will continue to play our part in that.

## Statistics: Accuracy Question

2.53 pm

Asked by *Lord Foulkes of Cumnock*

To ask Her Majesty’s Government what procedures they follow to ensure the accuracy of any statistics used by ministers in parliamentary proceedings.

**Lord Young of Cookham (Con):** My Lords, the independent UK Statistics Authority’s Code of Practice for Statistics details the practices to which departments must commit when producing and releasing official statistics and of which Ministers must be mindful under the Ministerial Code. Upholding the code of practice in each department is the responsibility of that department’s head of profession for statistics, who is professionally accountable to the National Statistician. This will be reflected in the arrangements of individual departments for ensuring that parliamentary statements are accurate.

**Lord Foulkes of Cumnock (Lab Co-op):** My Lords, we know that the Government are worried when this Minister is put up to answer the Question. Is he aware that: on 10 January, the noble Baroness, Lady Buscombe, misled the House on benefit statistics; on 1 April, the noble Lord, Lord Bourne, did the same on rough sleepers; and, on 4 April, the noble Lord, Lord Henley, gave false statistics on fuel poverty? For these breaches, should not these Minister be referred to paragraph 8.15 of the Ministerial Code, to which the Minister referred, for breaking the UK Statistics Authority’s code of practice? This House is fed up with being given false statistics by government Ministers to cover up the misery caused by their austerity.

**Lord Young of Cookham:** If the noble Lord looks at the website of the UK Statistics Authority, he will see when Sir David has intervened since August 2017. Counting the interventions when he has written directly

[LORD YOUNG OF COOKHAM]

to a parliamentarian, raising issues with their presentation of statistics, four are Conservatives and five are Labour. However—to avoid accusations of misuse of statistics—if one then looks at the indirectly critical letters, where Sir David has written to a third party, agreeing with them and copying the letter to the parliamentarian, my party is the worst offender.

**Lord Tyler (LD):** My Lords, does the Minister recall occasions in the other place where, immediately when it was pointed out that statistics or other information given to that House was misleading, Ministers immediately came to the House—not waiting for somebody dealing with statistics in their department or whatever—to make an apology and clear up the matter? Is it not much better to own up? Do Ministers not get more respect from their respective House if they are prepared to accept that what has happened is not right? I recall such an occasion, when a statement was made and an apology was made to me. Does he not recall that too?

**Lord Young of Cookham:** Under the Ministerial Code, if a Minister misleads the House, he or she is obliged to put it right. So far as Ministers doing the right thing, a year ago the Home Secretary resigned after inadvertently misleading the House. I say in passing that when it comes to the creative use of figures, none of us can lay a glove on the Liberal Democrats, with their use of bar charts—“Only the Lib Dems can win here”. These multicoloured instruments of fantasy now have a website all of their own on Buzzfeed.

**Lord Forsyth of Drumlean (Con):** My Lords, does my noble friend not think it wrong that the official statistics body has openly admitted that there is an error in the retail prices index which results in commuters, students and other groups being short-changed? Should not a body responsible for the integrity of our statistics resile from its current position, where it refuses to adjust the error?

**Lord Young of Cookham:** My noble friend tempts me to reach for my folder which has a 20-minute speech in response to his debate, which is shortly to begin, on the use of the retail prices index and the role of the UK Statistics Authority. If he can contain himself until then, he will get a very full reply.

**Lord Watson of Invergowrie (Lab):** My Lords, “lies, damned lies and statistics” is a phrase generally accepted to have been coined by a former Tory Prime Minister. Modern Tory Ministers seem to have misinterpreted it, because Benjamin Disraeli was not advocating it as party policy. The UK Statistics Authority’s latest rebuke of the Department for Education over misleading statistics to support claims of generous funding for schools is the fifth since the Secretary of State for Education took up his post in January 2018. The facts are that £2.8 billion has been cut from school budgets since 2015, leading to 91% of schools having less per pupil in terms of funding. Can the Minister say what it will take for the Government to heed the advice of the

UK Statistics Authority that, for a “meaningful debate” on any aspect of public policy to take place, there is a requirement for trustworthy data?

**Lord Young of Cookham:** I agree with that. If any Minister misuses statistics then, under the Ministerial Code, as I said, he should put the record right as soon as possible. As I also said, the UKSA covers not just Ministers but all those in public life. We all have a duty to use statistics responsibly, because if we do not, it just debases public confidence in our profession.

**Lord Hunt of Kings Heath (Lab):** In that regard, has the Minister been following the promises made by Mr Johnson and Mr Hunt over the weekend of low taxation and a massive increase in public expenditure? Does he think that those promises should be subject to the Statistics Authority’s considerations?

**Lord Young of Cookham:** As a former Treasury Minister, I view with alarm the weeks that are passing during the contest which is under way, where increasingly generous commitments are being made from the headroom which lasts, I think, for only one year. I hope that, in due course, there will be costings for all these commitments so that the members of my party who are choosing which is the most responsible leader can see which one has the most credible economic policy.

**Lord Cormack (Con):** My Lords, are statistics written on the side of a bus subject to these strictures?

**Lord Young of Cookham:** I believe my noble friend is referring to the £350 million figure produced during the referendum. That was not a government statistic or a Conservative Party statistic. It was a Vote Leave statistic, which was criticised at the time by Sir Andrew Dilnot, who made it clear that the £350 million was a gross figure that did not take into account the rebate or other flows from the EU to the UK. The gross annual figure of £19.1 billion—the basis of the Vote Leave claim—reduced to £7.1 billion after these factors were taken into account. Sir Andrew concluded, in what might be considered an understatement, that the £350 million figure was “potentially misleading”.

## Lung Health Question

3.01 pm

Asked by *Lord Hunt of Kings Heath*

To ask Her Majesty’s Government what steps they will take to implement the recommendations of the Taskforce for Lung Health’s five year plan for improving lung health in England.

**The Parliamentary Under-Secretary of State, Department of Health and Social Care (Baroness Blackwood of North Oxford) (Con):** My Lords, the NHS has worked closely with the Taskforce for Lung Health and the British Lung Foundation to develop a national programme

for respiratory and cardiovascular disease. This will improve lung health by piloting a lung health check programme, expanding quality-assured spirometry, undertaking pharmacy medicine reviews in primary care networks and improving self-management support. In addition, access to smoking cessation interventions will be increased and a national workforce group will be established. Finally, the Government have committed to improving choice and ending variation in end-of-life care services.

**Lord Hunt of Kings Heath (Lab):** My Lords, I am grateful to the Minister for that response. She will be aware that lung disease is often underestimated as a problem; one in five of us is likely to be affected in our lifetime and priority has not really been given to it over the past few decades. Given that outcomes have hardly improved either, will she look again at the response and commit the Government to implementing the task force report in full?

**Baroness Blackwood of North Oxford:** I thank the noble Lord for that question. He is absolutely right that respiratory illness can be extremely serious. The UK has a higher rate of respiratory deaths than any other country in the OECD; this is a clinical priority for the NHS and the Government are committed to driving it forward. We are working with the British Lung Foundation and the NHS to deliver the co-designed lung foundation's plan and I am happy to give him that commitment now.

**The Earl of Listowel (CB):** My Lords, the report highlights the need for prevention, including among children and young people. Will the Government look at the funding of health visitors, who can speak to mothers about smoking, and recognise that a quarter of health visitor numbers have been cut because of their dependence on local authority funding? Will they also look at school funding to ensure that all schools can make the maximum effort to protect schoolchildren from air pollution?

**Baroness Blackwood of North Oxford:** The noble Earl is absolutely right. Prevention is a core part of the plan and as well as smoking, the clean air strategy and flu vaccinations, health visitors are a crucial part of it, and will be looked at as part of the forthcoming prevention Green Paper.

**Lord Borwick (Con):** My Lords, I declare my interest as in the register. Does my noble friend agree that air quality is vital for lung health and will she comment on the distressing fact that lung diseases are strongly correlated with poverty, and that air quality is worst in poor areas?

**Baroness Blackwood of North Oxford:** My noble friend is right that poor air quality is one of the largest environmental risks to public health in the UK. That is exactly why we brought forward the air quality strategy, which has been identified by the WHO as an example for the rest of the world to follow. But he is right that it will not work if we do not also tackle

variation across the country. That is exactly what we intend to do and why we will also look at air pollution as part of the Green Paper, which is due imminently.

**Lord Rennard (LD):** My Lords, 6.1 million people in this country still smoke. The NHS long-term plan is good at encouraging further measures to reduce the prevalence of smoking. At the same time, 50% of local authorities have had to reduce funding for smoking-cessation services, even though smokers trying to quit are four times more likely to succeed if they can benefit from such services. Is it not essential to reverse cuts in funding to Public Health England and spend money cost effectively on further advertising campaigns to reduce the prevalence of smoking among adults in this country?

**Baroness Blackwood of North Oxford:** The noble Lord is right to praise the success that we have had in smoking cessation in this country. We now have the lowest rates of smoking that we have ever had, some of which is because of the work of local authorities and PHE. He is right to identify the need to target the variation and inequalities. We are targeting this through the prevention Green Paper and we identify the need for a sustainable funding settlement through the spending review allocation.

**Baroness Thornton (Lab):** A study of over 38,000 people with chronic obstructive pulmonary disease found that opportunities to diagnose were missed in 85% of patients in the five years before their diagnosis. My mother was probably included in that number. Will the Minister commit to introduce target case findings in general practice for people who have symptoms suggestive of COPD with follow-up care and services? How do the Government intend to eliminate the postcode lottery that exists in the quality of and access to COPD treatment?

**Baroness Blackwood of North Oxford:** The noble Baroness is quite right: COPD is the second most common lung disease in the UK. It is disturbing that around a third of people, in their first hospital admission for COPD, had not been previously diagnosed. NHS RightCare is developing a COPD pathway, which is being rolled out nationally through clinical commissioning groups, to identify the core components of an optimal service for people with COPD to ensure earlier diagnosis and better management, so that they do not experience the concerns that she has identified.

**The Lord Bishop of Carlisle:** My Lords, further to the Minister's helpful comments about air quality, can she tell us to what extent Her Majesty's Government are monitoring the existence of microparticles of plastic in the air, especially in our cities, and the impact they are having on lung health?

**Baroness Blackwood of North Oxford:** The right reverend Prelate raises an extremely important point on air health. While we have long-term commitments in the clean air strategy, and the other measures that have been put forward in the Green Paper and net-zero

[BARONESS BLACKWOOD OF NORTH OXFORD] commitments, NICE has published guidance on the effect of air pollution on people with chronic respiratory and cardiovascular conditions. We also have the Committee on the Medical Effects of Air Pollutants, which advises the Government on many matters, including those the right reverend Prelate raised.

**Lord Kakkar (CB):** My Lords, I remind noble Lords of my registered interests. Are Her Majesty's Government satisfied that the research strategy between UKRI and the National Institute for Health Research is sufficiently well co-ordinated to ensure discovery, as well as early evaluation and adoption, of novel therapies that could manage chronic lung disease more effectively?

**Baroness Blackwood of North Oxford:** The noble Lord has raised a crucial point, which is not a surprise given his expertise in this area. We have been working with him and others to ensure that the most innovative medicines are getting to patients as quickly as possible. We announced the Accelerated Access Collaborative to identify those innovative medicines and ensure that we speed up the rate of ideation to uptake in the NHS, particularly for illnesses such as asthma. For example, smart inhalers and integrated connected devices could dramatically improve the management of that condition.

### Liaison Committee Procedure Committee *Membership Motions*

3.09 pm

*Moved by The Senior Deputy Speaker*

#### *Liaison Committee*

That, as proposed by the Committee of Selection, Lord Bradley and Lord Tyler be appointed members of the Select Committee, in place of Lord Foulkes of Cumnock and Baroness Garden of Frogan.

*Relevant document: 1st Report from the Committee of Selection*

#### *Procedure Committee*

That, as proposed by the Committee of Selection, Lord Bew, Lord Eames, Baroness Falkner of Margravine, Lord Mancroft and Viscount Ullswater be appointed members of the Select Committee, in place of Lord Powell of Bayswater, Lord Rowe-Beddoe, Baroness Humphreys, Lord Brabazon of Tara and Lord True.

*Relevant document: 1st Report from the Committee of Selection*

**The Senior Deputy Speaker (Lord McFall of Alcluith):** My Lords, I beg to move the first two Motions standing in my name on the Order Paper. As many noble Lords will be aware, the House operates a rotation rule in respect of most Select Committees, which requires that any Member who has been appointed to a Select Committee for three successive Sessions may not be reappointed in the following two Sessions. The rotation

rule is based on the duration of a Session being approximately 12 months. The current Session began on 21 June 2017 and has therefore lasted for 24 months so far.

In 2014 the House approved a report from the Procedure Committee which stated that, in the event of a Session lasting significantly longer than 12 months, the Committee of Selection should be asked to consider whether any ad hoc adjustments should be made to the operation of the rotation rule. Accordingly, at its most recent meeting, the Committee of Selection agreed that the rotation rule should be applied today, 1 July, in order to ensure a degree of turnover in committee membership.

As a result of the exceptional duration of the current Session, many current Select Committee members have sat on their committees for four years, which is significantly longer than the usual term length. We value their service, but it is only right that now, more than two years after the current Session began, we look to refresh the membership and allow other Members of the House the opportunity to contribute to the important work of our committees. I beg to move.

**Lord Foulkes of Cumnock (Lab Co-op):** My Lords, I wonder whether the Senior Deputy Speaker could help me and the House. What would happen to the rotation if there were to be a general election later this year?

**Lord Forsyth of Drumlean (Con):** My Lords, I hope that I am not jumping the gun but, as the Senior Deputy Speaker has raised the issue, and speaking as chairman of the Economic Affairs Committee, perhaps I may thank the Senior Deputy Speaker for the excellent work he has done in looking at the composition of the committees and considering reforms. I know that he is not responsible for this, but no fewer than six members of the Economic Affairs Committee—that is, half the committee excluding the chairman—are required to leave the committee, and are being replaced by six excellent good men and true, but they are all men. As chairman of a public company, I am expected in appointments to the board to take account of diversity and gender balance. I am also expected to look at the board as a whole and consider the skills that are present. While we are telling the rest of the world to adopt procedures that are perhaps more in line with modern corporate governance, our own procedures do not allow for this.

I am not in any way criticising the Senior Deputy Speaker or any of the names suggested for the Economic Affairs Committee, all of whom are excellent, but the fact is that these names emerge from party sources and there is no consideration of the overall balance or the range of skills being provided—or indeed the impact on the committee of losing six very good people all at once. In the case of my committee, that impact is considerable. Now, we are where we are, but we do need to look at this in the longer term.

**Lord Cormack (Con):** My Lords, I support my noble friend, Lord Forsyth, with whom I do not always agree but I do emphatically on this occasion. I



am troubled by one or two issues here. First, as the Senior Deputy Speaker has pointed out, we should be doing this at the beginning of a new session. This session has gone on and on and has certainly earned a place in the history books, even though it has not perhaps earned its place for parliamentary excellence. I am very troubled by all the talk about Prorogation. I would like an assurance from someone on the Government Front Bench—not, of course, the Senior Deputy Speaker, who is not in a position to deal with this point—that the present Government have absolutely no intention of bringing this Session to an end at a time that would be convenient for the Government but not for Parliament.

3.15 pm

This is a very important constitutional issue that reaches to the top. I had intended to speak briefly on the third group of Motions that the Senior Deputy Speaker will move. However, because my noble friend Lord Forsyth talked, entirely reasonably, about his committee, which appears in the third group, it would clearly be for the convenience of the House if we had one brief debate. I will raise just two issues.

First, what is the point of clearing out the European affairs committee? Surely an exception should have been made there. With all the talk of 31 October and a clear desire to move towards Brexit, it is surely wrong to dispose of the services of those who have served faithfully on the committee for some years and to replace them, perhaps for a matter of two or three months, with new people who are not so conversant. This point should be taken seriously.

My second point in respect of the third group of Motions—my noble friend Lord Forsyth has touched on it—is to ask how these committees are selected. “By the usual channels”, somebody murmurs sotto voce behind me. Have we not reached the stage where your Lordships’ House, which prides itself on its expertise and experience, should be able to choose Members to sit on its committees in a rather different manner? The other place has moved over to electing not only the chairmen of Select Committees but all their members. I suggest that the time has come when perhaps there should be a committee, presided over by the Lord Speaker, which is not just the usual channels but has the chance to cast its eyes a little wider than is sometimes the case and to avoid the sort of anomaly to which my noble friend Lord Forsyth referred when he said that he had six good men and true. I am sure that they are, but it does not reflect the diversity of your Lordships’ House and it does not reflect modern practice. I hope that the Senior Deputy Speaker will feel able to take these points on board, because they are worthy of consideration.

**Baroness Falkner of Margravine (LD):** My Lords, the Senior Deputy Speaker has been asked quite a lot of questions to answer today, but I want briefly to express support for the remarks of the noble Lord, Lord Forsyth, on how selection is carried out in terms of the balance of gender—and diversity, if I may add to his list.

When the European affairs committee was appointed in 2015, we discussed the lack of gender balance on it. I carried out in the service of the committee an analysis of the number of men and women on each sub-committee.

I see that some of those issues remain, four years later. At the time, we were assured that greater efforts would be made by the political parties to achieve balance not just in gender but in diversity.

The noble Lord, Lord Cormack, pointed out that from a total membership of some 73 or 74 members—I must say that I am affected, but I do not speak in my own interest; I should make that clear and perhaps I should be speaking on this at all—a European Union Committee facing 31 October will lose 34 members in one fell swoop. That will undoubtedly have an impact on its principal work, which is considering how we will deal with either a managed Brexit or a no-deal Brexit.

My final point to the Senior Deputy Speaker is that our understanding of the way in which the composition of Select Committees is determined is that Front-Benchers in the political parties will not be assigned additional roles as members of Select Committees, yet we notice in the list before us today that Front-Benchers are being appointed. My understanding from many years ago was that the rotation rule was put in place to allow more Back-Bench Members of the House of Lords to participate in the extremely serious and important work of Select Committees. That seems to be being eroded and I wonder what the answer to that is. It may be a point of principle, but perhaps that is what a convention is.

**Lord Howell of Guildford (Con):** My Lords, I am sure that all the new committee members will be quite excellent, but I wonder whether my noble friend Lord Forsyth has a point: these committees are concerned with ongoing work. I also endorse the work of the Senior Deputy Speaker, who has been excellent in trying to develop a new shape for our committees for the new age in which we live. These committees have ongoing work, some of it complex and needing some continuation. Might it not be more useful, and possibly a courtesy, for the chairmen of such committees, including the outgoing chairman—which happens to be me in one case—to be consulted and possibly allowed to exchange advice on the shape of the new membership and who might best contribute? Would this not be to the advantage of the committees and of your Lordships’ House generally?

**Baroness McIntosh of Pickering (Con):** May I put forward a counterview and declare an interest in serving on one of the sub-committees? It is interesting to note that in the House of Commons not only are elections taking place, as my noble friend said, but the maximum rotation is, I think, five or 10 years. A balance has to be reached and I think the balance that has been reached in this House is about right. I am someone who has yet to serve on a Select Committee, yet I was introduced in 2015, and there will be many others in that position, who have yet to have an opportunity to contribute. This is not to detract from the arguments my noble friend Lord Forsyth has put forward, but we would like the opportunity to serve. There has to be an opportunity to look at how we can enhance the experience of those who have recently served on a Select Committee, and enhance the recent experience of those who have yet to serve on a Select Committee, so that everybody feels that they have a role to play.

**The Senior Deputy Speaker:** My Lords, I thank noble Lords for their various comments. To the question of the noble Lord, Lord Foulkes, I have a simple answer: thankfully, that is not within my remit. It is for others to say when a general election will be.

**Lord Foulkes of Cumnock:** I did not ask the Senior Deputy Speaker to say when the general election will be—heaven forbid. What I asked was: if there is a general election later this year, how does that affect the principle of rotation?

**The Senior Deputy Speaker:** If the noble Lord looks at what this document says about members appointed today, on 1 July, he will see that their membership up until the next general election is not included. The rotation rule will kick in after the next general election.

**Noble Lords:** After Prorogation.

**The Senior Deputy Speaker:** My apologies—after Prorogation. So the term that the members will serve until Prorogation will not count: their term on a committee will start thereafter.

The noble Lord, Lord Forsyth, mentioned the EU Committee. The Committee of Selection looked at the EU Committee but felt that since the rotation rule has not been applied since 2017, it was appropriate to apply it now. As for gender, I was very grateful to the noble Lord for discussing this with me last week. The Committee of Selection has looked at gender in the past. I recognise that the position varies between committees, with some having a 50:50 split and others falling some way short of that. Across committees as a whole, around 30% of the membership is female. For comparison, women make up just over 26% of the membership of the House. However, I recognise from my conversations with Members that there is much more to do there and I undertake to keep raising awareness of this among the usual channels.

The noble Lord, Lord Cormack, mentioned the EU Committee. I cannot add to that, but, as mentioned, I am undertaking a review of the committees and a number of issues have come before the committee. We hope to produce a report reasonably soon on that, and these points have been studied by the review of committees. That is all I can say at the moment.

I thank the noble Lord, Lord Howell, for his chairmanship of the International Relations Committee, which has been quite outstanding. On the issue he raised about outgoing chairmen being consulted, one of the proposals put to the review of committees was that a chairs' forum would be established with the Senior Deputy Speaker—me—as its chair. It would be an informal committee but it would take soundings. It would ensure that, where there was any overlap in committee work, any problems would be ironed out. It would look to the future. That is an area where something could be done. The noble Baroness, Lady McIntosh of Pickering, made the other point that one of the issues before the Committee of Selection is ensuring that more Members get opportunities to serve on these committees.

**Baroness McIntosh of Hudnall (Lab):** My Lords, could the noble Lord clarify the issue of a general election? I believe—he will correct me if I am wrong—that if there were to be a general election then it would mean the end of the entire Parliament, not just the end of the Session, and that, therefore, all the committees would have to be reappointed. However, there would be nothing at that moment to prevent current members of committees being reappointed to those committees if they had not served the requisite number of sessions by that time. Can he clarify that?

**The Senior Deputy Speaker:** What I can do is refer to the paper that the Committee of Selection put out—this takes in the point of the noble Lord, Lord Foulkes, as well. The Committee of Selection,

“has agreed that, for newly appointed members of committees, service in the remainder of this session will not be counted towards the rotation rule, unless the session extends beyond 1 January 2020”.

As for a general election, the noble Baroness is correct that membership would be done anew from there.

**Baroness Butler-Sloss (CB):** Can the noble Lord deal with the issue of how it was generally the practice for Back-Benchers to be appointed to committees, but it appears that a number of Front-Benchers are now being appointed? Is that a change of practice and, if so, is it a good idea?

**The Senior Deputy Speaker:** No, it is essentially for Back-Benchers. That is the thrust of the work of the Committee of Selection.

**Baroness Hayter of Kentish Town (Lab):** May I make it clear to the House that it is not our practice to appoint Front-Benchers to any of these committees?

*Motions agreed.*

## Consolidation Bills Committee

### Delegated Powers and Regulatory Reform Committee

### Secondary Legislation Scrutiny Committee

### Standing Orders (Private Bills) Committee

### Statutory Instruments Committee

#### *Membership Motions*

3.28 pm

*Moved by The Senior Deputy Speaker*

#### *Consolidation Bills Committee*

That, as proposed by the Committee of Selection, Lord Clarke of Stone-cum-Ebony be appointed a member of the Select Committee, in place of Lord Carswell, and that Lord Clarke of Stone-cum-Ebony be appointed Chairman of the Committee.

*Relevant document: 1st Report from the Committee of Selection.*

*Delegated Powers and Regulatory Reform Committee*

That, as proposed by the Committee of Selection, Baroness Browning, Lord Goddard of Stockport, Lord Haselhurst, Lord Haskell and Baroness Meacher be appointed members of the Select Committee, in place of Lord Flight, Lord Thomas of Gresford, Lord Moynihan, Lord Jones and Lord Lisvane.

*Relevant document: 1st Report from the Committee of Selection.*

*Secondary Legislation Scrutiny Committee*

That, as proposed by the Committee of Selection, Baroness Bakewell of Hardington Mandeville, Lord Hodgson of Astley Abbots, the Earl of Lindsay, Lord Lisvane and Baroness Watkins of Tavistock be appointed members of the Select Committee, in place of Lord Goddard of Stockport, Lord Trefgarne, Baroness Finn, Lord Janvrin and Baroness O'Loan, and that Lord Hodgson of Astley Abbots be appointed Chairman of the Committee.

*Relevant document: 1st Report from the Committee of Selection.*

*Standing Orders (Private Bills) Committee*

That, as proposed by the Committee of Selection, Lord McColl of Dulwich be appointed a member of the Select Committee in place of Lord Goodlad.

*Relevant document: 1st Report from the Committee of Selection.*

*Statutory Instruments Committee*

That, as proposed by the Committee of Selection, Lord Armstrong of Ilminster, Lord Colgrain and Lord Haskell be appointed members of the Select Committee, in place of Baroness Meacher, Lord Lexden and Lord Rowlands.

*Relevant document: 1st Report from the Committee of Selection.*

*Motions agreed.*

**Communications Committee**  
**Constitution Committee**  
**Economic Affairs Committee**  
**European Union Committee**  
**Human Rights Committee**  
**International Relations Committee**  
**National Security Strategy Committee**  
**Science and Technology Committee**

*Membership Motions*

3.28 pm

*Moved by The Senior Deputy Speaker*

*Communications Committee*

That, as proposed by the Committee of Selection, Baroness Bull, Baroness Grender, Lord McInnes of Kilwinning, Lord Storey and the Lord Bishop of Worcester be appointed members of the Select Committee, in place of Baroness Kidron, Baroness Benjamin, Lord Goodlad, Baroness Bonham-Carter of Yarnbury and the Lord Bishop of Chelmsford.

*Relevant document: 1st Report from the Committee of Selection.*

*Constitution Committee*

That, as proposed by the Committee of Selection, Lord Faulks, Baroness Fookes, Lord Hennessy of Nympsfield, Lord Howarth of Newport and Lord True be appointed members of the Select Committee, in place of Lord Hunt of Wirral, Lord MacGregor of Pulham Market, Lord Judge, Lord Morgan and Lord Norton of Louth.

*Relevant document: 1st Report from the Committee of Selection.*

*Economic Affairs Committee*

That, as proposed by the Committee of Selection, Viscount Chandos, Lord Cunningham of Felling, Lord Fox, Lord Livingston of Parkhead, Lord Skidelsky and Lord Stern of Brentford be appointed members of the Select Committee, in place of Lord Layard, Lord Livermore, Lord Sharkey, Lord Lamont of Lerwick, Lord Kerr of Kinlochard, and Lord Turnbull.

*Relevant document: 1st Report from the Committee of Selection.*

*European Union Committee*

That, as proposed by the Committee of Selection, Lord Cavendish of Furness, Baroness Coultie, Baroness Donaghy, Lord Faulkner of Worcester, Baroness Hamwee, Lord Kerr of Kinlochard, Baroness Primarolo and Lord Wood of Anfield be appointed members of the Select Committee, in place of Baroness Noakes, the Earl of Lindsay, Lord Whitty, Lord Liddle, Baroness Suttie, Lord Cromwell, Baroness Armstrong of Hill Top and Baroness Kennedy of The Shaws.

*Relevant document: 1st Report from the Committee of Selection.*

*Human Rights Committee*

That, as proposed by the Committee of Selection, Lord Brabazon of Tara, Baroness Ludford, Baroness Massey of Darwen, Lord Morris of Handsworth and Lord Singh of Wimbledon be appointed members of the Select Committee, in place of Baroness Nicholson of Winterbourne, Baroness Hamwee, Baroness Prosser, Baroness Lawrence of Clarendon and Lord Woolf.

*Relevant document: 1st Report from the Committee of Selection.*

*International Relations Committee*

That, as proposed by the Committee of Selection, Lord Alton of Liverpool, Baroness Blackstone, Baroness Fall, Lord Mendelsohn and Baroness Rawlings be appointed members of the Select Committee, in place of Baroness Coussins, Baroness Hilton of Eggardon, Lord Howell of Guildford, Lord Wood of Anfield and Lord Jopling, and that Baroness Anelay of St Johns be appointed Chairman of the Committee.

*Relevant document: 1st Report from the Committee of Selection.*

*National Security Strategy Committee*

That, as proposed by the Committee of Selection, Baroness Hodgson of Abinger and Baroness Neville-Rolfé be appointed members of the Select Committee, in place of Lord Trimble and Lord Hamilton of Epsom.

*Relevant document: 1st Report from the Committee of Selection.*

*Science and Technology Committee*

That, as proposed by the Committee of Selection, Baroness Bloomfield of Hinton Waldrist, Lord Browne of Ladyton, Baroness Hilton of Eggardon, Lord Hollick, Baroness Manningham-Buller, Viscount Ridley, Baroness Sheehan and Baroness Walmsley, be appointed members of the Select Committee, in place of Lord Renfrew of Kaimsthorn, Lord Hunt of Chesterton, Baroness Morgan of Huyton, Lord Maxton, Lord Oxburgh, Baroness Neville-Jones, Lord Fox and Lord Vallance of Tummel.

*Relevant document: 1st Report from the Committee of Selection.*

*Motions agreed.*

## Inflation

### *Motion to Take Note*

3.28 pm

*Moved by Lord Forsyth of Drumlean*

That this House takes note of the Report from the Economic Affairs Committee *Measuring Inflation* (5th Report, HL Paper 246).

**Lord Forsyth of Drumlean (Con):** My Lords, I can see by the size of the exodus from the Chamber that many may regard this as a dry, technical report, but it is in fact a revealing tale of how complacency on the part of the statistics authorities and opportunism on the part of Governments have led to the use of inflation statistics leaving many people worse off. I asked my noble friend the Minister about this at Question Time and he assured me that he would deal with it comprehensively. I look forward to hearing his response.

The committee's attention was drawn to the problems with the calculation of the retail price index through a series of articles by Chris Giles in the *Financial Times*, a long-time campaigner on these issues. We asked the Governor of the Bank of England about these problems during his annual evidence session with the committee last year. He told us that the RPI had "known errors", should not be further embedded in government contracts, and that if there was anything the committee could do to advance this process, we would be providing "a real service". I hope that we have risen to the Governor's challenge.

We began our inquiry a year ago in June 2018 and reported in January of this year. Before I discuss the findings, I would like to thank the committee staff who produced the report: Luke Hussey, Ben McNamee and Lucy Molloy. Ben McNamee is leaving the committee

after five years to go to work for the National Infrastructure Commission, following our report on HS2. He is the original gamekeeper turned poacher, and we wish him well.

Chapter 1 of the report describes the history of consumer price inflation. There are two main measures of consumer price inflation in use in the United Kingdom: the retail price index, which was introduced in the 1950s, and the consumer price index, which was introduced in the 1990s following the Maastricht treaty. Both indices are based on the changes in price of a fixed basket of goods and services, but there are a number of differences between what the indices cover and how the price changes are calculated. One of the main differences is how the two indices calculate the average price change for unweighted items in the basket: that is, items on which a proportion of household spending is not available for the level at which prices are collected. It may help to give an example to illustrate this point.

The survey used to calculate the indices will reveal the proportion of household spending on potatoes as a class of goods, but it will not reveal the spending split between the different varieties of potatoes—say, King Edward or Maris Piper. This means that the price changes of different varieties of potato—the price of King Edwards may rise by more than Maris Pipers, for example—cannot be weighted according to household spending. A method is therefore required to calculate the average price change when expenditure weights are not available—I hope your Lordships are following me so far. The RPI does this for some items through the Carli formula, which uses the arithmetic mean. The CPI, however, largely relies on the Jevons formula, which uses the geometric mean. Statisticians have been debating which is the preferred formula since the 19th century. We set out the arguments in chapter 2 but decided, probably wisely, not to enter into that debate.

This difference in how to calculate price changes for unweighted items leads to a difference in the inflation rate which each index produces. The gap between the CPI and the RPI-recorded inflation rate, which is attributable to this methodological difference, is referred to as the "formula effect". In December 2009, the ONS estimated that the formula effect was responsible for RPI recording the rate of inflation as 0.54 percentage points above the rate recorded by CPI. However, by December 2010, the difference had increased to 0.86 percentage points—a 0.32 increase. What caused this substantial change? In 2010, the ONS changed the way it collected prices for clothing. It increased the sample size of clothing it recorded prices for, relaxed the rules on what types of clothing were considered comparable, and began collecting prices during the January sales. This is colloquially known as the strappy tops problem.

This was believed to be a routine methodological change, but it had a strange effect on the recorded price change of clothing in the RPI. From 1987 to 2009, the average annual price change in women's clothing as measured by the RPI was a 2.5% decrease, but from 2010 to 2017, the average annual price change was an 11.1% increase. Something had clearly gone amiss. The ONS held up its hands and admitted that it had made an error. Witnesses were generally agreed

that the interaction of the Carli formula with the new method of price collection was to blame for the overestimation of price rises. Although the error also affected CPI, it affected RPI more, and the ONS said that the change was responsible for 0.3 percentage points of the 0.32 increase in the formula effect.

That may sound very technical so far, but that error created real-life winners and losers. Who won? Holders of index-linked gilts. These gilts are linked to RPI, and the resulting 0.3 percentage point increase in the index led to an undeserved windfall. Chris Giles has estimated that the value of interest payments received by index-linked gilt holders was increased by about £1 billion a year. Who lost? Commuters, because rail fare increases are linked to RPI, and students, because the interest on student loans is linked to RPI. The increased difference between inflation as recorded by RPI and CPI also encouraged Governments to engage in the practice known as index shopping. Benefits, tax thresholds and public sector and state pensions were all switched from being uprated by the higher RPI to the lower CPI.

This brings us to the most surprising part of the story, with which my noble friend refused to engage at Question Time. The UK Statistics Authority, of which the ONS is the executive arm, has refused to correct the error, despite admitting that it had made a mistake. Why? As the correction of the error would be likely to reduce the rate of RPI inflation, it would adversely affect holders of index-linked gilts.

The 2007 Act requires the authority to obtain the consent of the Chancellor of the Exchequer to such a change. Sir David Norgrove, the authority's chairman, told us that the 2007 Act meant that there was no point in requesting the change, as the Chancellor would just say no. Last week, he wrote to me to say that he was unable to reply to our report after all this time as discussions with the Government continue. In my mind, this undermines the independence of that body. The National Statistician, John Pullinger, who retired last week, suggested to the committee that Section 7 of the 2007 Act required him to take into account the interest of those who would be affected negatively by any such change, such as index-linked gilt holders.

This is not the committee's interpretation of Section 7. Section 7(1) gives the authority the objective of, "promoting and safeguarding the production and publication of official statistics that serve the public good".

Section 7(3) states that the authority should, "promote and safeguard ... the quality of official statistics ... good practice in relation to official statistics, and ... the comprehensiveness of official statistics".

Section 7(4) states that, "references to the quality of any official statistics includes ... their impartiality, accuracy and relevance, and ... their coherence with other official statistics".

The committee's reading of this is that the authority is, to put it mildly, at risk of failing in its statutory duties by its refusal to attempt to correct the clothing error in RPI, which it openly admits. It is not for the authority to pre-empt the decision of the Chancellor, as its chairman suggested. The Chief Secretary to the Treasury told us that it was difficult for the Chancellor to say yes or no to a proposal he had not received. The Chancellor told us that he was happy to hear from the

authority. The committee was unconvinced by the National Statistician's suggestion that he should take into account the interests of index-linked gilt-holders when deciding whether to make a change. It is not clear from section 7 that this is a relevant consideration to be taken into account. We believe that the authority is required, by its statutory duties, to attempt to fix the issue with clothing prices.

The decision not to correct the error is part of a wider neglect of RPI by the statistical authorities. Following a review of inflation indices, the authority removed national statistics status from RPI in 2013 and now treats RPI as a "legacy measure". Following the recommendations of a 2015 review by Paul Johnson, it has resolved to make no further methodological improvements to the RPI. However, that is a very surprising stance, given that RPI remains in widespread use. Paul Johnson told us that he had changed his mind since his 2015 review. He said that his recommendation to make no further improvements to RPI was predicated on RPI being phased out. He said that given this has not happened, the committee should ask the authority to correct the RPI. We therefore called for the UK Statistics Authority to resume its programme of periodic methodological improvements to RPI.

When the Governor of the Bank of England asked us to look into this, he suggested that with three official measures of inflation—RPI, CPI and CPIH—it would be good to consolidate the focus into one. We agree, and believe that in the future there should be one measure of general inflation that is used by the Government for all purposes. To achieve that, work is required on how best to capture owner-occupied housing costs in inflation indices. Witnesses criticised the approach of the RPI which uses mortgage interest costs, and the approach of CPIH, which uses rental evidence. CPI does not account for owner-occupied housing costs, save for minor repairs.

We said that the UK Statistics Authority, together with its stakeholder and technical advisory panels and a consultation of a wide range of interested parties, should agree on a best method of capturing owner-occupied costs. Once a method has been agreed, the authority—again, after consultation—should decide which index to recommend as the Government's single general measure of inflation. We would like to see that adopted within five years.

Sir David Norgrove told us that RPI is not a good measure of inflation and does not have the potential to become one. We disagree, and believe that an improved RPI would be a viable candidate for the single general measure. A single general measure of inflation would prevent governments from index-shopping. Table 2 on page 39 of the report shows that when the Government are making payments to the public, CPI is the index used to uprate payments; but when the public are making payments, it is RPI that is used. The Government say that they are changing that. However, in May this year, the latest example was when National Savings and Investments index-linked savings certificates were switched from RPI to CPI. In other words, pensioners and savers around the country are being cheated. It appeared to be a switch motivated by its favourability towards the Government, rather than a principled approach to uprating.

[LORD FORSYTH OF DRUMLEAN]

The present Government, however, have taken some steps to address the imbalance. Business rates were changed to be uprated by CPI rather than RPI, and discussions have taken place around uprating rail fares by CPI rather than RPI.

A single general measure would remove the temptation to index-shop. As the single general measure of inflation will take time to be implemented, the Government need to take interim action to stop this unfair practice. They should switch to CPI for uprating purposes in all areas where they are not bound by contracts to use RPI. The exception to this recommendation is the interest rate on student loans. As recommended in our report, *Treating Students Fairly*, this should be reduced to the 10-year gilt rate—something that the Augar review, which we will debate tomorrow, was not able to recommend because, I am told, the Treasury leaned on committee members to say that they should not make any recommendations that would result in increased public expenditure.

This interim switch to CPI should also apply to new issuances of index-linked gilts. We heard evidence that there was sufficient demand for CPI-linked gilts. Ben Broadbent from the Bank of England dismissed concerns from the Debt Management Office that the existence of CPI and RPI-linked gilts would lead to market fragmentation. Anyone who knows anything about the gilts market knows that an argument about market fragmentation lacks some credibility. We heard concerns about the effect that the change to the calculation of RPI would have on existing index-linked gilts, the last of which is due to mature in 2068 for private sector bonds and pension schemes. As some witnesses discussed, a sudden change, such as redefining RPI, CPI or CPIH, would be inappropriate, but once the single general measure of inflation is in place, the Government and the UK Statistics Authority should decide whether RPI, if it is not the chosen measure, should continue to be published in its existing form or whether a programme of adjustment should be made to RPI so that it converges on the single general measure.

To avoid disruption, any programme should take place gradually over a sufficiently long period to a plan that was clearly communicated at the outset. That includes our recommendations. The Spring Statement said that the Government would respond to a report by the end of April. The Chancellor wrote to me on 30 April to say that the issues raised in the report are “complex and wide-ranging”—a bit like social care, which we will report on next. He said that the “breadth, complexity and importance” of the issues meant that the report requires further education. Sorry, I mean further consideration—a Freudian slip. He said that the Government would respond to the committee’s report as soon as is practicable to do so, but wrote to me last week to say that the issues are so complex that the report requires further consideration.

The report cannot remain unanswered. It raises serious questions about decision-making by the statistics authorities. The Government and the UK Statistics Authority need to address the challenges highlighted by our report. I beg to move.

3.47 pm

**Lord Darling of Roulanish (Lab):** My Lords, we live in strange political times. I find myself in complete agreement with everything that the noble Lord, Lord Forsyth, said. I think that I speak for the rest of the Economic Affairs Committee in acknowledging his skill as a conciliator—the House will be very familiar with that—which has enabled us to produce not just this report but a number of others, which I hope will be of value in decision-making as and when the next Government are formed. Before I proceed, I draw the House’s attention to my entry in the *Register of Lords’ Interests*: since the report was produced, I have become a trustee of the International Valuation Standards Council, which some might consider relevant.

The debate is essentially about the role of the UK Statistics Authority and, bluntly, what it is for. It is also about the integrity of statistics and the trust in institutions. For a long time—indeed, a number of decades—there has been a move away from Governments deciding things that can be controversial towards putting them in the hands of independent agencies or organisations, such as the UK Statistics Authority. This will work only if they show that they are truly independent and are acting in the public’s best interests so that we can maintain confidence.

Inflation matters, as the noble Lord, Lord Forsyth, pointed out. The rate of RPI and how taxes are indexed affects how much millions of people pay, whether on their fares, whether they are students, and so on. It is not only a technical issue; it matters a great deal to the well-being of millions of people in this country. That is why it is so important that we have confidence in the Statistics Authority. As the noble Lord said, nowhere in the 2007 Act—which set up the United Kingdom Statistics Authority, made it independent and gave it responsibility for the maintenance, integrity and accuracy of the statistics—does it say that it should consider other matters, as he said that its chairman told the committee. We find that difficult to understand because, for this authority to work, it has to be independent.

The 2007 Act not only requires high standards of stewardship but specifically gives the authority responsibility to compile and maintain the retail prices index, which the authority and everyone else agrees is defective at the moment. It is flawed—and has been so for almost 10 years—yet apparently nothing is going to be done about it. It is worth labouring the point that, at a time when it has become fashionable to denigrate experts and trash institutions, to find an institution such as this inflicting harm on itself is deeply depressing. The only way this authority will command respect is if it recognises that a mistake has been made or that there is a flaw in the statistics, and does something to put it right.

The authority knows that RPI is flawed. It refers to the RPI as a legacy matter—some legacy; it is being used, day in, day out, to calculate people’s entitlement—and that it is not a good measure of inflation. There have been arguments about this for the past 100 years or so but in this case since 2010, because of the methodological point raised by the noble Lord, we know

that the inflation measure is higher than it would otherwise be. As I have said, this is not just an academic issue because it matters to people.

The authority has also said it wishes to discourage the use of the RPI. If that is its ambition in life, I am afraid that has failed as well. Members of the public think the RPI statistic is the main measure of inflation. It is better known than the CPI, let alone the CPIH, which is hardly known at all outside a narrow field of public opinion.

It is vital for the Statistics Authority to reconsider its position. When the chairman said to us that there is no point in going to the Chancellor because he will say no, that is to completely misunderstand the authority's position. It is there to act in the public interest and to say to those who are elected—the Chancellor of the day—that they need to do something about it. They should not just assume—I suspect it is an informed assumption, in the usual way—that such a recommendation would not be welcome. None the less, it needs to be dealt with. As a former Chancellor, I am aware that if I were the Chancellor of the Exchequer I would probably find it unwelcome. However, having received other things that I felt unwelcome in my time in office, I do not see why I should treat this one any differently. You have to get on with it. Frankly, it does not do the Government's reputation for policy-making and making decisions any good to carry on with a procedure that we all know is fundamentally flawed.

The noble Lord, Lord Forsyth, eloquently made the point that many gain from this—if they hold government gilts they are gaining handsomely—but many other people are losing. Sooner or later they will wake up to the fact that they are losing and will continue to lose unless something is done about it. I appreciate, too, that there will be a cost to the Exchequer if this is to be done too quickly—although I have read the utterances of the two candidates now vying to be the next Prime Minister, and fiscal rectitude does not appear to be the order of the day. They may have a more open mind than I might have had as to how much money they are willing to spend, as there does not seem to be any constraint on that at the moment.

The committee has raised an issue of great importance, in outlining not only the practical results of a flawed RPI but the more fundamental question that, if Parliament decides to put these matters into the hands of an independent authority, unless that authority exercises its judgment, does what is right and what it is required to do in the Act of Parliament, one is bound to ask what on earth is it for.

3.54 pm

**Lord Tugendhat (Con):** My Lords, my noble friend Lord Forsyth has achieved a notable success in making statistics both interesting and controversial. Normally there is nothing so dry as statistics, but he has demonstrated by his speech, the committee by its report and the noble Lord, Lord Darling, by his speech that statistics are not only dry but have a profound impact on people's standard of living, sense of well-being and, therefore, political attitudes. The choice between the RPI and the CPI, with its problems,

means that people are either better off than they thought they were or they have resentment because they are worse off than they should be. In practical terms, that means that decisions that ought to be taken in a democratic fashion, and debated and made judgments on in Parliament, are left at the whim of statistical inconsistencies. This is very wrong.

Having listened carefully to my noble friend and the noble Lord, Lord Darling, it is difficult to think of anything to add to what they have said. I had prepared a speech, but everything that I had intended to say has already been said. Rather than make that speech, I should like to emphasise, in no particular order, what is at stake: first, the position of the statistical authority; secondly, the way in which the Government make judgments between different sections of the community—bond holders, students, commuters and the rest; and, thirdly, as a result, the way in which decisions are taken in Parliament that have an immediate impact on the lives of ordinary people.

My noble friend Lord Forsyth has carefully explained our recommendations, and it remains for me to say only that this important debate demonstrates the unanimity of the members of the committee, who are people drawn from each of the political parties, of different backgrounds and approaches, in supporting this important report. We look forward to what my noble friend Lord Young will say. Earlier, he said that he had been a Treasury Minister, and we look forward not only to his response but that of the Chancellor of the Exchequer, whoever he may be in a short time.

3.58 pm

**Lord Macpherson of Earl's Court (CB):** My Lords, I declare an interest: in two weeks' time, I begin to receive a Civil Service pension that will be uprated by the consumer prices index.

I congratulate the noble Lord, Lord Forsyth, and his committee on a rigorous and high-quality report, and on securing this timely debate. Public confidence in statistics is essential in a liberal democracy. I recall the words of Sir Michael Scholar, the first chairman of the independent UK Statistics Authority, who, incidentally, was appointed by the noble Lord, Lord Darling. He said:

"For me, good statistics is like sound money or clean water, it is an absolute necessity and if you do not have it things go seriously wrong".

When it comes to economic statistics, measuring the rate of inflation is perhaps the most important statistic of all. Maintaining the value of a benefit, tax or charge has been hardwired into our social system since the Rooker-Wise-Lawson amendment of 1977.

I fully recognise that estimating the overall price level at any time is not easy, and I have considerable sympathy with the statisticians at the Office for National Statistics who must wrestle with this problem. Nobody has the same spending pattern. Expenditure tends to vary with age and income. Consumer habits and technological innovation mean that spending patterns are continually evolving. There is also a regional dimension, in that a lettuce will inevitably cost more on Uist than in Kent.

[LORD MACPHERSON OF EARL'S COURT]

I was Permanent Secretary to the Treasury when the UK Statistics Authority, on the advice of the National Statistician, withdrew the retail prices index's status as a national statistic in January 2013. At that time, it seemed that the RPI's days were numbered. I knew that there would be a transition before the ONS and the Government alighted on a new arrangement, but six and a half years on I am surprised at how little progress has been made. I can understand the Treasury dragging its feet. At a time of fiscal consolidation, index shopping was helpful if, as the noble Lord, Lord Forsyth, pointed out, opportunistic, but there comes a point where such an approach damages the wider credibility of government policy, and we are now past that point.

I thought the UKSA handled the issue in textbook fashion in 2013, but since then it has been less sure-footed. It is no longer credible for the UK Statistics Authority to hide behind the Government. It needs to be clear about what is the best measure of inflation, and it needs to move the retail prices index into line with that measure.

Personally, I think the committee has been rather too kind to the RPI as currently constituted. It is not just the clothing formula which is the problem; it is the use of the Carli formula more generally. No other country uses it. Canada dropped it for sound reasons in 1978. Everybody else, with the exception of Slovenia, uses the Jevons formula. As Paul Johnson said in his 2015 review,

"Carli should not be used in any index aiming to achieve a good estimate of changes in consumer prices",  
and further it,  
"is not suitable for use".

Dr Ben Broadbent in his evidence to the committee reinforced the case against Carli saying that its failings, "have been evident for a century"

I know this country welcomes exceptionalism, but we really ought to adopt international best practice. I would therefore advise against keeping the Carli index on life support. It is better to put it out of its misery once and for all.

Dropping Carli will have big implications for people who use the RPI. Having criticised the UK Statistics Authority for slowness, I should give it credit for its approach to consultation hitherto, and I hope it will consult further as and when—I hope it is soon—it reaches a definitive view on the way forward. I recognise that the UKSA is independent of government, but I would be grateful if the Minister could confirm that consultation lies at the heart of the UKSA's and the Government's strategy when it comes to change.

A reformed index would mean a transfer of resources to rail travellers and graduates with outstanding loans. The Government, understandably, have not recognised these groups as priorities hitherto, given competing calls on taxpayers' money, but it is always open to the Government to change the relevant uprating formulae, just as they introduced the triple lock to underpin the state pension.

This brings me to the vexed issue of index-linked gilts. My recollection is that this was the swing factor when the Carli problem first emerged in 2013. I can see why the Treasury and the Debt Management Office

do not want to disrupt the gilt market—it is to their credit that it is one of the most efficient markets in the world—but here the committee's report is persuasive. First, whether or not the ONS changes the basis of the RPI, the market is sufficiently big—and it is likely to get bigger with current spending proposals—to be able to bear CPI-based issues existing alongside gilts indexed to the RPI. As the committee's report makes clear, there are only three index-linked gilts left with a requirement that the Treasury buys them in at par if there is an index change. All will have expired by 2030, and even if the Government had to buy them in, I do not believe that would prove too disruptive, not least because at current prices few, if any, holders would want to exercise the option.

I urge the UK Statistics Authority and the Treasury to act. Maintaining the status quo is increasingly untenable.

4.04 pm

**Lord Lea of Crondall (Lab):** My Lords, I begin by referring to a remark made by the noble Lord, Lord Macpherson, about the confidence that people must have in statistics. I was on the Retail Prices Index Advisory Committee for many years when I was at the TUC. I draw attention to the fact that a very strange omission in the report, which the noble Lord, Lord Forsyth, did not mention, is that what most people associate with the RPI is not gilts or housing costs but wage negotiations. The bedrock of all wage negotiations is the RPI. No one anywhere would think that the yardstick in wage negotiations could ignore the RPI.

Before we scrap the RPI—some people want to do that, so let us make no bones about it—we have to relate that to the dictum about confidence. If anybody in this country ever starts to think that somebody has a vested interest in tinkering around with the RPI, that will be a very bad day indeed. For that reason and others, I am glad that the committee has come down on the side of reforming the RPI but not abandoning it.

That being the case, I would like to put a question to the Minister. Is he aware that, in recent months, there has been a concerted campaign from somewhere in the newspapers, where any reference by economic correspondents to the RPI is preceded by the adjective "discredited"? If you pick up any dozen references in the last six months to the RPI or any consideration of it in the newspapers, you will find the word "discredited". Where is this adjective coming from? It must be coming, I suspect, from the Treasury or the Bank of England. I would like to hear any other suggestions about where it is coming from, but these organisations have regular confidential conversations with economic correspondents—I do not think that the ONS does in quite the same way.

For the first time, we are in danger of making this issue into a bit of a political football. It has never been a political football, and I hope that it never will be. I do not even think that Boris Johnson would have it in mind to remove Brussels sprouts from the index. There has never been any political interference with it. The advisory committee has always tried to reach an agreed conclusion, although I think that some years ago there was a vote about something to do with housing costs.



That leads to my second point, which is that there is no perfect solution. I thought that the noble Lord, Lord Darling, let his rhetoric run away with him in implying that somehow a clear overall message was coming out of this and that something ought to be done about it. It is a very delicate balance indeed.

On housing costs, I think that the report says almost in these terms, “Well, we don’t much like housing costs being in the index, but on balance we can’t have an index without them in it”. If that was not in this committee’s report, it was in that of another weighty committee not so long ago. Housing costs are inherently very difficult because, unlike Brussels sprouts, they are ultimately a question of the valuation of land. We all know that economics textbooks refer to the factors of production being land, labour and capital, but in practice, of course, land is not a factor of production—as somebody once quipped, “They don’t make much of that any more”. The house price question has been a main driver of the change in economic activity in many parts of the country—exacerbated, I would say, by the component of RPI that we cannot take away—and there is obviously a difference between the received estate agent index affecting London and that affecting Aberdeen or Aberystwyth. So there are a number of delicate dilemmas.

I recognise that the committee does not conclude with a broad rhetorical flourish; it concludes with some careful recommendations—not throwing javelins at random in the direction of somebody at fault who has not been paying attention. That is why Mr Boris Johnson’s namesake himself adjusted his position to look at this thing in the round. Broadly speaking, I think that this is a good report, but there are arguments on both sides of many of the questions under scrutiny.

Yes, it is true that the RPI is generally a bit above the CPI, but that is factored into much of industrial life. Saying that there should be just one index is a dangerous road to go down when all the academic literature at least pays lip service to the notion that, if you are looking at macro policy or international monetary policy, you probably need something constructed along the lines of the CPI. But given that historically, ever since the Ernest Bevin era when it was created as a cost of living index, the retail prices index has had confidence, we should stay with it. On getting a solution to the clothing dilemma, I do not totally understand it, but clearly it is correct to have that recommendation.

The people at the receiving end of statistics such as the RPI might expect the House of Lords’ Economic Affairs Committee to include some people who have been a bit more involved in wage negotiation; there are no such people in sight on the committee and this is relevant to the point we were debating half an hour ago. This is a matter for the man and woman on the street; it has become a bit of a debate between the economic academics, the Treasury and the Bank of England.

I finish with the theme on which I began, which is that it is a pity that there should be this relentless and democratically not very sensible campaign on the part of certain bodies—I suspect that it can only be the Treasury and the Bank of England—who keep putting

the word “discredited” before “RPI”. Given the state of Britain now, that is not a very sensible thing to do. Although the RPI is not perfect—and no index is—many of the criticisms made of it reflect a misunderstanding of its purpose and are implicitly based on the erroneous assumption that it should follow in full the economic principles suitable for indices such as the CPI and CPIH.

I am sorry for making a rather long statement, but one cannot say that people should accept in their wage packets a difference of minus £350 a year by shifting from the RPI to the CPI. That is a street level understanding of the question, not a highly academic one.

4.15 pm

**Baroness Browning (Con):** My Lords, I support this report from my noble friend Lord Forsyth and his committee. There is very little that my noble friend and I disagree on. He trained me well when I was his PPS many years ago and I fully support the thrust of this report. The governance and probity of the UK Statistics Authority has quite rightly been called into question. The parts of the report that go into the legal basis for it leaving in place what is clearly an error as far in the RPI calculations must be addressed quickly.

As someone who takes a particular interest in disability benefits, over the years it has been a matter of great irritation to me—I put it no stronger than that—that there are winners and losers. As my noble friend described, the Government’s index-shopping is a sleight of hand; unless one is engaged every day in studying these types of statistics, the average person in receipt of this increase or decrease is probably not going to notice it in actuarial terms, but will certainly notice it in their pocket. Therefore, I support what the report is suggesting.

In Box 1.A of last year’s Budget report, it seemed that the Government recognised only too well that there is a fundamental problem here. They said that, “the government will not introduce new uses of RPI”, which makes me think that they are more aware of what needs to be done than they have indicated to my noble friend in correspondence.

**Lord Forsyth of Drumlean:** I am grateful to my noble friend. That may well be the case, but they did introduce a new use of CPI with National Savings.

**Baroness Browning:** Indeed. I used the phrase “sleight of hand” quite deliberately. Clearly, there needs to be some fundamental change here. The legal basis for the change is well set out in my noble friend’s report. I find it rather strange to be debating whether something that has been proven in law to be wrong should or should not be changed, and why there are so many reasons against changing it. A can-do approach by the Treasury is needed to bring about the committee’s recommendations.

I am not going to speak for long, although I should declare that I am one of those elderly pensioners in receipt of some government index-linked investments—a

[BARONESS BROWNING]

very modest holding. I do not know whether that will be good or bad. I think it has been bad already, but never mind—I have declared it to the House.

My noble friend said that at some point in the evidence session to the committee, somebody—I have forgotten who—said that they should be cautioned against market fragmentation of the gilts market, and my noble friend said that that was most unlikely. I share that view. However, in the two areas of gilts that are addressed in the report, one of those organisations already holds gilts with the dates as set out by previous speakers, and that particular group needs to be addressed. With the future issuance of gilts, if there is just one rate it also means that anybody looking at it to decide whether it is a good investment would at least know where they stood.

I would also like my noble friend to bear in mind that, for investments and savings generally, we are in an age of trading by algorithms. Huge sums of money are moved around in nanoseconds. Whether it is the manager of a corporate pension fund or the individual being given financial advice about quite a modest investment, gilts have for many years been the foundation of good advice. The fewer assets people have, the more they are recommended to have a higher holding of government-based investments rather than the equity-based ones which have the higher risk, which we would all be familiar with.

The way in which the changes to gilts are brought about, as outlined in this report, needs some careful handling. It would be detrimental to best advice and best interests, for the corporate and individual investor and the reputation of gilts, if the changes that are clearly necessary resulted in people becoming nervous or not feeling it worth while to have at least a floor of that type of investment, particularly when it is a mixed investment. Over the years, we have seen fewer people prepared to take smaller returns on investments; they have what is almost a cavalier approach to savings and investments. Gilts have played a very big part in securing what most people would recognise as best advice. The changes are necessary for those who already hold gilts and those who will consider newly issued gilts. I hope it will be understood that the security of gilt-edged investments is an important part of that good advice, which our financial services market has relied on for many years.

4.22 pm

**Lord Burns (CB):** My Lords, I too thank the noble Lord, Lord Forsyth, for securing this debate and chairing the committee so effectively. I found the inquiry rather a strange experience to begin with. I had spent almost 20 years in the Treasury worrying about how to control inflation, yet in this inquiry we were deep in the detail of measuring inflation down to a few decimal points. In the process, as has been mentioned, we became aware of a series of quite surprising events that cast doubt on the Government's various measures of inflation. I should like to develop some of those concerns.

I well recall that the main governance for the RPI until the mid-1990s was the existence of the RPI advisory committee, which consisted of some officials and a

number of stakeholders, including the trade unions. The noble Lord, Lord Lea, mentioned that he was for many years a representative on that committee; there were also business representatives. My recollection is that the advisory committee found it difficult to accept any change that made a significant impact on the inflation rate, one way or the other. Indeed, there was a strong and continuing concern to uphold confidence in the RPI measure of inflation, for the reasons he mentioned.

It turns out that the RPI advisory committee did not meet between 1995 and 2007. I was somewhat surprised to learn this. It was charmingly referred to by the ONS in its evidence to us as a period of “no governance”. Then in 2007, we had the Statistics and Registration Service Act and the introduction of the RPI protocol. This required the ONS to produce a monthly figure for the RPI and introduced the formality we have heard about: that the Chancellor had to give his consent to any fundamental changes judged by the Bank of England to be materially detrimental to the holders of relevant gilts.

Paradoxically, this legislation, designed for the worthy purposes of increasing the independence of the Statistics Authority and improving the governance of the RPI, turns out to be a contributory factor in the loss of confidence in the RPI as a measure of inflation. In my mind, this stems from the asymmetric treatment of changes that are detrimental to the holders of gilts, as opposed to changes that are to their advantage and to the detriment of others. This is set out in the statute.

As we have heard, where a fundamental change is seen as materially detrimental to the holders of gilts, the Chancellor, with advice from the Bank of England, has to decide whether the changes should go ahead. By contrast, if changes are beneficial to the holders of indexed gilts, the Bank of England is not required to take any action. This asymmetry became evident in 2011 and 2012, when there was a change in measurement of clothing prices, as we have heard. I argue that the Statistics Authority then made some quite serious mistakes.

The effect of the change was, as we have heard, an unexpectedly large increase in the clothing component of the index and an increase in difference in the growth of the RPI and CPI to around 0.8% a year, instead of 0.5%. I stress that, in the evidence we received, there was a lot of criticism of the change, along with claims that it had not been tested before implementation. This was the first mistake.

What I conclude to be a second mistake followed, which was not to undo the change and to go back to the previous arrangements reasonably quickly, when the emerging problems became evident. It became clear that the statisticians were influenced too much by worries that it would be judged a fundamental change that was materially detrimental to gilt holders. The one-sided nature of the protocol meant there was no requirement to be concerned about the original change, which had materially advantaged gilt holders. Instead, the options were studied and the focus switched to the weighting system and horrendous technical debates about the merits of different methods of compiling the two indices. This response is a classic case of the best being the enemy of the good. Reversing the clothing changes would not have removed the whole

difference between the two measures but would have dealt with it in part. Reversing it quickly might also have been seen as a correction and not a fundamental change.

There followed what I think we all agree was a third mistake: the decision to maintain the RPI in its current form, but to declassify it as a national statistic and consider it a legacy measure, with no further improvements to be made. This was astonishing, because it was evident that the RPI would be in place in contracts for many years, both for gilts and pensions. The committee raised the question of whether admitting that this statistic is flawed, but refusing to fix or maintain it, leaves the authority failing in its statutory duties.

Another related governance aspect of this story worries me, which was emphasised by the noble Lord, Lord Darling. The authority admitted that it had been reluctant to propose a change to the Bank of England when there was a significant risk that it would be told that it was a fundamental change likely to go to the Chancellor. This fails to follow what is set out in the legislation. I have some experience of public bodies, where the framework for their independence is set out in statute but there is a requirement to obtain the agreement of Ministers on a limited number of occasions. My interpretation is that it is for the public body to take a view about changes that should be made on professional grounds and not to shrink from referring them to Ministers for their approval, when required. In this case, it is not for the statistics authority to seek to guess the Bank's response before deciding whether to propose changes; the decision should be taken on professional statistical grounds. It is then for the Bank of England to decide the materiality and potential detriment and for the Chancellor, in turn, to take a view on whether the proposed change should go ahead.

The committee has come forward with a sensible and workable set of proposals to try to get us out of this stand-off. At the same time, we should reflect on aspects of the governance of national statistics. As I said, the drafting of the legislation is unhelpful because of the asymmetric treatment of gilt holders and other stakeholders, not least those saving through government saving schemes. Even taking the legislation at face value, surely it is possible to make changes necessary in the light of changes in markets and product innovation without them being classed as fundamental and so that, when a mistake is made, repairing it is seen not as a fundamental change but as a tiny correction.

4.30 pm

**Lord Suri (Con):** My Lords, I pay tribute to my noble friend Lord Forsyth, who has been a doughty campaigner on this critical issue.

It is a universally acknowledged fact that inflation is not a glamorous topic; nevertheless, it runs through and buttresses almost all our spending activities. From Treasury bonds to train tickets, inflation is a vital measure by which pricing is calibrated. For all regulated prices, index inflation is the benchmark by which standards are set.

Sadly, in 2010 we made a foolish error, the difficulties of which we are still grappling with. A mistake crept into the retail price index as the standard measure of

inflation. RPI is itself flawed for a multiplicity of reasons, many of which are elegantly pointed out in this report. The fundamental point, however, is that RPI, as currently calculated, tends on the whole to penalise those who earn their money and advantages passive investors. Since RPI is in almost all cases higher than the consumer price index, the winners are those who hold bonds or have invested in benchmark-linked indices. The losers are those who suffer high water bills or see the cost of their train tickets go up year after year. Chris Giles of the *Financial Times*, who has done excellent work on this, has estimated that bondholders have benefited by £1 billion a year since 2010.

I welcome the Treasury's efforts to diversify away from RPI, but this work needs to be accelerated to cut off the fleecing of the British public. The Treasury's response to concerns raised some time ago was questionable. When asked to justify its continued use of RPI in the Budget, the response was that it was "complex and potentially costly" to the Exchequer to move away from RPI. But what of the consumers who were negatively affected?

The Government's priority should be the welfare of citizens, and it is hard to shake off the sense that this might have been overlooked. It is certainly concerning that the Government should take money from people on an RPI basis and give it out on a CPI basis. Index shopping as a method of regulating spending undermines public confidence in public spending and gives rise to a justified sense of grievance. If every public body which made an error to its advantage refused to fix it, public confidence in the administrative state would collapse altogether. Does the Minister consider this a justifiable trend?

I accept that there are legitimate concerns over such a move. Some in finance have come to rely on high returns. However, the concerns over RPI have been clear for so long that reform must be priced into the models of those who work with bonds daily.

Some make the case that it could cause hardship to those exposed to index-linked gilts, but it is a clear term of all gilts, and written into the purchase contract, that the index need not be of a particular type but one that is recognised by the Treasury and the Office for National Statistics. Ultimately, this is down to the ONS and Treasury to fix, but the ONS has a duty to promote and safeguard the quality of official statistics. Until this is fixed, we might be forgiven for thinking that it is failing to carry out one of its core mandates. Will the Minister commit to a rapid phase-out of RPI in the next economic Statement?

4.36 pm

**Lord Turnbull (CB):** My Lords, earlier today, the House confirmed my P45 from membership of the Economic Affairs Committee. I greatly enjoyed working under the chairmanship first of the noble Lord, Lord Hollick, and latterly that of the noble Lord, Lord Forsyth. It was also an exquisite pleasure to note the conversion of the noble Lord, Lord Forsyth, to the cause of social housing and—as we will hear—ultimately to more generosity in the provision of long-term care.

[LORD TURNBULL]

I want to take this opportunity to pay tribute to the work of the late Lord Jenkin of Roding, who had an enduring interest in the quality and integrity of national statistics. He was instrumental in passing the Statistics and Registration Service Act 2007, which brought about important changes to the governance framework. We have already seen some important interventions from the statistics authority where it has identified abuses or distortions; for example, the notorious £350 million claim in the Brexit campaign and its decision to alter the presentation of student loans in the national accounts to give a more accurate picture of the incidence over time of write-offs of debt.

Nevertheless, some significant controversies remain unresolved, some of which, as the House has heard, are of the statistics authority's own making. Three steps brought them to a head. First, the then Government decided to specify the MPC's inflation target using the CPI to bring us into line with the rest of Europe. They also explained that the CPI was running about 0.5% a year slower than the RPI. The switch allowed the Chancellor of the Exchequer to claim that he was targeting lower inflation without the Bank having to do much tightening. It also allowed him to tell Tony Blair, who was like the impatient boy in the back of the car and was disappointed that the five tests did not support entry into the euro, that we were getting nearer.

At that stage, the change was confined to the realm of monetary policy. The next event was around 2010, when the ONS made the now notorious change to the way in which clothing prices were collected, which had the immediate impact of widening the gap by another 0.3%. The ONS reviewed that outcome but surprisingly decided to do nothing about it. However, the statistics authority—I emphasise that it was the statistics authority; the noble Lord, Lord Lea, tried to claim that it was the Treasury or the Bank—then declared that the RPI was a very poor measure of inflation that did not have the potential to be developed into a good one. It would therefore go on publishing the RPI but no longer designate it as a “National Statistic”.

**Lord Lea of Crodall:** My Lords, although I attributed possible motive to the Bank and the Treasury, I said that my main concern was the lack of authority to put this adjective in front of it to say that it was discredited. On what basis can officials brief the press that the RPI is discredited?

**Lord Turnbull:** The basis on which that was done was that the statistics authority said it was flawed; that, I thought, was sufficient. Anyway, it said it would go on publishing the RPI and no longer designate it as a “national statistic” but rather, treat it as a legacy measure, with no further work to develop it. The chief statistician said there were many flaws with the RPI. For example, if it is used in the Carli index, which is a very simple test, if something goes up by 25% and then down by 25%, it does not end up where it started—the so-called time reversibility test. It said that it was not worth changing the treatment of clothing if it was not going to look at all the other issues.

This policy of spartan neglect proved controversial, provoking the inquiry by the EAC. Our conclusion was that RPI was deeply embedded in many aspects of economic life—on this we agreed with the noble Lord, Lord Lea—and it was wrong of the statistics authority and the ONS to just walk away from it. Indeed, it was argued that the statistics authority had a statutory duty—

**Lord Reid of Cardowan (Lab):** Will the noble Lord explain something to me? I do not understand his contention that one of the main reasons why RPI is discredited is that if something goes up by 25% and then comes down by 25%, it does not end up where it started. If any figure goes up by 25% and is then reduced by 25%, it does not end up where it started.

**Lord Turnbull:** I think the noble Lord should go away and write this down on a piece of paper—I think he will find that it does not end up where it started.

**Noble Lords:** That is what he said.

**Lord Turnbull:** I said it does not. In other words, it fails the time reversibility test. If it goes up by 25% and then comes down by 25%, it ought to end up where it was before, but the price level is not the same. We believe that if the ONS is going to continue publishing the RPI, it should have a programme for addressing the flaws that have been identified.

The EAC then looked into the implications of having two rival price indices. It quickly became apparent that the Chancellor had spotted the opportunities for index shopping, as others have noted. The view of the committee was that it would be better to move towards a single index combining the best characteristics of both indices: neither on its own is superior in all aspects. There should be a rolling programme of improvements, starting with the clothing issue.

One area which will need to be addressed is the treatment of housing costs. Here, in my view, neither index has yet found an ideal treatment. The CPI takes no account of owner-occupier housing costs other than repairs. The RPI includes mortgage interest, but of the 27 million households there are only 10 million owner-occupier mortgages. The ONS seems to favour creating a housing element based on rental equivalence, but the rental market is very distorted. Clearly, there is some difficult technical work to be done to find the best solution, which can then be adopted by both indices, and as other differences are resolved a single general measure of inflation can emerge.

The final issue we addressed was the indexation of gilts. Holders of these gilts have benefited substantially from the changes, probably wrongly, which boosted the RPI. There is a clause in the prospectus of early issues that says that if a change is proposed which is materially detrimental, it can be made only with the agreement of the Chancellor. I began to wonder what fool came up with this “heads I win, tails you lose” arrangement, which allows gilt holders to keep any windfall gains but not suffer any correction when things went against them. Then I began to wonder whether it was me, many years ago when I worked on monetary policy in the Treasury.

What to do next? Above all, we should not act precipitously but should give plenty of warning of our intentions. If, as recommended, a unified price index emerges, it should be applied to all indexed gilts issued. In the meantime, we recommended beginning the process of issuing CPI-indexed gilts. We were not convinced that issuing gilts with a different uprating formula would seriously fragment the market. For years, gilts have been issued with different coupons, maturities and tax treatments, and the market is big enough and flexible enough to find equivalent values for them. For existing gilts with maturities after 2030, the prospectus allows them to be linked to an index,

“which continues the function of being an officially recognised index measuring changes in the level of UK retail prices”.

In other words, if the change proposed represents the best professional advice, that index should be used and there should be no veto if it comes out better or worse than the previous index. I have never quite understood why the change in respect of clothing, which was regarded as technical when it happened, is now possibly being regarded as a fundamental change as it is reversed.

It would be nice to close on an upbeat note—that all these problems are being addressed under a new team—but I understand that the search for a successor to the retiring National Statistician has proved fruitless and that the deputy has been asked to act as an interim. That is not a good sign.

The new “Big Brother” Clock, which I regard as, basically, an electronic version of the noble Countess, Lady Mar, is probably telling me it is time to wind up.

4.45 pm

**Lord Sharkey (LD):** My Lords, I was until today a member of the committee that produced this report. I record my thanks to the noble Lord, Lord Forsyth, for his wise and tolerant chairmanship, and also join him in thanking our clerk, our committee assistant and in particular the departing policy analyst, Ben McNamee.

Inflation may be—although I doubt it after listening to this debate—a simple concept. However, as this debate has demonstrated and as the committee very soon learned, measuring it is a far from simple exercise. Discussion of what these measures should be and of their relative merits can quite quickly become highly technical and apparently abstract, but what we agree inflation to be obviously has an enormous impact in the real world. That is why it is important to try to maintain some common-sense understanding of what is going on. Decisions made about how to measure inflation should be widely accessible to scrutiny and debate, not just confined to a priestly caste of economists, bankers and statisticians. Our report tried to help with that, and I will focus on just a couple of the major issues we discussed.

The first is whether the RPI is irretrievably flawed and should be abandoned, as the UKSA and the ONS had decided. As we have heard, the committee thought not. We acknowledged, as had the UKSA and the ONS, that the index was clearly flawed as a result of an untested and underplanned methodological change introduced by the ONS in 2010. I should say in passing that I was very surprised by the apparently casual way

in which this change was implemented, and even more surprised that there was not an early attempt to rectify an obvious mistake. After all, the impact of the change was more or less immediately obvious. In December 2009, the RPI was about half a percentage point higher than the CPI, and in December 2010 it was nearly 0.9 percentage points higher. Nowadays, the RPI continues to run between 0.8 and one percentage point above the CPI.

This matters not only because it is the wrong number but because this wrong number has very significant real-world consequences. It has been a gift, as we have heard, to the holders of RPI index-linked bonds—a gift of around £1 billion in extra interest every year—and it has punished those people whose payments are linked to the RPI. Annual rail fare increases and the interest on student loans are examples of this.

You might reasonably have thought that it would be obvious that the mistake in calculating RPI should be fixed, but listening to the arguments for and against repairing the index was at times like listening to a theological dispute between medieval schoolmen. One of our colleagues, who is no longer in his place—the noble Lord, Lord Lamont—compared the whole thing unfavourably to listening to the arguments in the Council of Trent.

It seemed clear to us that some of the technical arguments, about the use of the Carli formula, for example, had been going on for a very long time and were unresolved—and perhaps even unresolvable. However, it seemed that the arguments in favour of repair carried significantly more weight than those against. This was in part because the arguments against seemed based very largely on a misreading by the ONS of its statutory duty and on its reluctance to take into account the widespread and continued use of the RPI.

The noble Lord, Lord Forsyth, explained our collective view of the ongoing misinterpretation by the ONS of its statutory duties under the Statistics and Registration Service Act 2007, and I will not repeat his arguments. However, I will say that the UKSA/ONS position on this strikes me as simultaneously cowardly and ludicrous. In essence, the ONS is saying that it will not ask the Bank for permission to repair the RPI because it thinks, correctly, that the Bank would have to ask the Chancellor and that he would say no. The Chancellor himself dealt with that when he gave evidence to us, as the noble Lord, Lord Forsyth, recounted. We believe that the ONS has a legal duty to ask for authority to repair, and we strongly believe that, when asked, the Chancellor should agree.

The second major issue we focused on was whether there was a need for multiple indices to measure consumer price inflation. We thought not. Some witnesses, including the UKSA and the RSS, defended the practice. Others, including the Bank of England, saw the case for a single index. They felt that it was not obvious why two were needed and that having multiple indices caused confusion and was counterproductive. In addition, of course, the existence of two indices has allowed the Government to indulge in the rather disgraceful game of index shopping, using the lower CPI for payments out and the higher RPI for receipts in. This is, at the very least, inconsistent and incoherent, as well as

[LORD SHARKEY]

obviously unfair and, unfortunately, widespread. I am glad to see that the Government have made some moves towards fairness and consistency and we encourage them to go further and faster. In fact, I urge the Government to move as quickly as possible towards the use of a single consumer price index. As we recommended in our report, we believe that the Government should eventually choose between a repaired RPI and the updated CPI.

As the noble Lord, Lord Forsyth, explained, there has been no formal response to our report, which was published six months ago. The National Statistician, who retired yesterday, without a proper successor in place, said in March that UKSA would respond in April—and it did, on 30 April, as did the Treasury on the same day. They both said that this was an important issue which required further consideration—in the same words—and that they would respond, “as soon as it is practicable to do so”.

Not “in due course”, “shortly” or “soon”, which are the usual qualifications, but an entirely unexplained new kind of delay: as soon as it is “practicable” to do so. Can I ask the Minister—well, perhaps not. I wanted to ask what this means. What is making a response impracticable? How long is this impracticability expected to last? We currently have no idea when we might expect the usual formal written response.

So, in the absence of a response, and while the UKSA and the Treasury are considering how to respond, could I ask the Minister a couple of questions? First, does the Minister agree that the ONS has a legal duty to request the repair of RPI? The Minister will know that the Chief Secretary to the Treasury, talking of the proposal to repair RPI, told the committee:

“I am suggesting it is the role of the ONS to put forward that proposal”.

My second question, therefore, is: in light of this, what can be done to avoid this damaging and faintly ridiculous impasse caused by Sir David Norgrove’s assertion that he can read the Chancellor’s mind?

4.53 pm

**Lord Tunnicliffe (Lab):** My Lords, I join other noble Lords in congratulating the noble Lord, Lord Forsyth, on securing this debate, on his committee’s report and on his speech, which he delivered in his usual clear and fairly concise manner. I find myself in a state of shock, praising him in such an effusive way. This is not normal, but we do not live in normal times. The two Tory candidates for the role of Prime Minister are in a bidding war to spend public money. They seem keen to overtake the Labour Party on the left. It will all end in tears, and one of the malign manifestations will be—yes—inflation.

The topic of the report is the measurement of inflation, an involved and important topic. It is one that particularly resonates with members of my generation, given the centrality of inflation to political debate and media coverage of the economy during the 1960s and 1970s. We are also, sadly, the generation that tends to have index-linked pensions. I have four, I think, but I have lost track of which is CPI and which is RPI.

The Economic Affairs Committee has done a valuable service in analysing a faulty methodology, concluding that the Office for National Statistics is failing in its statutory duty to provide accurate economic data. The old established measurement, the retail price index, is subject to much criticism in the report. It has, since 2010, showed a wide discrepancy from the consumer price index, with the gap between the two rising from 0.5% to around 0.8%.

This is of the greatest significance in modern times, as the Government have developed a habit of choosing to apply the lower CPI measure when spending money and the higher RPI measure when collecting it. As Martin Lewis, the founder of MoneySavingExpert.com, said:

“Where it costs us more, they use RPI. Where it costs the state, they use CPI. There is no logical justification, it does not make any sense whatsoever. It’s a very simple way of cooking the books”.

The report refers to this practice as inflation-shopping and calls for the use of a single measure of inflation in future.

As I do not want to repeat points made by many other noble Lords, let me briefly cover why that trend is so problematic. Many welfare benefits are subject to the four-year freeze, which we on these Benches continue to find deplorable. For those benefits uprated each year, such as those aimed at disabled people or carers, the increase is capped at the level of CPI. On the other hand, interest on student loans rises by up to RPI plus 3% each year. The House of Commons Library has estimated an additional cost to students of £16,000 over the lifetime of their loan.

Ministers allow regulated rail fares to rise by the rate of RPI each year, although average pay growth has tended to fall below that level in recent years. Meanwhile, the Office of Rail and Road has confirmed that it will transition to CPI for new connection contracts, as with access contracts. This is designed to lower train operators’ costs, but also to cut state subsidy. Alongside this change, the Secretary of State for Transport wrote to rail unions asking them to calculate wage increases by CPI. Despite warm words, there has been no specific pledge that savings will be passed on to commuters.

These examples highlight that an acute aspect of the problem is the Chancellor’s considerable say in the use of different inflation measures. The UK Statistics Authority has admitted that there is a problem with the RPI but has not ordered a correction in the formula because doing so would impact on many UK Government bondholders.

Box 6 of the committee’s report provided a helpful summary of the clearly defined legal duties on the UK Statistics Authority. Section 7 of the Statistics and Registration Service Act 2007 outlines a public interest in the provision of quality official statistics. Section 21 requires the Chancellor to consent to any fundamental change in the inflation index that would be detrimental to gilt investors—something that the UKSI’s chairman did not believe would be forthcoming. However, both the Chief Secretary to the Treasury and the Chancellor said in their evidence that they would be happy to discuss any proposals for change. I put it to Ministers

that the general interest in Section 7 should far outweigh the limited interest in Section 21 and that an appropriate response should be to correct the RPI measure incrementally.

The committee was critical of the UK Statistics Authority for its treatment of RPI as a legacy measure, given that it is still widely used, particularly in pay settlements. As the trade unions have outlined, RPI has long existed as the main reference point for pay negotiations. It has been estimated that a general shift to CPI would see the average worker's salary fall by £350 per year. It would also have a significant impact on pensions.

In March 2018, the Department for Work and Pensions calculated that a switch to CPI on defined benefit pensions would result in,

“a £12,000 reduction in the value of pension income per affected member, on average over their lifetime”.

The Institute and Faculty of Actuaries believes that if a scheme were to change inflation indexes, a 65 year-old man who had been expecting pension increases in line with RPI could expect to receive aggregate lifetime pension payments about 10% to 15% lower.

Where do we go from here? The report notes that, in true “third way” style, the Government, the Bank of England and the UK Statistics Authority increasingly see CPIH, which includes owner-occupiers' housing costs, as a preferred longer-term measure. However, the committee outlines how CPIH has faced problems since its introduction in 2013. It echoed the views of several witnesses, who raised concerns about the use of rental equivalence in CPIH and called for more work to be done before a single measure of inflation is identified and adopted.

It is clear that the Government are not yet in a position to fulfil the committee's wish of selecting a single measure, but the proposed five-year timescale identified by the noble Lord, Lord Forsyth, and his colleagues appears sensible. Given the importance of inflation measures for the everyday costs of people up and down the country, I hope the Minister will be able to demonstrate that the Government now have a firmer grip on this issue than was suggested in their evidence to the committee.

5.01 pm

**Lord Young of Cookham (Con):** My Lords, I thank my noble friend Lord Forsyth for introducing this and all noble Lords who have taken part in an exceptionally well-informed debate on a rather specialised, but none the less important, topic which impacts directly on all of us—as the noble Lord, Lord Darling, and my noble friends Lord Tugendhat and Lady Browning explained. I also thank noble Lords for their detailed report, for which the Government are grateful; I thank, too, the departing members of the committee for their work.

Normally, I look forward to debates on my noble friend's reports, but on this occasion it cast a small cloud over my weekend, as I realised that what I have to say may leave my noble friend and his committee less than satisfied. However, I hope to persuade him that there are good reasons for that. In fact, much of the debate focused not exclusively on the Government but on the role of the UKSA—particularly the speeches

from the noble Lords, Lord Burns and Lord Turnbull. I am sure that they will read with interest what we have said today.

As a former Treasury Minister, albeit some 25 years ago, I took a deep personal interest in the Government's response, possibly straying from my advertised role as a spokesman for the Treasury. I have read the report, which raises a number of complex and wide-ranging issues on the RPI, the Government's use of inflation statistics and the future of measuring inflation.

Before I continue, may I first pay tribute to John Pullinger, who recently retired as National Statistician? He had a distinguished term in that post. To mention but a few of his achievements in the role, he led the ONS strategy entitled *Better Statistics, Better Decisions*, headed the newly created analysis function, and worked alongside the UKSA to, in his own words, make it, “unacceptable for people to either not use evidence, or to misuse it”,

a sentiment with which I am sure this House concurs—and relevant in view of the exchange earlier today in the Oral Question from the noble Lord, Lord Foulkes.

I should like to address the concerns of my noble friend Lord Forsyth, and the other noble Lords who sit on the Economic Affairs Committee, on the lack of a government response to their report, which was published in January—an issue raised by many noble Lords, including the noble Lord, Lord Sharkey.

The Government appreciate the amount of work and the level of scrutiny that go into all the committee's inquiries; we understand its frustration. I regret that there is yet to be a government response and understand the difficulties in debating a Select Committee report without one being available. This delay is not driven by inaction. The issues that the report raises are complex and wide-ranging. Measures of inflation are embedded across the economy and affect the lives of almost everyone in the country. They include rental agreements, mobile phone contracts, financial instruments, government debt, pensions and rail fares, to name but a few.

**Lord Lea of Crondall:** Will the Minister take this opportunity to include wage and salary increases in that list? It seems quite extraordinary that the main quantitative use of the RPI does not get a mention, even now.

**Lord Young of Cookham:** I said, “to name but a few”, but I will gladly add the issue raised by the noble Lord to the list. Some, but not all, wage increases are linked to RPI.

Some uses of the measures are interlinked; for example, for pension schemes whose members, many of whom are in private sector defined benefit schemes, have pension payments that increase by RPI. This means that, in turn, those schemes seek RPI-linked assets to hedge those liabilities. As a result, a large share of the Government's outstanding RPI-linked debt is held by those pension schemes. The Pension Protection Fund estimates that almost 90% of outstanding index-linked gilts are held by UK defined benefit pension schemes and UK insurance companies.

[LORD YOUNG OF COOKHAM]

The breadth, complexity, and importance of these issues mean that the committee's report requires further careful consideration. Given the complexities of the issue, it is sensible that the Government and the UKSA produce a well-considered response—while respecting the UKSA's independence, of course.

**Lord Forsyth of Drumlean:** A very kind and polite person from the Chancellor's office rang me to say that there would not be a response. I said that I was not sure that the House would like that very much, but he said, "Don't worry, Lord Young will be able to deal with the debate". The Minister gave a reason the complexities of the system: that so many things rely on the RPI. If that is so, is that not a reason to make sure that the RPI is accurate? I cannot get my head around it.

**Lord Young of Cookham:** That goes to one recommendation directed at the UKSA. That issue will be addressed directly in the government response to the recommendations. I cannot give my noble friend an answer today; I hope that he understands why.

In introducing the debate, my noble friend wondered whether the Government discussing this issue with the UKSA somehow compromised the UKSA's independence. It is perfectly legitimate for the Government to discuss matters with the UKSA without interfering with its independence in decision-making. We discuss a wide range of issues with it—as we should, given that the ONS is the producer of economic statistics. One can have that dialogue without encroaching in any way on the UKSA's independence. The Government continue to discuss the relevant issues raised by the report; the Chancellor wrote to my noble friend last week, outlining that point. I stress to my noble friend, the noble Lord, Lord Sharkey, and other noble Lords that we are working hard to respond to the committee's report as quickly as possible. We will communicate a date for this response in due course and will provide sufficient notice for the markets.

Let me move on to the central focus of the inquiry, namely the RPI. As the Government have stated before, we recognise that there are flaws in the way that RPI is measured and that, as a result, its rate of inflation is higher than that of other measures, such as the CPI and CPIH, which is the CPI including owner-occupiers' housing costs.

The report from the committee is the latest in a series of reports on this intractable issue. I highlight this to stress how complex it is. In 2012, the then National Statistician launched a consultation on potential changes to the RPI following concerns about the increased wedge between RPI and CPI, which had been driven primarily by the 2010 change in the collection of clothing prices. There was then a considerable response, both on matters statistical and non-statistical, and in 2013 the then National Statistician responded, arguing that the RPI did not meet the highest standards expected for a national statistic. That answers the question of the noble Lord, Lord Lea, as to why it was regarded as discredited: the UKSA stripped the RPI of its national statistic status.

However, given its widespread use in the economy, the National Statistician argued that the RPI should remain unchanged. In 2015 a review into consumer price statistics, which had been led by Paul Johnson of the Institute for Fiscal Studies, was published. This also criticised the RPI and recommended that it should be classed as a legacy measure and that its use should be actively discouraged.

Let me explain the Government's use of inflation statistics and highlight how they have not ignored the criticisms of RPI. Since 2010 the Government have reduced their use of RPI. They have moved the indexation of direct taxes, benefits, public sector pensions and the state pension from RPI to CPI. More recently—this addresses the accusation of index shopping made by a number of noble Lords—in April 2018 the Government brought forward switching the indexation of business rates from RPI to CPI.

**Lord Tunnicliffe:** Did the Minister say that the state pension was linked to CPI? I thought it was triple-locked—I hope it is because I draw it.

**Lord Young of Cookham:** One of the locks is CPI.

**Lord Tunnicliffe:** My understanding of this part of my income is that it is the greater of CPI, RPI or, I think, 2.5%.

**Lord Young of Cookham:** We have moved the indexation of direct taxes, benefits, public sector pensions and the state pension from RPI to CPI. If that is wrong, I am sure a signal will come from the far end of the Chamber to put it right before I sit down.

I was dealing with the issue of index shopping and said that in April last year we brought forward switching the indexation of business rates from RPI to CPI. This move is expected to save businesses almost £6 billion over the next five years—at, of course, a cost to the public purse.

At Budget 2018 we outlined our policy on inflation statistics. Specifically on RPI, the Government committed to not introducing new uses of RPI and to reduce its existing uses when and where practicable. I note that the report encourages the Government to move all uses to CPI. However, the matter of practicability is key and further moves away would be complex. It has not been clear in recent years which measure of inflation it would be appropriate to use, although that picture is now getting clearer.

One sizeable area where RPI is used is in the Government's index-linked gilts—a number of noble Lords mentioned this, including my noble friend Lady Browning—which are indexed to RPI. The Government have no plans to stop issuing index-linked gilts indexed to RPI. As the demand for RPI-linked debt is vast in comparison to CPI, particularly from the pensions sector—the largest holder of gilts by sector—the taxpayer gets far better value for money issuing into this market. Until such time as we can be satisfied that there would be sufficient demand for a new debt instrument, and that it would deliver better value for money, we will continue to issue RPI-linked gilts.



As mentioned by the noble Lord, Lord Macpherson, demand for CPI-linked debt is growing. However, given that demand for RPI-linked debt is stronger, the Debt Management Office gets better value for money by continuing to meet this demand. However, in response to the noble Lord, Lord Macpherson, the issuance of new debt instruments is kept under review.

On the Government's future use of inflation statistics, particularly in relation to CPIH, noble Lords have raised concerns over its suitability as a headline measure for the Government. Again, I pay tribute to the work of the ONS, led by John Pullinger. CPIH has undergone extensive development, choosing between different methodologies where necessary, and rigorous testing by the independent Office for National Statistics. This robust process has led to CPIH being approved as a national statistic, meaning that it is fully compliant with its code of practice for statistics. The Office for Statistics Regulation recommended to the board of the UKSA that CPIH be granted national statistic status, which is the highest kitemark of quality in our statistical system. Following this extensive development, at Budget 2018 the Government stated that their objective was for CPIH to become their headline measure over time.

The Government have not, however, set a date for CPIH to become their headline measure of inflation. This is because CPIH is a relatively new measure—a number of noble Lords touched on the issue of housing. CPIH has only recently been certified a national statistic, and it was only late last year that an updated historical back series was published, extending the series. With this back series in hand, work is now ongoing to understand its properties compared to CPI and RPI. The Government will regularly update Parliament on their progress towards using CPIH and, of course, on their broader strategy on inflation statistics.

Perhaps I may touch on some of the issues raised in the debate. The noble Lord, Lord Tunnicliffe, raised the benefits freeze. The decision to freeze most working-age benefits from 2016-17 was one of a number of difficult decisions that the coalition Government took to put the public finances back on track. We have no plans to repeat the freeze and we expect working-age benefits to rise with inflation from April next year.

The noble Lord, Lord Tunnicliffe, mentioned Sections 7 and 21 of the Statistics and Registration Service Act. Other noble Lords also mentioned the issue—the noble Lord, Lord Turnbull, in particular. We recognise the committee's view on this and the Government will respond to the report in due course and on that specific recommendation. Changes to RPI are a matter for the independent UK Statistics Authority and the Office for National Statistics. That is a response to the suggestion that RPI could be incrementally corrected.

In conclusion, I recognise that I have not been able to go as far as noble Lords would have wished. The Government note that this report covers complex and wide-ranging issues, and makes a number of serious and sober recommendations to both the Government and the UKSA. Given the extensive use of RPI in the economy, the complex nature of some of those uses and their interactions, and, most importantly,

the effect on people and the economy, the Government believe that it is necessary to take time to consider the committee's report carefully before responding.

The Government recognise that RPI is a flawed statistic, and stress that they have not avoided acting on the issue. They recognise that further work must be done, but note that further moves away from RPI are complex. Further, the necessary work to prepare for CPIH is yet to be completed. I say to the noble Lord, Lord Sharkey, that the Government will respond as soon as practicable to noble Lords' report and are working extremely hard so to do.

Finally, I will convey to the Chancellor the sense of frustration expressed by my noble friend Lord Forsyth and others about the time it has taken to respond to the report. I will personally relay that message.

5.18 pm

**Lord Forsyth of Drumlean:** My Lords, I thank everyone who took part in the debate, and my noble friend for that excellent reply. He is a sort of Kate Adie of the Treasury at the moment, deployed in difficult circumstances to report on what is going on at the front. It is the second occasion on which he has responded to an Economic Affairs Committee report—the previous one was on digital tax—where every speech has been in support of the committee's report and he has had to explain why the Treasury is not responding in the way we would like. On this occasion he has not actually ruled out doing something and we await a response with bated breath.

It is a complex matter—we in the committee had to put some hot towels on our heads. But members of the committee are reasonably bright and we were able to come up with some clear recommendations. We look forward to when the Chancellor of the Exchequer is before the committee later this year and hope that by then there will be a response. This is a complex subject, but the ordinary layman might find it very difficult to understand why, as my noble friend said, RPI is important in a range of areas in our economy and therefore it is necessary for us to continue with an RPI that everybody accepts is flawed. That is a very difficult proposition to accept.

The other matter that is very clear is that the debate has focused, quite rightly, on the degree of independence of the statistical authorities. Perhaps it is really for another place to consider whether it is right that the appointments to that body are made by the Government rather than by the House of Commons or by Parliament as a whole—but here I am broadening the debate.

I shall say a couple of words about the excellent speeches that have been made. I thank the noble Lord, Lord Turnbull, for his speech and for his enormous contribution to the Economic Affairs Committee, not least in persuading me that we need to build more social housing and to remove the cap on local authority borrowing. I am delighted to say that on that occasion the Treasury accepted our recommendation.

We are also losing the noble Lord, Lord Sharkey, from the committee. He has made a formidable contribution. It has been a great pleasure for me to chair the committee with such fine brains, including

[LORD FORSYTH OF DRUMLEAN]

those who spoke on behalf of the committee in this debate—that is, my noble friend Lord Tugendhat and the noble Lord, Lord Burns. I am very disappointed that we have not been able to recruit the noble Lord, Lord Macpherson, to the committee, because having such experienced Treasury people endorsing our reports must make it extremely difficult for people such as my noble friend to respond to them.

Having taken my noble friend's assurances that he will have a word with the Chancellor, that the Treasury will get on with responding and that the statistics authorities will read this debate and see the strength of feeling that has been expressed on all sides, I beg to move.

*Motion agreed.*

## NHS Long-term Plan

### Statement

5.22 pm

**The Parliamentary Under-Secretary of State, Department of Health and Social Care (Baroness Blackwood of North Oxford) (Con):** My Lords, with permission, I will now read a Statement made by my right honourable friend the Secretary of State for Health and Social Care in the other place on the implementation of the NHS long-term plan. The Statement is as follows:

“Mr Speaker, I would like to update the House on the implementation of the NHS long-term plan and the delivery of improvements to the health service. Today marks the 100th anniversary of the Ministry of Health under the Liberal and Conservative coalition of Lloyd George. I can tell the House that on Thursday, the boards of NHS England and NHS Improvement agreed the long-term plan implementation framework.

Alongside the clinical review of standards, and the interim workforce plan, published last month, this framework is a critical step in delivering on our 10-year vision for the NHS and in transforming our health service with the record funding the Government are putting in. The document sets out the framework in which each of the 300 commitments in the long-term plan will be delivered, the 20 headline commitments and how we will monitor delivery of the plan. In the past, there have been criticisms that NHS plans have not led to full delivery, and we are determined to ensure that the LTP fulfils its potential to transform the health service. I am placing a copy of the implementation framework in the House Libraries.

I would like to draw attention to three areas, the first of which is cancer care. I would like to thank my honourable friend the Member for Basildon for his efforts in ensuring our focus on the vital indicator of cancer survival. The Prime Minister set out the ambition that three-quarters of all stageable cancers are detected at stage one or two by 2028. Early detection and diagnosis are essential to enhancing people's chance of survival. Since 2010, rates of cancer survival have increased year on year. However, historically our survival rates have lagged behind the best-performing countries in Europe.

The implementation framework sets out our goal of measuring the one-year cancer survival rates as one of the core metrics. The one-year survival rate is how we measure our progress in achieving the ambitions set out in the *NHS Long Term Plan*. To realise these ambitions and ensure that we do everything we can to give people diagnosed with cancer the best chance of survival, these are the steps that the framework sets out: first, a radical overhaul of screening programmes; secondly, new state-of-the-art technology to make diagnosis faster and more accurate; thirdly, more investment in research and innovation.

From this year, we will start the rollout of new rapid diagnostic centres across the country, building on the success of a pilot scheme with Cancer Research UK, so that we can catch cancer much earlier. NHS England is further extending lung health checks, targeting areas with the lowest survival rates. Health Education England is increasing the cancer workforce, which will lead to 400 more clinical endoscopists and 300 more reporting radiographers by 2021. Because of these steps, our ambition is that 55,000 more people will survive cancer for five years, each year, from 2028. Improving the one-year survival rate is how we ensure that the NHS remains at the forefront of cancer diagnosis and treatment and continues to deliver world-class care.

The next area is mental health. The Prime Minister and her predecessor have rightly prioritised the treatment of mental health so that we can ensure that it finally gets parity with physical health. The £33.9 billion cash-terms settlement—the longest and largest cash settlement in the history of the NHS—includes a record £2.3 billion extra for the expansion of mental health services. The framework sets out how 380,000 more adults and 345,000 more children and young people will get access to mental health support. We are also introducing four-week waiting-time targets for children and young people, and testing four-week community mental health targets for adults.

The implementation framework specifically references the vital improvements to community mental health services that we all know are needed. These are adults living with serious mental disorders, including eating disorders, and those coping with substance misuse. The framework sets out how we will create a new workforce of mental health support teams to work with schools and colleges to help identify young people who need help and reach them faster. In all, it is a fundamental shift in how we treat mental illness and how the NHS will prioritise mental health services.

The third area I want to draw out is people. Three-quarters of the NHS budget goes on staff because people are the most valuable resource that we have in the NHS. We need not only the right numbers but to ensure that we have the right support for our staff. The long-term plan sets out our ambition to recruit, train and retain the right numbers of staff over the next decade. Last month, Baroness Dido Harding published her interim people plan, setting out how we will build the workforce we need and create the right culture so that doctors, nurses and other NHS staff have the time to care for patients and for themselves.

Last week, the BMA accepted, in a referendum, the new agreement with junior doctors that will improve both pay and working conditions. Thanks to the hard work of my predecessor, we are already taking steps to increase the number of clinical training places by opening five new medical schools and increasing the number of routes into nursing through apprenticeships and nursing associates. Last year, more than 5,000 nursing associates started training through apprenticeships, and this year the figure will be up to 7,500.

Those are just three of the most vital areas from a 10-year vision for the NHS. Across England, based on the implementation framework, local strategic plans are now being developed and will be brought together as part of a national implementation plan by the end of the year. All of this will be underpinned by technology.

Today sees the official opening of NHSX, the new part of the NHS which will drive digital transformation to give citizens and clinicians the technology that they need. I am delighted that NHSX has received such a warm welcome across the NHS, because it has so much potential to transform every part of health and social care for patients and for staff.

The forthcoming government spending review will settle the budgets for health education, public health and NHS capital investment, and these settlements will feed into the final implementation of this plan. As part of the SR, we will also review the current functioning and structure of the better care fund, which is rising in line with NHS revenue growth.

On this the 100th anniversary of the foundation of the Ministry of Health, this framework sets out how we will go about securing the foundations of the National Health Service into the next century and the creation of an NHS that delivers world-class care for generations to come. I commend this Statement to the House”.

5.30 pm

**Baroness Thornton (Lab):** I thank the Minister for repeating the Statement and refer the House to my interests as listed in the register.

It is 71 years this week since the Labour Party created the NHS in 1948; it will also be a Labour Government who will turn around the NHS again, as we did from 1997. As the Minister will know, I welcome the things we agree on: alcohol care teams, perinatal mental health services, a greater focus on health inequalities and enabling gambling addiction services; all Labour ideas, of course. Even today the Minister—or rather, her right honourable friend—talked about bringing hospital catering in-house, which is another Labour idea.

The Minister has focused on three important matters in this Statement, but I have some questions about other matters that it contains. I want particularly to raise the question of support for local systems. Increasing the focus on population health in the long-term plan is of course very welcome. Can the Minister explain how STPs will become ICSs by April 2021, with all ICSs—I apologise to the House for using all these acronyms—reaching “mature” status, as described in the recently published ICS maturity matrix? Will the Minister also

explain how the provider and commissioner landscape will develop, with a new integrated care provider contract due to be published this summer to provide guidance on how primary care can be integrated with secondary and community services?

The long-term plan rightly has prevention at its heart. Will the Minister set out how the Government will work with local authority partners to take forward prevention activities on obesity, smoking, alcohol, sexual health, antimicrobial resistance and air pollution, including how they will use the additional targeted funding being made available to support this series of activities?

At a time when life expectancy is stalling and infant mortality rates—the rate of children not making it to their first birthday—have risen three years in a row for the first time since World War II, vital public health services that tackle inequalities have been cut by £700 million. We all know that the NHS’s ability to plan for coming years is dependent upon a well-resourced adult social care system; of course, adult social care budgets have been cut by £7 billion. Also, we still await the social care Green paper. Will the arrival of a new Prime Minister hasten or further delay further its arrival? How can system-wide reform be delivered, as aspired to in the long-term plan, under these circumstances?

On staffing issues, we have 100,000 vacancies and are short of 40,000 nurses; at the same time, bursaries have been scrapped, CPD budgets cut and the no-deal Brexit we seem to be preparing for will exacerbate the staffing crisis. I noted and welcomed the interim *NHS People Plan* published by the noble Baroness, Lady Harding, but when will we see a workforce plan backed up by actual cash? It cannot be delivered unless this happens. The Government talk about IT systems but give no certainty on capital investment. Hospitals are facing £6 billion-worth of repairs, with walls crumbling, ceilings falling in, pipes bursting and outdated equipment stalling. Maintenance designated to address “serious risk” has doubled to £3 billion. Will this backlog also be tackled?

I turn briefly to mental health. We know that more than 100,000 children are denied mental health treatment each year because their problems are not judged “serious” enough. Over 500 children wait more than one year for specialist mental health treatment. When the Minister talks of a fundamental shift, does she mean that the Government will ring-fence funding? Given that just 1.6% of the public health budget is spent on mental health, will the Government insist that more is spent on mental health resilience and prevention?

Finally, I want to ask about next steps. It is my understanding from the Statement that a national implementation plan to be published by the end of the year will bring together the aggregated ICS/STP plans and national activities with performance trajectories and milestones to deliver the long-term plan commitments. However, it notes that the development of the national plan is contingent on the spending review, due to the need to account for decisions on workforce, social care, public health and capital budgets. Due to the

[BARONESS THORNTON]

uncertainty in the current political environment, will the spending review be delayed, and will that set back the development of the national plan beyond November?

The national plan states that the NHS needs to, “remove the counterproductive effect that general competition rules and powers can have on the integration of NHS care”. I say amen to that. But are the Government now willing to admit that the Health and Social Care Act of the noble Lord, Lord Lansley, has had a devastating effect on the NHS? Will the Government bring forward primary legislation to achieve the objectives set out in the long-term plan?

**Baroness Jolly (LD):** My Lords, I too thank the Minister for reading the Statement. I feel I should get out an orange flag—I am probably wearing the right colour—because, in the 1940s, Liberals were orange, not a yellowish colour. Beveridge, whose paper proposed the National Health Service, was indeed a Liberal and his proposal was for a service, “free at the point of need”.

Anyway, I will get back to the Statement. I welcome the Secretary of State’s commitment to cancer and mental health services and workforce growth—who would not? But the Statement does not refer to the local five-year strategic plans to be completed by mid-November and rolled out thereafter. These will involve local consultation and incorporate performance trajectories and milestones across health and social care; they are truly the plans to implement the Secretary of State’s plan. The Statement mentions funding but is quiet about how much. I guess that is quite understandable given the position of the Government, who do not know who the new leader will be let alone his priorities.

The NHS is crying out for more capital: diagnostic and treatment equipment these days is big and very expensive; those of us who have been into English hospitals recently will notice that the buildings are looking sadder than they did 10, 15 or 20 years ago; and workforce shortages are mentioned. Will the Minister tell us when we can expect the NHS to be fully staffed and appropriately equipped? There is no mention of widespread regional variation in outcomes: by when will these be no more? Can the Minister explain how the areas for concentration will be managed? Will management be top-down or bottom-up, reflecting local needs?

Will the Minister also tell the House about any conversations regarding more funding for adult social care? I shall not say any more about the Green Paper. Public health services are critical to help people deal with obesity, stop smoking and become fit, so living longer, healthier lives. All these are critical matters for local authorities. The Statement barely mentions social care but, without an injection of staff and funding, it will fall, and with it the Secretary of State’s laudable visions for cancer treatment and mental health.

**Baroness Blackwood of North Oxford:** I thank the noble Baronesses for their contributions. I think the most helpful thing would be for me to talk a little about the next steps in the development of the local plans, which answer a lot of the points that have been raised.

A significant engagement exercise went into the development of the implementation framework as it stands. It identified a real desire to deliver on the total breadth of the long-term plan rather than to pick and choose, a request for systems to take into account local needs and the different starting points in order to deal with variability, and a request for help on sequencing: what they should prioritise and where they should start from.

The framework seeks to address these issues and asks the systems to develop the five-year plans, which they will implement over this period. It also sets out the approach to STPs and ICSs, which are asked to develop their strategic plans by November, covering the period from now until 2023. By the end of the year they will be aggregated as part of the national implementation plan. As has been noted, that will take into account the Government’s spending review decisions on workforce education training. Social care will be part of it, and it will also play into the upcoming publication of the prevention Green Paper and the social care Green Paper. Relevant decisions will also need to be made about public health and capital investment, as set out in the Statement.

There are key points that need to be taken into account. The NHS has been asked to ensure that these are clinically-led plans and that they are locally owned, so that communities can have meaningful input; that there is realistic workforce planning—the people plan will be part of that process; and that the plans are financially balanced, because that is the only way we can ensure genuine delivery of the long-term plan and that the concerns raised by both noble Baronesses are taken into account.

5.41 pm

**Baroness Finlay of Llandaff (CB):** My Lords, I declare my interest as a past president of the BMA. It will take some years for the new workforce plan to come through. Given that the current NHS medical workforce crisis involves consultant and GP staff having to drop clinical sessions to avoid huge tax bills, what consideration is being given to abandoning the concept of annual allowance in relation to defined benefit pension schemes, and allowing tax relief to be limited by the lifetime allowance? The current situation means that people are dropping sessions. Combined with the GMC regulations around retirement and revalidation, this is forcing clinicians into permanent retirement, rather than coming back to work additional sessions, which would relieve the pressure on waiting lists in clinics, would help with teaching and supervision, and would offer experienced surgical hands in operating theatres to assist in complex operations.

**Baroness Blackwood of North Oxford:** The noble Baroness, as ever, asks a very perspicacious question. She will know that as part of the GP contract negotiations, pensions and other issues were raised, and are still under discussion. Similarly, issues around secondary care doctors are in discussions with the Treasury. These discussions are quite technical but the issues are under consideration. I am unable to give her a complete answer now, only to tell her that we are very alive to the issue and trying to find a way through.

**Lord Clark of Windermere (Lab):** We are very keen that the Government's attempt to have a proper plan should work. The Minister knows that the staff are working under shortages of numbers and terrible shortages of finance. The Government go on and on about promised increased finance. According to the Health Foundation, funding for the wider health budget, which includes public health, will in real terms be £1 billion less in the next financial year. Are they right?

**Baroness Blackwood of North Oxford:** It is very important to pay tribute to the extraordinary work that NHS staff are doing across the system and in the wider healthcare system—we should thank them for that. The noble Lord is right that there is great financial stress in the system. A lot of work has gone into trying to alleviate it. That is why the NHS is one of the few parts of the public health system which received a significant increase in the £22 billion increase.

As for the public health system, training and the capital and social care investment, this will be part of the SR negotiations. I am sure the noble Lord will be aware that the Department of Health and Social Care will be making a strong case for increasing those parts of the system, because we believe it needs to increase just as much as he does.

**Baroness Neville-Rolfe (Con):** My Lords, I have two questions for my noble friend. First, I very much welcome the inclusion in the plan of a section on improving productivity. My experience is that the best way to improve productivity is the intelligent application of additional capital, and not just, to quote from page 29, "its better use". Picking up on some of the comments already made, may I ask the Minister how the NHS will make a step change in providing or attracting, and using, capital within the system?

Secondly, a huge medium-term threat is antibiotic resistance, which gets the briefest mention on page 15. Is there a plan to nail this as part of the approach to improving the NHS?

**Baroness Blackwood of North Oxford:** I thank my noble friend for a very important question. We have just published our new plan to tackle antibiotic resistance; it is an incredibly sophisticated proposal. We have already had some success in bringing down antibiotic use in humans and animals, but there is still a significant way to go, as antibiotic-resistant infections within the system are still rising. That is why we cannot relent in our ambitions, and why it is so important that the commitment to implement that strategy is in the long-term plan and the implementation plan. Although it has a brief mention, there is a whole strategy that it refers to, and it is comprehensive, so I am optimistic about that part.

On intelligent application of capital and ensuring that it increases productivity, my noble friend is right. That is partly why there is such a focus on ensuring that there is a radical reshaping of how the NHS delivers health and care using technology: so that services and users can benefit from the advances, and so that we can have a democratisation of information, which will be one of the key ways that we will manage demand and ensure that the NHS is sustainable.

**The Lord Bishop of Carlisle:** My Lords, as a former member of the Long-Term Sustainability of the NHS Committee, I welcome the long-term plan and the Government's response to it. I am especially glad that mental health issues will achieve financial parity with physical health issues. Does the Minister agree that research into and attention to the causes of these ever-increasing issues is as important as more spending on their treatment?

**Baroness Blackwood of North Oxford:** As ever, the right reverend Prelate is insightful in his question. He is right that although we have made a lot of progress in improving services, we were coming from a low base. One of the challenges is not understanding why there is such an increase in the challenges we face. This is why the NIHR has dramatically increased the amount of funding it provides to mental health research, and why other important organisations, such as the Wellcome Trust, are prioritising mental health research as a matter of urgency.

**Baroness Armstrong of Hill Top (Lab):** My Lords, does the Minister recognise that while welcoming the emphasis on mental health—as the right reverend Prelate did—the Women's Mental Health Taskforce, which reported in December 2018, recognised that more women are becoming the real issue in mental health work, that many more women are presenting, and that many of them, particularly those who have suffered abuse and trauma, require a gendered approach? The Women's Mental Health Taskforce recognised this as an issue for the workforce and the way women engaged with treatment, particularly that group of women. I recognise that not everything can be reflected in plans, but it would be a tragedy if that message was not communicated to localities and to those providing mental health services. Unless that happens, many women will simply be let down.

**Baroness Blackwood of North Oxford:** The noble Baroness has communicated an important message and it is one reason why we have prioritised perinatal mental healthcare. Specifically, services for young girls, who are particularly at risk of self-harm and suicide, recognise this risk. I would be interested to see the findings of the task force she mentions to ensure that those concerns are communicated.

**Baroness Masham of Ilton (CB):** My Lords, the Statement puts importance on technology. Will the Government speed up NICE in its assessments of technology? I hear that it is taking too long.

**Baroness Blackwood of North Oxford:** The noble Baroness, Lady Masham, is right to raise the importance of this. If we want to get innovative technologies and treatments to patients as soon as possible, we must ensure that we are one of the fastest in the world at regulating and assessing those technologies. However, it is also a matter of uptake. We have dramatically improved that process but we can and must always strive to do better. This is part of my job and I will make sure that I keep working harder at it.

**Lord Ribeiro (Con):** My Lords, I welcome the development of the five new medical schools that are going onstream. Two weeks ago, I was fortunate to be at Chelmsford when the Duke of Kent opened the Anglia Ruskin University medical school. But it is quite clear that a lot of medical graduates are leaving the profession, for whatever reason. There is also good evidence that those who come in at graduate entry last the distance a lot better than those who perhaps come in much younger. Your Lordships may ask, “Where is the evidence for that?” What efforts are being made to look into why people are giving up medicine early, and what is the possibility of increasing the number of graduate entries?

**Baroness Blackwood of North Oxford:** I thank my noble friend for his question. The core of the work my noble friend Lady Harding is doing is to analyse recruitment and retention patterns in the health service, obviously not just among core clinicians but across the whole system, to identify best practice for improving the workplace environment to recruit and retain. I am not sure whether she has done specific work on the difference between direct entry and graduate entry but I will be happy to find out for my noble friend.

**Lord Judd (Lab):** My Lords, with longevity still at record levels, is the Minister satisfied that in the plan for the future new doctors coming into the service get sufficient support in their training on dealing with the dying and their families, or is it often just left to them to pick it up in their professional work? The same sorts of issues arise in mental health. If you are treating mental health, of course there is often a great deal of stress within families. How far do these plans take into account family support, at the same time as the treatment of those with mental illness?

**Baroness Blackwood of North Oxford:** The noble Lord raises two hugely significant issues, which probably deserve a full debate. On clinicians and NHS systems being prepared to respond most effectively to those facing terminal illness, and their families, we have improved but there is much more to do—not just for the health service but for us all as a society. We need to become more open and comfortable with discussing that; some work has been done but more is needed. On mental health services providing support for families as well as individuals, we are still some way from where we would like to be but it is recognised as something that needs to be done.

**Baroness Chisholm of Owlpen (Con):** My Lords, I want to ask my noble friend the Minister about GPs’ training in mental health. I think it has been acknowledged that when parents take their children to the GP, quite often that is for a physical ailment but it turns out that the child could have a mental problem. It is difficult for GPs to pick that up, perhaps partly because of a lack of training and partly because they have only 10 minutes to see the child.

**Baroness Blackwood of North Oxford:** My noble friend raises a hugely important issue. We are seeing an improvement in the quality of training for GPs; the RCGP has been playing an important role in this, especially in raising specialist areas such as perinatal

mental healthcare through the champions that it spreads through its system. We are seeing the impact on the ground, with CCGs meeting the mental health investment standard and rolling out specific access waiting times, so it is having an impact. But there is always more to do and the royal colleges have a specific role to play in raising awareness and the quality of training.

**Lord Smith of Leigh (Lab):** My Lords, I declare an interest as chairman of the Greater Manchester Health and Social Care Partnership. There is much to welcome in this White Paper’s implementation—after all, a lot of the ideas were taken from Greater Manchester in the first place so we are pleased about that. We are particularly pleased about population health being a major factor now within government. I want to raise again two of the main issues that noble Lords have already raised. First, in deciding on local needs, if we think about only health we are missing a lot. Many times when people present with health symptoms, other social and economic issues are causing them to present. It could be loneliness or unemployment, but all these things create ill health in people and we need to think of things in the round rather than just about health. Secondly, I have a local government background, as Members know, but I must emphasise that unless we get social care right the NHS will grind to a halt. There is a real crisis in social care at the moment; it needs more money and there is no flexibility. We cannot solve the issues in the NHS unless we resolve care as well.

**Baroness Blackwood of North Oxford:** I thank the noble Lord and he is absolutely right, which is exactly why one of the core priorities in the long-term plan is the creation of integrated care systems, so that there can be a holistic approach to health while recognising that a lot of ill health is driven by social determinants. If we do not address what are often perverse incentives within healthcare systems, we will not be able to address the problems that we all know have been experienced through multiple Governments and generations. In addition, in the prevention Green Paper we have already announced a desire to bring in much more social prescribing, making it much easier for general practitioners and others within the system to address some of those wider challenges that lead to ill health and transform the system. We have already seen some fantastic pioneers of social prescribing transform the healthcare in their area, such as those in Tower Hamlets, and we want to see that thriving across the country.

## Future of Seaside Towns

### *Motion to Take Note*

5.57 pm

*Moved by Lord Bassam of Brighton*

That this House takes note of the Report from the Select Committee on Regenerating Seaside Towns and Communities *The future of seaside towns* (HL Paper 320).

**Lord Bassam of Brighton (Lab):** My Lords, it is a privilege to present this report to your Lordships' House. I have greatly enjoyed chairing the Lords' seaside regeneration Select Committee. It is not often in politics that you get to report on something close to your heart, with a primary purpose of wanting simply to contribute to improving the lives of people and places. Noble Lords who know me will know that I went to school in Clacton, a town famous only for being invaded by mods and rockers in the 1960s and having a pop festival nearby at Weeley in 1971. I moved from that seaside resort to Brighton, a major seaside resort, and was then confronted with the observation by Keith Waterhouse that I lived in a place that was probably best known for helping the police with their inquiries.

On the report, I want to start with a few thank-yous. I give my thanks to the Lords' team who supported me throughout the year, including the clerks: Matt Smith, Chris Clarke and Beth Hooper, ably backed up by Robert Cocks. I also thank Dervish Mertcan, who did our communications, and the Lords outreach team. I give special thanks for the work and thought put in by our special adviser, Nick Ewbank, and thanks too to the committee's members, most of whom are here this evening. They gave generously of their time. Of course, I also thank the local authorities and public bodies which made all our visits possible and hugely interesting. Finally, I give a big thank you to the people who welcomed us to their communities, provided us with the evidence and ideas, and gave witness to the issues facing the seaside and our coastal communities.

The report stands as more than a wake-up call to those involved in government, locally and nationally. Why is that? It is because it needs to. More than a decade ago, a Commons committee pointed up the problems and issues facing coastal communities and, while some measures seem to have been put in place, much of what was said and recognised as issues has been ignored. During the intervening period, with a few notable exceptions—Brighton, Bournemouth and, yes, Blackpool—many of our seaside towns and communities have gone backwards, when they ought to have been moving forwards. If action is not taken soon to reverse the decline of many of the communities the report covers, the problems associated with them will become intractable and irreversible. The resentments that have led to a sense of these communities feeling left out and left behind in our nation's story will become permanent.

We can either move towards "Seaminsters", our mythically reinvented, regenerated place, or move into only a spiral of decline, disconnection and community failure by the sea. Given our innate love of the seaside, which all in the UK share and generally celebrate, that would seem a major failure of public policy and a waste of a precious, protective, glorious national asset—our coastline. I take it as a given that we have not all fallen out of love with the British seaside and so did our Lords committee. We discovered that sense of place on our visits, and a passion within the communities we travelled to. The report is all about finding a renewed sense of purpose for the seaside and a route map. None of this comes without a cost but, with leadership and a vision for the future, we believe that

the UK seaside can be transformed and be a place for dreaming and fun, and a place to be—as both home and host.

So what did we find? Our report was addressed over a year; we came to our conclusions just after Christmas, and published in April 2019. We heard from 52 oral witnesses and received over 120 written submissions on a range of issues that affect our coast. We were clear that the inquiry could not be conducted within the confines of Westminster. We wanted to ensure that the voices of the people who live and work in seaside towns and communities helped shape our inquiry. That is why the committee travelled the country, visiting six different seaside areas, to give people living on the coast the opportunity to tell us about their issues and concerns.

However, during our visits we also saw many examples of where communities have found solutions to the challenges they face, and have reinvented themselves through effective leadership and partnership work, utilising the unique assets that seaside towns have. For too long, these communities have been neglected. They should be celebrated as places that can provide attractive environments for visitors and residents alike. Our report, therefore, made the following recommendations.

We observed inadequate transport connectivity, holding back many coastal communities and hindering their economic potential. We asked for a detailed review of the coastal transport network to assess where the greatest socioeconomic benefits can be realised through improvement to transport links. We commented on the need for improved digital connectivity, presenting a significant opportunity to overcome the challenges of peripherality that persist in coastal areas. The committee felt that the provision of high-quality broadband in coastal locations should be a priority.

We commented on limited access to education, particularly to FE and HE institutions, and how that curtails opportunities for young people in many coastal areas. We considered that greater scope for flexible access, such as online, part-time and distance learning, should be part of the solution, and we recommended that the Government produce ambitious proposals for how this can be achieved. We commented on the cost of post-16 transport, as an impediment to accessing educational opportunities. We recommended that the Government fund relevant local authorities to provide full public transport costs for post-16 year-old students.

Poor-quality housing was among the significant problems reported by residents of seaside areas. We therefore recommended a package of measures to tackle issues related to housing, including measures to address the perverse financial incentives to offer poor accommodation. Recommendations around easing the pressures on inspection and enforcement regimes, and measures to support more regeneration of existing housing, were offered. We commented on local enterprise partnerships. They should have a clear role and responsibility to support seaside regeneration where it is most needed. LEPs can and should help depressed seaside towns to build their visions through local industrial strategies.

Beyond 2021, the committee felt that the coastal communities fund should be focused on projects that aim to encourage sustainable place-based approaches

[LORD BASSAM OF BRIGHTON]

to regeneration. We recommended that the Government should secure town deals for Blackpool and other deprived seaside towns. We strongly supported determined action between Government and local government to tackle the root causes of deprivation. Finally, we felt that a variant of enterprise zones specifically designated for coastal areas could offer seaside towns a package of interventions to meet the challenges of peripherality, poor connections and the difficulty of attracting private investment and businesses to those areas.

The Government's response was helpful in some ways, but rather disappointing in others. However, at the beginning, it recognised that,

"coastal communities are comparatively more deprived and on average underperform economically in comparison to other areas", and that, despite investment to date,

"there is more that needs to be done by Government and all stakeholders".

I think all noble Lords can sign up to that. We welcome this recognition, as it speaks to our core assertion that, although many of the features of deprivation are common across other areas of the country, some seaside towns are labouring under disadvantages. Many have seen a decline in their traditional core industries, most notably domestic tourism, but also fishing, shipbuilding and port activity. Much of the economic activity is linked to seasonality, and their location on the periphery of our country—literally at the end of the line—places them on the periphery of the economy, bringing consequential social problems. The case we made, based on the evidence we received, is that what makes these areas distinct is the combination of industrial decline and geography, and that it is this combination of challenges that warrants dedicated attention and special intervention and support for those communities.

However, although the Government's response acknowledges that coastal communities are at a particular disadvantage, sadly it failed to give its support for many of the targeted interventions suggested by our report. The response indicates that the Government will act on some of our recommendations, including around transport costs for young people, accessing education and apprenticeships, and considering a town deal for Blackpool; and that they will consider the points we raised on coastal flood risk investment decisions, as part of the preparation for the next flood and coastal erosion risk investment programme, due to start in 2021. We clearly welcome these commitments.

The short introduction to the Government's response emphasises existing efforts to improve seaside towns, referring to the role of the 146 coastal community teams in providing coastal towns,

"the opportunity to think about what makes them distinctive".

However, we were clear that, to tackle the persistent issues faced by seaside towns, action and support is needed at all levels, from Government downwards and the community upwards. We welcome the Government's commitment to reinstate the cross-Whitehall official-level meeting, which we hope will help provide a more strategic approach to coastal communities' policy-making. There was, however, no detail provided on when these meetings would commence, how regularly they would

occur—they have not occurred for nearly 10 years—and what format they might take. A meeting in Whitehall is not a solution to the problems experienced by people living by the coast.

LEPs are tasked with playing a central role in determining local economic priorities and undertaking activities to drive economic growth and job creation, improve infrastructure and raise workforce skills within the local area. They should, therefore, have a significant role to play in the regeneration of seaside towns. However, we heard widespread concern that LEPs, in their focus on job creation and economic improvement, tend to favour building on known successes rather than tackling more problematic areas. We saw a significant opportunity, in the development of local industrial strategies, for LEPs to have a renewed focus on promoting economic growth in seaside towns and for greater collaboration between LEPs that cover coastal areas. We were, therefore, disappointed to see that the Government's response failed to acknowledge either the concerns raised by the committee about the support offered by LEPs to seaside towns or our recommendation for how this support could be strengthened.

Our recommendations on housing included a comprehensive package of measures aimed at tackling the distinct housing issues residents of seaside towns feel. These relate to the prevalence of poorly managed HMOs. The Government's response listed the tools that local authorities can use to tackle problem HMOs but failed to take into account the evidence we highlighted that suggested that local authorities in some areas feel that they do not have the resources to use those tools effectively.

Our report made a range of recommendations on higher and further education, highlighting the fact that limited access, in particular to FE and HE institutions, is severely restricting opportunities for young people living in coastal communities.

We welcome the Government's positive response on post-16 transport. We will be interested in the outcome of the plans laid out in the response for action at ministerial level to address the question of how to ensure that young people are not deterred from taking up apprenticeship opportunities due to travel costs.

We urge the Government to take note of the concerns the committee highlighted as to how well the apprenticeship scheme functions in some areas and sectors with high levels of seasonal employment.

Our report highlighted the shared prosperity fund as a key opportunity to help support coastal business development, particularly in sectors that are often fundamental to seaside towns, such as tourism and retail, and to tackle deprivation in those coastal communities. We recommended that any future plans around the operation and priorities of the fund must set out a clear indication of how our deprived communities will benefit. We also recommended that coastal local authorities must be consulted on how the fund might support regeneration in their areas. The response indicated that the Government,

"would welcome the views of coastal communities on how the UK Shared Prosperity Fund can deliver coastal regeneration, including responses from local authorities and Coastal Community Teams".



It would be helpful if the Minister could outline how the Government intend to ensure that the views of those living in coastal areas will be heard in this process and how those views will impact on policy development.

With regard to town deal and enterprise zones, we welcome the Government's commitment to consider a town deal for Blackpool. We feel strongly that support for struggling seaside towns such as Blackpool should involve a strategic approach between national and local authorities and LEPs to address the more intractable economic and social challenges that are causing persistent disadvantage.

The committee recommended that enterprise zones in seaside towns could offer these areas a package of place-based interventions, including financial and practical benefits for business location that could support long-term, sustainable change. As part of this, we also made a plea for arts-led regeneration, which we think the Government have ignored to a greater degree. The Government's response suggested that there were no plans for additional enterprise zones, and listed programmes such as the coastal communities fund and the coastal revival fund as measures already in place. Although these funds provide a welcome source of support for coastal towns, the report is clear that deprived coastal areas would benefit from a distinct package of measures aimed at promoting local economic activity to ensure that long-term, sustainable improvements can be achieved.

The report stands as a critique of current public policy, in so far as it exists, on coastal communities. It points to the real problems that continue to exist and have worsened over recent years in health, housing, economic prosperity, transport disconnection and education. It is a shocking fact that over the last seven years educational aspiration in coastal communities has regressed, with 27% fewer young people from coastal areas getting into university and no evident signs that training and apprenticeship opportunities have taken up the slack. Social mobility is lowest in those communities. There is real sense that seaside areas, the end-of-the line places we all love, are missing out on the wealth generated in our metropolitan centres and heartlands. Residents of such areas feel left behind. Given that some 4 million people live on the coast and that the coast is a major tourist opportunity for the nation, we need urgently to reverse many of the trends bedevilling coastal prosperity and social inclusion. Our report is a starting point and a way forward. I beg to move.

6.14 pm

**Lord Smith of Hindhead (Con):** My Lords, it was an honour to serve on the Select Committee on Regenerating Seaside Towns under the chairmanship of the noble Lord, Lord Bassam of Brighton. I pay tribute to the hard work and assistance of the committee's excellent clerks and staff. I must make reference to my various interests, as set out in the register, relating to the hospitality industry, since part of our deliberations related specifically to the important role which that industry plays in the life of many seaside resorts. I will limit my contribution to making just a few points and shall do so as promptly as possible, even with the luxury of an untimed debate.

The evidence we received during our work revealed that seaside towns faced three particular areas of challenge: the economy—jobs—infrastructure and education. During one of our evidence sessions, the economist Fernanda Balata from the New Economics Foundation said that what makes coastal communities different is their unique asset: the coastal and marine environment that surrounds them, and living in a 180-degree context. If policies could acknowledge this one priority, it would go a long way to creating better policy-making and support for coastal communities. It was these challenges and opportunities that the committee recognised and which were set out in our wide-ranging report, which covered so many different subjects, from health to housing and education to entertainment. Clearly, the problems of Blackpool are not shared by Bournemouth. That is not to say that parts of Bournemouth are not in need of assistance, but there is no single silver-bullet solution to every issue.

Part of the Government's general response to our report was:

"The Government will have invested almost £227 million in the Great British Coast by 2020 through dedicated programmes like the Coastal Communities Fund and the Coastal Revival Fund, to help generate jobs and boost businesses and bring iconic or at-risk heritage and community assets back into economic use. This investment is having tangible results in our coastal towns".

I acknowledge that our inquiry found that significant amounts of public funds were being spent. The problem I felt was that we found it difficult to establish how many jobs had been created and in what way businesses had been "boosted" as a result of these significant investments of taxpayers' money. Could the Minister come back to me on the percentage contribution to the local economy in terms of jobs and business support which these funds have provided so far?

Cutting through some of the negative statistics that the Select Committee heard in relation to the social and economic position of many, but by no means all, seaside towns, and avoiding the frustration I personally felt at the somewhat casual responses received to questions as to how public funds were being deployed, one positive aspect of assistance which had made a difference to other struggling towns was the establishment of enterprise zones as part of the Government's wider industrial strategy to support businesses and enable local economic growth. The Government mentioned enterprise zones in their response to our report, but I believe I am right in saying that in the list of current enterprise zones there is only one that could help a seaside town: Great Yarmouth.

I hope that the Government will consider further in the future my proposal that they might establish specific seaside town enterprise zones, or "seaside zones". Seaside zones, like other enterprise zones, would give clear financial benefits from day one. Seaside zones could be more specific in terms benefiting the hospitality industry, for example, which is one of the largest employers in the seaside economy, accounting for around one in seven jobs, as well as focusing on infrastructure and broadband to help develop business growth. Will the Minister undertake to look again at this proposal?

[LORD SMITH OF HINDHEAD]

I also propose that the way in which enterprise zones are currently awarded is thought through. The bidding process by its nature tends to advantage those towns which have a plan and a certain amount of leadership, rather than perhaps those towns which are in most need of the benefits of a zone. Are there any plans in the pipeline to review how enterprise zones are awarded? Will more seaside towns be considered in the future?

At the start of our report, details of the regeneration of New Brighton's Victoria Quarter are detailed. The committee was struck by this substantial seaside town project being undertaken by a privately funded scheme. While its ultimate outcome is unknown, the early signs of success are evident and we were impressed and persuaded that the project's characteristics were worthy of amplification. Indeed, they chimed with many of the elements of successful regeneration that we had already identified.

Daniel Davies, whom I know personally in his role as chairman of the Institute of Licensing, has financed this scheme under Rockpoint Leisure. He set out the familiar background of his home town. New Brighton had been a quintessential Victorian seaside town, flourishing until the 1960s. However, a decline in tourism combined with a range of other factors had seen the town's fortunes dwindle and its image suffer. Mr Davies explained that evidence suggested that the seaside towns which have seen most success in shaking off a negative image are those which have identified their special character and unique selling points. This did not, however, demand reliance on a generic seaside image, which is outdated in some respects and can be unattractive to a large part of the population who consider the whole world to be relatively accessible as a destination. Instead, people need a reason to visit their seaside towns and their motivation should not be dependent entirely on tourism.

On the specifics of the project in New Brighton, the proposal was to provide small, affordable business units and shared-space rental opportunities to encourage small, independent businesses and start-up ventures. The company has now acquired seven premises within the district of the town. All were previously closed and in varying states of dilapidation. Two hospitality venues and a retail venue are currently trading, with a further two hospitality concepts set to open later this year, in addition to a creative hub. To date, the scheme has created more than 100 jobs, with a large proportion of those recruited coming from the local area. Employment numbers are set to rise in 2020.

Much of this success has been due to entrepreneurial skill and the fact that a private individual has been prepared to invest money, but Rockpoint Leisure has also attracted partners in the public sector, harnessing local pride and energy to produce a theme of improvement and stimulating dialogue between all stakeholders to promote community engagement. Much can be learned from this New Brighton venture, which would clearly be an ideal candidate to qualify as a seaside zone if such a zone could be considered. Private and public partnership schemes seem to be the best solution.

When the private and public sectors are not engaged with each other, the rate of long-term success would appear to be low.

As we said in our report, visionaries made the seaside what it was. We still have the same entrepreneurial spirit within those communities. We need to harness that energy and local pride and combine it with effective investment from local and central government to deliver once again the needed improvements. In that way we can educate everyone who either does not know or has forgotten about the extraordinary quality of life and leisure time that can be had again beside the seaside, beside the sea.

6.23 pm

**Lord McNally (LD):** My Lords, my full title is Lord McNally of Blackpool and I am a member of the Blackpool Pride national advisory board and chairman of the Fleetwood Trust. I thank the noble Lord, Lord Bassam, both for his introduction to this debate and for the collegiate and constructive way in which he chaired our committee. I think that we sometimes think of the noble Lord rather as parliamentary enforcer from his days as Chief Whip in the Labour Party, but he led us with great good humour and only a minimal tendency to remind us of what he termed Brighton's "golden age", which seemed to coincide with his own leadership of Brighton council in the 1990s. I echo the thanks offered by both the noble Lords, Lord Bassam and Lord Smith, to our clerks and advisers as well as to Nick Ewbank, our specialist adviser, Beth Hooper, our policy analyst, and Robert Cocks, the committee assistant.

Sarah O'Connor, writing in the *Financial Times* in November 2017, stated:

"Blackpool exports healthy skilled people and imports the unskilled, the unemployed and the unwell".

Our report shows that that could have been written about many of our seaside towns. They faced a collapse of the old seaside holiday industry based on boarding houses for the families of the workers of industrial Britain. That collapse was compounded by a straitjacket of a benefits and housing policy which almost incentivised the slum landlord and burdened seaside towns with a concentration of social problems which, by their very nature, accentuated the spiral of decline.

Our report makes strong recommendations about the need for flexibility in national policy so that local authorities could offer bespoke solutions to the social and economic challenges they face. We also call for longer, more strategic assistance rather than a series of short-term, small-impact, penny-packet initiatives.

During our travels, we saw some bold and successful regeneration initiatives, often based on cultural investment, such as the Turner Contemporary at Margate and the Tate at St Ives. At Clacton and Skegness, we saw how investment in sea defences could be used to enhance the tourism offer. We received a wide range of evidence about the importance of transport links and investment in high-quality education and training as well as better digital connectivity. It was encouraging to see on our visit to Skegness how Butlin's was prospering by providing themed weeks and weekends for specific target audiences—something that could be imitated by other resorts. It

was also good to see the Butlin's company fully committed to a training programme for people wanting to make a career in the leisure industries.

Our report gives the opportunity for a well-coordinated, focused approach to the problems facing our seaside towns. As an example of the collegiate approach fostered by the noble Lord, Lord Bassam, when the committee started, the noble Lord, Lord Smith, and I were rather at opposite ends of the spectrum, with me looking to public intervention and him espousing private initiative. By the end, I think we were in close agreement that the partnership he mentioned in his speech is necessary for success, as, too, is the kind of initiative he cited in respect of New Brighton, where an individual with a commitment to the locality and a vision for the future can make an enormous difference.

Given its previous success, changes in holiday patterns together with the decline of the historical industrial base meant that Blackpool had a harder fall and was left with bigger problems. It is the very severity of Blackpool's problems which caused me to argue that giving Blackpool specific and concentrated help was not special pleading. Success in Blackpool could provide the template for dealing with similar problems in other coastal areas. Nor is Blackpool simply holding out the begging bowl. As we found when the committee visited the town, a strong partnership between the private and public sectors is having a major impact on investment and facilities. I look forward to the contribution of the noble Baroness, Lady Valentine, whom the Prince's Responsible Business Network drafted in to give help and advice. She has just finished her term there having had a tremendous impact on local attitudes.

We have seen in Blackpool new hotels, a new conference centre and new leisure attractions, including a new museum to celebrate Blackpool's unique place in the history of our entertainment industry. This morning, I heard about a plan for a national entertainment academy in partnership with Blackpool and The Fylde College and Lancaster University's creative arts department. That kind of vision means that Blackpool is very close to the tipping point between being part of the problem of our seaside towns and providing a template for their success.

At the end of the 19th century and the beginning of the 20th in Blackpool, a partnership between a progressive local authority and far-sighted entrepreneurs created 20th century Blackpool, with the building of the tower, the tramway, the Pleasure Beach and the illuminations. I believe a similar partnership now exists. That is why the committee supported the suggestion of a town deal for Blackpool. By blending existing work with new commitments from partners and government, a town deal for Blackpool would deliver a strong, holistic response to the town's needs.

As well as a positive Whitehall response, we must also ensure that government really is joined up, so that one department is not undoing the good work being done by another. For example, will the Minister press the Ministry of Justice to make an early decision on relocating Blackpool courts? MoJ delay is delaying the release of £300 million of private sector investment and the creation of 1,000 new jobs via the Blackpool

Central leisure development, in which the courts still squat. Can we have an early decision from the Cabinet Office, the DWP and the Ministry of Defence about the consolidation of Civil Service jobs in a new Civil Service hub in Blackpool town centre? That consolidation should include retention by the Ministry of Defence of the Norcross-based Veterans UK unit, which has been serving the social and medical needs of veterans for three generations. Individual departments have to look at the social implications of what they are doing, not just do a tick-box exercise. That will bring civil servants together in what looks like a logical suggestion but will have a devastating effect on an area such as Blackpool, which had and still has a massive concentration of civil servants' departments. I think I have told the House before that the first job I was ever offered, when I was 16, was in the land registry in St Annes. Who knows where I might have ended up if I had joined then? Probably at the land registry in St Annes.

One of things the noble Lord, Lord Bassam, did, in his collegiate way, was to offer us all an opportunity to write a little block in the report. Noble Lords will have seen that my piece is not about Blackpool but about Fleetwood. That is in part because, during our deliberations, the noble Baroness, Lady Whitaker, convinced me that the well-being of our ports should also be of concern. In my piece, and in the evidence we received when visiting Fleetwood Dock, we outline the problems that have hit Fleetwood over the past 40 years: the loss of the deep-sea fishing industry, the rail link and the ferry services to Ireland and the Isle of Man. These came on top of the other factors hitting seaside towns, already identified. Following the committee's visit to Fleetwood, I accepted the chairmanship of the Fleetwood Trust, a charity formed by local church, community and business leaders to restore the old and derelict Fleetwood Hospital as a community hub meeting social, health and community needs. It is a good example of a community making its own weather, and I put on record my thanks for the advice the noble Lord, Lord Mawson, gave us, drawing on his own vast experience, not least in Bromley-by-Bow. Associated British Ports owns a large expanse of derelict land around the old dock area and it is essential that the company shows social and corporate responsibility, as well as its profit motive, in discharging its responsibilities in determining how that land is developed.

Joined-up government and good private and public partnership are the essentials of regeneration success, which is why I worry about the plethora of bodies one has to negotiate with. Is this a matter for Whitehall or the LEP, for the county council or the local council? In the 1960s there was talk of a city of the Fylde between the Ribble and the Wyre. Certainly, it will need a sense of vision and a certain generosity of spirit between the Fylde coastal bodies to maximise the benefits of any central government initiative. I put on record here my thanks to the Prince's Trust and the Prince's Responsible Business Network for the help they have given both Blackpool and Fleetwood in this respect. I was less impressed, on our visit, by the Duchy of Cornwall. We were shown a very impressive housing estate, but I did not leave Cornwall with the feeling that the Duchy was showing the kind of leadership I had expected in the

[LORD McNALLY]

area. Likewise, the Crown Estate could show a lot more responsibility, considering its interests in seaside assets.

I give the last word, however, to the estimable Sarah O'Connor of the *Financial Times*. Following our report she wrote a second article, reflecting on what we had said, in which she said:

“Real solutions to the problems would include more long-term funding for health, education and social care in seaside towns that reflect the complex needs of living there; physical and digital infrastructure investment; and power and resources for local people to reform their economy and housing markets”.

I could not agree more. We are about to have a new Prime Minister. The Duke of Wellington, when he became Prime Minister, came out of his first Cabinet meeting and said that it was all “Talk, talk, talk”. I think we need a little more from the new Administration. I prefer Churchill’s “Action this day”.

6.36 pm

**Baroness Bakewell (Lab):** My Lords, in speaking to the report by the Select Committee on the future of seaside towns, I wish to focus on two aspects of our inquiry which had most significance for me. I was a somewhat wayward member of that committee, absent unavoidably from several of its sessions and unable to join many of the specific visits, so I pay tribute to the unqualified concentration brought to the committee not only by its chairman, the consistently committed and well-informed noble Lord, Lord Bassam, but by its diligent and focused members and its excellent and sympathetic staff.

First then, education. I had the chance to chair an afternoon round-table discussion among schoolchildren in Skegness. They loved their home town. They were lively, enthusiastic and hopeful for their futures. But problems soon became evident. All seemed well enough until they began to plan for their jobs. Skegness is not alone among seaside resorts in lacking adequate higher education opportunities. What is more, transport to reach the nearest such opportunities is poor and costly for young people. Rail connections are few—Beeching devastated Lincolnshire. People struggle to get from Skegness to the county town of Lincoln. There is an hourly bus service that takes two hours. From Mablethorpe, the journey—five buses a day—also takes two hours, with a change of buses at Louth, or there is an hourly service via Skegness, taking three hours and two minutes. These lengthy times are all within one county.

In its evidence, Bus Users UK highlighted the problems this creates for young job searchers across the country. Some 23% of 18 to 24 year-olds responding to its survey cited the lack of a suitable bus service, often aggravated by local authority cuts, as a key barrier to finding jobs. Our report found that inadequate transport connectivity is holding many coastal communities back and recommended that the Department for Transport prioritise improvements to the coastal transport system. Unfortunately, the Government’s response is feeble, throwing the responsibility back to various local authorities. Our further suggestion that the Government fund local authorities to provide full

public transport costs for post-16 students in coastal communities had slightly more success. We were referred to the 16 to 19 year-old bursary fund and the intention to launch a consultation on how it might one day help with transport—by which time it will of course be too late for the young people round the table in Skegness.

Their chances of higher education need major attention—we have seen the difference that the University of Sussex made to the economy of Brighton. Of course, that is not going to happen in many seaside resorts, although the chance of having outlying hubs of learning from inland universities should not be dismissed. It is all the more important that online, part-time and distance learning get strong government support—suggestions endorsed by the recent findings of the Augar report on post-16 year-old study. This would of course be enhanced if the Government seriously addressed the shortcomings in the availability of wi-fi in many communities. We were discussing this six years ago when I sat on the Communications Committee. Progress is sluggish. Why?

My second interest is in the arts and entertainment. I recently had the pleasure of presenting Worthing with the pier of the year award—I am one of the patrons of the National Piers Society. At that event, the mayor emphasised how much the pier and its theatre contributed to the town’s identity and appeal. This is so for the approximately 50 piers around England and Wales. Many of them are thriving: Cromer, Clacton, Southend and Deal are all enjoying new investment. Individual entrepreneurs—the kind of people referred to by the noble Lord, Lord Smith—take a personal delight in making them a success. Councils are keen to help but struggle to find funding. Piers remain a ready-built, attractive and popular destination for thousands of visitors. They deserve more support from heritage funding.

More broadly, we heard how the arts in general help to regenerate and rejuvenate a coastal resort. The south coast is known for what the Arts Council has referred to as its string of pearls: art galleries stretching along the south coast from Margate, Hastings and Bexhill to Eastbourne, are all thriving. Artists looking for affordable studios are coming in increasing numbers to such seaside resorts and are themselves becoming a hub of cultural activity. St Ives is perhaps our most celebrated and long-term success. Margate is another. Deal is growing in popularity too. It is a spontaneous social movement that is making such resorts more popular in general.

It is a given for investment by the Government, and they can already see the benefits such investments are bringing. I urge them to grasp the opportunities so evident in this field, seize the day and make seaside resorts the destinations we want to visit in ever greater numbers.

6.43 pm

**Lord Best (CB):** My Lords, I congratulate the noble Lord, Lord Bassam of Brighton, and the whole of the Select Committee on their excellent report. It is a brilliant and comprehensive analysis of the issues affecting our seaside towns and a road map for the positive changes that could transform these places.

I will say something about housing in coastal towns, which is covered by chapter 5 in the report, which notes:

“Issues relating to housing emerged as one of the most prominent concerns voiced by coastal towns”.

Many of the housing concerns in the seaside towns are the same as those elsewhere. Their problems are national ones; most prominent is the need for many more homes that are decent, secure and affordable for those who need them. As elsewhere, what is needed will not be met by reliance on the oligopoly of volume housebuilders providing their standardised homes so profitably on out-of-town greenfield sites. Coastal towns, just like other places, require investment in regenerating what is already there, utilising brownfield sites and bringing existing homes up to decent standards.

Many of the Select Committee’s recommendations call for central government to eschew national, one-size-fits-all policies and give local authorities greater flexibility to prioritise what councils see to be the best approaches locally. This definitely goes for housing, and I strongly support all the committee’s housing recommendations. I will pick up just one aspect of these tonight and target it under the broad heading of devolving decision-making. My chosen single issue is the subject of the Select Committee’s recommendation that,

“the Government implements changes to the system for the calculation of local housing allowance rates in areas with high densities of HMOs”—

houses in multiple occupation—

“to ensure it more accurately reflects local market rents”.

Dull and technical this certainly sounds, but herein lies an enormously important matter that the Government’s response to the committee has not covered.

I had the real pleasure of visiting Blackpool in March and was greatly impressed by the commitment, energy and determination of the council’s staff handling housing matters. I was equally impressed by the team from the council’s subsidiary body, the Blackpool Housing Company, which is doing fantastic work acquiring and upgrading truly awful redundant tourist accommodation. However, I discovered that, like many other seaside towns, Blackpool’s efforts are being hopelessly undermined by the way the housing benefit system is operating there. The system, based on local housing allowance which sets the figure that the DWP will pay in housing benefit to cover rent, has incentivised the worst kind of landlord to buy up and let out really appalling slums while simultaneously making it impossible for the council and its partners to upgrade the quality of the housing in central Blackpool. How has this situation come about?

The local housing allowance, LHA, fixes the level for housing benefit payments at the rent being charged for properties in the cheapest one-third of all rented properties that are located in that broad rental market area. Because Blackpool lies within a broad rental market area that covers a number of more upmarket locations, a high proportion of all Blackpool’s rented housing falls easily within the 30% cheapest of the whole area. Moreover, this very unsophisticated local housing allowance does not distinguish on the basis of space standards or the condition of the property, so a

tiny flat in dismal condition in a dilapidated terrace has the same local housing allowance—which housing benefit will cover—as a decent apartment in a restored avenue.

Nor does the allowance pay any regard to the quality of the management and maintenance service: the absentee slum landlord is treated in the same way as the most conscientious local landlord. As an example, a minute one-bedroom flat in Blackpool in a property divided into eight such units commands a local housing allowance of £85 a week; £680 per week from the DWP for the whole house, with no improvements and no maintenance. Conversion by the Blackpool Housing Company into four decent one-bedroom flats let at market rents would produce half the income for infinitely better appointed and managed accommodation. Because rogue landlords—I was told that a number of those coming into town pay for their properties in cash—can get such a high return, they will always pay more for those properties than responsible, decent providers. The Government’s housing benefit is fuelling the business of disreputable operators and preventing real solutions.

In other parts of the UK, the LHA figure for housing benefit causes quite different problems, greatly compounded by a freeze since 2015: in so many places the LHA level is lower than actual market rents for virtually any available property, so there is a gap or shortfall between the payment obtainable from the DWP for rent and the actual rent that must be paid. The tenants reliant on the state in these places must cover this shortfall from their other benefits, which were meant to be for food and heating, et cetera. But this shortfall is not the problem in many seaside towns, with their legacy of cheap, run-down guesthouses and B&B properties. Rather, in Blackpool and similar towns, your rent will be fully covered, making these places magnets for DWP claimants and a place for other councils to send their vulnerable claimants. Every year, around 5,000 households eligible for housing benefit move into Blackpool, many of them with personal problems—of physical and mental health, drug abuse or alcoholism. Blackpool’s suicide rate is the highest in the country. A system that concentrates the most vulnerable in one place and incentivises this trend into the future is a disaster for that place’s health and well-being.

Of course, I greatly encourage councils to use all their powers to enforce proper standards; government has recently introduced some tough extra measures to enable local authorities to tackle rogue landlords. However, this is attacking the problem after the event, not preventing it, and reductions in funding for local authorities and the priority that must go to social care and other essentials has meant cuts in personnel, including environmental health officers and trading standards officers. Enforcement against bad landlords will not be enough while the housing benefits system continues to undermine all the council’s efforts.

The solution for Blackpool and other seaside towns is to make this local housing allowance truly local by engaging with councils such as Blackpool to set the LHA level dependent on the market within the specific locality, and the property’s condition, space standards, management and maintenance. The intention must be

[LORD BEST]

to remove the current incentives for the very worst kinds of landlords who concentrate as many vulnerable people as possible into appalling conditions, and instead to create a level playing field for the vital work done by social landlords and other not-for-profit and genuinely responsible operators so that they can transform these seaside towns.

6.52 pm

**Lord Knight of Weymouth (Lab):** My Lords, like other members of the committee, I thank my noble friend Lord Bassam—briefly, but with feeling—for the wonderful way in which he chaired the committee, and I thank the staff and the other members of the committee for giving me an enjoyable nine months exploring this subject and for a useful report that does the House some credit. It is also a great pleasure to follow the noble Lord, Lord Best, who brings his great expertise in housing and saves me from having to talk about it, because he has said it all. As a committee, we all had his insights from his visit to Blackpool. I want to underline his comments for the Minister, who I could see was listening carefully, and who I hope will pass those insights back to the department.

Around two years ago, my son told me that he had received messages on Facebook from his former classmates at Wey Valley School in Weymouth. They had left 10 years prior to that. There was an attempt to get a class reunion going, using a private group on Facebook. Fergus said that this gave him a chance to find out what all his classmates were doing. He said that everyone who, like him, had done A-levels over the hill in Dorchester had now gone on to university and left Dorset, and they were not coming back. I asked about the others. The person who had instigated this was one of the more enterprising young men in his class, and, like all the other enterprising men who were still in Weymouth, he was a personal fitness trainer—the enterprising job of choice. The other young men, who were slightly less enterprising, were dead, in prison or on benefits. The young women who did not get over the hill to do A-levels in Dorchester were all mums with two or three kids, and they did not have a class reunion, because £10 was more than they could afford for an evening out.

That told me a story, fairly graphically, of the social mobility problem in a town such as Weymouth, where, incidentally, as the report says, all the secondary schools are now in a below-average Ofsted category and are struggling. It has reinforced a sense that we need to focus more on community-level social mobility rather than just focusing on what education can do for individuals. At heart, that is what this committee was trying to get at. To achieve that, you need more population diversity than we get in a place such as Weymouth, where those struggling with disadvantage are to some extent crowded out statistically by an elderly, asset-rich population; they have their own problems, which I do not want to belittle, but they skew some of the statistics. That community and others like them around our coast also need economic diversity, away from the old bucket-and-spade, stag-night economy into something that, in the end, offers graduate-level employment. We will not regenerate these places

without an offer that will entice some of Fergus's classmates back to Dorset, or people like them back to Weymouth.

The problem is that these places are on the periphery of the economy and their problems are dispersed. My noble friend Lady Bakewell talked about the string of pearls—whatever they are, they are a string of issues. If they were concentrated together, we would all know about them a lot more. To some extent, they are concentrated in Blackpool, which is why the media picks on Blackpool unfairly. But that dispersal makes them easy to ignore. How will we get those aspirational, graduate-level jobs and careers? It is about culture, decent coffee and places to get nice food, a night-time economy that suits such people, and—if they are then going to have families—decent schools and health facilities.

These areas have a positive offer for quality of life. There is a fantastic quality of life in Weymouth and those other communities around the country. They also have cheap housing, but that is also a negative, because that is what has brought in those rogue landlords the noble Lord, Lord Best, talked about. From my experience as a constituency MP in South Dorset, what follows for the people living in those concentrations of houses in multiple occupancy is a terrible quality of life due to neighbourhood nuisance caused by some of the problems of those places that spill out. The classic regeneration solutions of residential planning gain or getting an anchor retail development do not quite cut it because of the periphery and because in a lot of these places the land values are not there to drive much commercial development.

To my mind, the answer is around the place-based approach that the report talks about, but led by education. Of course, I am biased—your Lordships will be aware of my interests in education, particularly as I work for TES Global. But I see the future—we are talking about the future of these places, not the halcyon days of the past—and it is in human capital development. That is what education is all about; the future economy will value human capital. We need to build talent pipelines in these places and not have education systems that are funnels which filter people out. The disadvantaged will always lose out from that filter. Bear in mind what employers are now starting to do when they hire; they are moving away from filtering on the basis of educational qualifications and starting to use talent analytics to work out what people can do, not accepting certificates as proxies for what they can do. That presents opportunities as well as challenges for the established status quo of education.

Where should we go in education? First and foremost, we need to focus on adult skills. There are great talents latent in these communities that need to be brought back in through a proper adult skill system. I would love to see a return to individual learning accounts—obviously, on a fraud-free basis.

We need a revival of part-time higher education. What has happened to the Open University, thanks to the way the funding system has been constructed, is a tragedy for such places. We need decent connectivity so that online learning, such as FutureLearn, run by the OU, can help in those places. We need integration

with further education. We need apprenticeship ladders into the sectors that can offer aspirational graduate-level employment, so that a degree apprenticeship can be developed for sectors such as tourism and energy production with a sense of pace.

We also need a balanced curriculum in our schools, because employers are frustrated by our narrow focus in the school system. There is an obsession with the academic, with cognitive development at the expense of social and emotional development. That comes from study of the humanities and creative subjects, from more application of knowledge as well as its development. That is what employers want. We see that in the UTCs—the Scarborough UTC is mentioned in the report—and some of the innovative higher education development in places such as Coventry and Scarborough. That is very much to be welcomed.

The Government will say—I have read their response—that they are doing some of that place-based work in education through the opportunity areas. I was disappointed by the copy-and-paste approach from the Department for Education in the government response. It read just like a bunch of lines to feed to Ministers for questions. Instead, we need something that tries properly to understand what the committee was getting at.

There is freedom to innovate and I would love to see that deployed in our coastal areas to build collaboration, more vertical integration between school and further and higher education, an opportunity to remodel our teaching workforce around a different, more practical curriculum, that workforce enhanced by technology and able to do things previously inconceivable pedagogically, because they are being fed the raft of information that technology can now give teachers in the classroom. That innovation—that freedom from regulation and the stranglehold of our accountability system—in places such as Weymouth, where all our secondary schools are fundamentally struggling, would be a real liberation and a basis for the sort of coastal challenge strategy that the committee is after.

All that needs leadership, and others have talked about the need for leadership vision. Teach First was kind enough to bring some teachers up to Westminster to meet us, and we met one from Weymouth, who has come back to Weymouth having been brought up there. That is the only reason she came back as a graduate: she came to work in that seaside town because that is where she grew up. She was familiar with it, she knew about the quality of life, she knew she could get cheap housing and had already bought her first house. She was an example of the great offer for professionals, but she came back only because there was public sector employment.

We can get this right for seaside towns. We have a hugely divided nation at the moment. We need to give people on our periphery hope. If we can get it right for our seaside towns, we can get it right everywhere. Let us deliver the place-based approach and devolve power to leadership—be it private, voluntary or public sector—in those places so that they can get on and lift their communities.

7.04 pm

**Lord Beith (LD):** My Lords, following the wise words we have just heard, I want to take you on a journey of nearly 500 miles from Weymouth to Berwick-upon-Tweed. I am fortunate to live in the beautiful, historic seaside border town of Berwick-upon-Tweed, and this valuable report examines many of the problems our town and many other seaside towns face.

We do not have the problem of a transient population and multi-occupied housing on the scale of Blackpool—I am fond of Blackpool from both childhood and party conferences, which I regret to say no longer happen there. I still have a great regard for Blackpool and recognise the seriousness of the problem. But we have all the other problems: seasonal employment, low wages, educational disadvantage, remoteness from medical services and the problems of being at the end of the road. In our case, the road is the A1, with still no plans to dual it the whole way to Berwick, although it is largely dualled on the Scottish side of the border.

I am glad that the report refers to what it describes as the 180 degrees factor. If you draw a circle to show the catchment area of a seaside town, the area on which it can draw from local trade, jobs and services is only a semicircle, because half of it is in the sea. In Berwick's case, for public services, most of that semicircle does not count either, because it is on the Scottish side of the border and there is now an artificial barrier to access things across the border. That population is not counted in planning local service provision.

I must pay tribute to what local volunteers have achieved in making our town more attractive than ever to residents and visitors alike, drawing in public funding to do so. The Coronation and Castle Parks in Berwick have been wonderfully restored. The Maltings arts centre is a great cultural and entertainment asset, and the traditional Victorian resort amenities in Spittal have been beautifully restored and maintained through the work of the Spittal Improvement Trust.

That is what the report refers to as, “the restoration and enhancement of the public realm and cultural heritage assets through capital investment”. A lot of it has been done by volunteers and backed by local small business.

In this context, I mention another small Northumberland seaside town, Amble. It was a friendly but declining former coal mining and coal-exporting town, but now it is a lively and popular place to live and visit, with many small craft and food businesses, making Amble Harbour Village a growing attraction.

Berwick's economy benefits greatly from tourism, probably much more than it did in Victorian times, particularly because of the large number of visitors in the caravan and holiday parks in and near the town and the increasing number of holiday lets, although they create housing problems of which the noble Lord, Lord Best, is aware.

Tourism can contribute even more if we get investment in underused attractions, such as Berwick's early 18th century barracks. New funding initiatives such as the tourism deal and the Borders growth deal, a cross-border initiative, need to include not just very big projects near centres of population but projects in more isolated seaside towns, where a little can achieve

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a lot. I hope it is understood by the north-east local enterprise partnership and the combined authority, in their bid for funding for a tourism zone in the region under the Government's tourism sector deal, that those small communities need to share in those projects, because it all seems a bit remote from us. Northumberland County Council, in evidence to the committee, warned of too much emphasis on honeypot sites in VisitBritain's work, with not much trickle-down to seaside towns.

However, the future of seaside towns is not just about tourism, important although it is: it is about deprivation, underprovision and lack of opportunity, and how we tackle them. It is about young people leaving the area because of our lack of opportunity, and consequently limited aspirations and low wages for those who remain—a point to which a previous noble Lord referred.

The only population growth in our area is from people who retire to the area, attracted by its beauty and lower house prices. Many are active contributors to the life of the community and to the very volunteer initiatives I spoke about earlier, but they cannot replace the lost generation of young people. In many areas, the presence of a university or college brings more young people into the area, some of whom stay, which in turn increases the opportunities and aspirations of local young people.

I cannot think of anywhere in England as far away from a university or further education college as Berwick-upon-Tweed. The report refers to limited access to education, in particular to FE and HE institutions, which severely curtails opportunities and dents aspirations for young people in some coastal areas. That is our story; it is very much what we experience. In paragraph 148 the report accepts that there is never going to be a bricks-and-mortar offering of higher education in every coastal town. No, but no town should be as far from such things as Berwick is. A higher education presence in the town, and a bigger further education presence—given that at present there are only elements provided by a distant college—would be hugely beneficial. We also need a new-build and newly administered high school. Academy status did not solve the problems of Berwick's only post-13 school, and in some respects made it more difficult to secure the improvements needed. The target investment recommended in the report for secondary schools in seaside communities is certainly needed in Berwick.

Post-16 transport, which the committee refers to, has been a great problem for us. The only alternative to the local high school that became an academy is to go to a very distant further education college in Newcastle or Ashington. When the Liberal Democrats were running the council as a minority administration, we introduced free transport for those journeys. The next administration removed that provision, and it is time that we went back to dealing with the denial of opportunity that that means. There is no comparison between the position of someone within cheap or free daily travelling distance of further education and someone deprived by the very high cost of getting to a distant college.

Local authority funding in general affects the provision of so much in seaside communities. We all know how severely it has been restricted in recent years; it threatens

many of the services on which we depend. Capital funding of projects has an important part to play in restoring and increasing the community assets of seaside towns, but it cannot replace the day-to-day funding needed to provide essential public services as well as to maintain and make use of those assets. There are few things more frustrating for seaside communities than to see restored facilities falling back into decline because the funding to maintain them or to promote continued activity in them has dried up.

We see similar issues in the National Health Service. We are awaiting a long-promised new hospital, but the issue for local people will be whether it is funded well enough to provide the widest range of health services that can be provided safely locally, since we are 50 miles from any of the main hospitals.

When you live in an attractive seaside town, you have great opportunities to enjoy the scenery and the presence of the sea, but that is not sufficient compensation if you need, and do not have, many of the opportunities and public and social services which, if you live in larger towns and cities, you can rely on or even take for granted. I do not think the Government's response goes far enough in tackling these unfair disadvantages of many seaside communities.

7.13 pm

**Baroness Wyld (Con):** My Lords, it was my pleasure, too, to serve on such a thoughtful and solution-focused committee. I congratulate the noble Lord, Lord Bassam, for chairing the committee in such an open-minded and collaborative way. On a personal note, if your Lordships will indulge me, this was my first time serving on a Select Committee and I am particularly grateful to the noble Lord for his encouragement and support as I learned the ropes. I assure my Front Bench that I did my very best not to agree with him too often. Our clerks were absolutely first class and a pleasure to work with; I extend my thanks to them too.

The inquiry was important to me at a personal level, as someone who spent childhood weekends at Newbiggin-by-the-Sea—not quite as far up as the noble Lord, Lord Beith, but the proud north-east, all the same—and regular summer holidays in Blackpool. I know that I can never compete with the noble Lord, Lord McNally, in his love of Blackpool; but, when we went on our highly informative fact-finding trip last September, it felt like only yesterday that I was heading back to our guest house on Reads Avenue, on a high after meeting Keith Harris and Orville.

As the political world raged around us on all sides, it was a relief to focus in depth and in detail on ways to allow all our fantastic seaside towns to prosper. Some of them are really prospering, and thanks to excellent local leadership and innovative ideas have responded to change and remain exciting, dynamic places to be. Those that experience social and economic difficulties are certainly not lacking in things to be proud of, as we heard from some inspirational young people we met who were working in Blackpool Tower.

We have a balancing act to perform, here, as the noble Lord, Lord McNally, alluded to. We must not fall into the trap of pushing out solely negative messages:



how utterly demoralising it is for young people growing up in towns that are talked about purely in terms of problems. Every town that we heard about or visited had many things to be proud of, including the way in which many of them are tackling difficult legacy issues. While Westminster and Whitehall too often talk in terms of strategies and processes, our most impressive evidence came from those with a people-focused approach. In the report we highlighted a dynamic GP in Fleetwood, who gave us a very impressive overview of a community public health campaign he had spearheaded with colleagues, which delivered tangible physical and mental health improvements for many local residents. What sticks in my mind is his insight into why it worked so well: because people were supported and encouraged to own their own improvements, they became the do-ers, rather than the done-to.

This, for me, is the key to turning around the communities that face particular socioeconomic problems. To be clear, it is not an abdication of responsibility on the part of government. On the contrary, it is about the need to be much clearer about and more focused on how and where support is given to towns. While I agree that Whitehall needs to be far more joined-up—although we say that in every debate we ever have—our recommendation that the Government reinstate a cross-Whitehall meeting about seaside towns comes with a caveat from me. Be very clear about what the centre can and cannot deliver. Take swift action where clearly needed. We have heard about a number of policy recommendations at a central level, all of which are sensible. But the Government's job is to empower, rather than micro-manage, local communities; we can be more diligent, first, and then more creative in how we do that.

On diligence, I would like to see a much clearer evaluation of the outcomes of distribution of public funds and the plethora of strategies, deals and zones we have heard about. I support the point that my noble friend, Lord Smith, made about that. We often had to push too hard when we were taking evidence from departments and public bodies to get concrete examples of successful outcomes. A more joined-up, cross-government approach can address this, but lines of responsibility must be very clear: who is going to grip this? And of course, the political will must be there. I believe that it is, but we need to see direction from the very top of government from day one of the next Prime Minister taking office, whoever is chosen.

We can also be more creative, though, and work harder at thinking about policy from a people-centric approach. Of course, the committee addressed some critical issues such as housing, transport infrastructure and broadband, all of which are fundamental to unlocking potential within many of the towns we discussed. However, as the noble Lord, Lord Knight, pointed out, structural improvements will not by themselves turn around a lack of confidence in young people who have never seen anyone go out to work. Better broadband and transport links will not in themselves give a mid-life or older person the confidence to retrain, or give anyone the courage to try a new venture and achieve the entrepreneurial spirit we talked about. Hard policy interventions will not end the sometimes snobby attitudes

to the hospitality industry which mean that young people do not know about the brilliant opportunities for fast career progression.

For that, we need campaigners, role models and an education system that has the resources, the space and the contacts to prepare young people and support older people to find and work for the best employers, and to aspire themselves to be the best employers. In their response, the Government recognised the need to attract outstanding teachers to seaside towns and set out a number of pilot initiatives on offer, albeit limited to certain subjects. I agree to some extent with the points that the noble Lord, Lord Knight, made: it did feel like a slightly piecemeal approach. I hope that the Government will act quickly to assess the success of the initiatives and extend them if they are demonstrably driving up numbers. I am by nature very cautious about calling for more taxpayers' money. If ever there is a case for investment, though, it is in people who open up the world for others.

Of course, there is also an onus on local education and business leaders and other employers to work more closely together to provide exposure to opportunities in the world of work at an earlier age. Something that annoys me in politics and in debates such as this is when people talk about areas that are economically deprived and say, "There is real poverty of aspiration". It is hard to aspire to something if you cannot even see what is on offer and how the world is changing. We should not believe that these people are any different from us or that they do not want better lives for their children; we need to open that world up to them.

On that point, we were forced to ask ourselves whether we are educating people to stay or to go. If we get things right, people will stay, or leave and come back, or leave—but, crucially, to be replaced by others who want to work in a vibrant, thriving community. In theory, the fourth industrial revolution should be a great opportunity to reinvent and revitalise: base yourself anywhere, set up a business in an area of great beauty, teach and bring up children by the sea, and stay close to your extended family, or come back to them. I urge the Government to pick up the pace because I genuinely believe that for our seaside towns, based on many of the inspiring local leaders and local people we had the pleasure to meet, the sky can be the limit.

7.20 pm

**Lord Pendry (Lab):** My Lords, I was a member of this Select Committee for a short time, during which I heard its members, under the chairmanship of my noble friend Lord Bassam, set about producing the report before us. I express my admiration for my noble friend and the committee—indeed, for all those responsible for this splendid report and its recommendations.

Over the years, there have been many notable reports on the problems facing our seaside towns—for example, by the British tourist authority, Sheffield Hallam University and others—but none as comprehensive as this one. As someone born and raised in the seaside towns of Broadstairs and Ramsgate, I witnessed their highs and lows—problems also witnessed in one form or another in seaside resorts up and down the country after the Second World War. In the case of Thanet, it

[LORD PENDRY]

was mostly day-trippers from London that brought prosperity to the town's hoteliers and amusement industries, until the early to mid-1950s—not the 1970s, as some say—when there was a dramatic decline in that prosperity: working-class people, finding more money in their pockets, discovered the affordable summer climates of Spain, France, Portugal and other places, leaving the Thanets of this world unable to compete.

Today, as the report demonstrates, the challenges for our seaside towns have grown immensely. The social deprivation levels in many are becoming more manifest, as a combination of long-term industrial decline and a lack of support for housing, educational opportunities and infrastructure have left communities sidelined and largely ignored. Successive Governments have largely ignored or failed to see the problems that have mounted over the years, but the report points to some key ways in which Governments of whatever persuasion can start to rectify the ills of yesteryear. The committee's recommendations for greater support for the tourism industry in those towns that rely on it, diversification for other towns and renewed investment in housing, education, and physical and digital infrastructure are very welcome.

The need for such investment is particularly pressing in the light of the austerity measures that we have seen imposed on our more deprived coastal areas. While seemingly giving generous grants with one hand, with the Coastal Communities Fund, the Government have taken away with the other, leaving local authorities in coastal towns forced to compete with each other for the funds that are available. It is particularly welcome to see the committee recommend that, in moving forward with a potential tourism sector deal, the Government give full account to the important role played by seaside towns in the tourism industry.

It is often said that the industries of tourism and hospitality have not been as active as they might in putting their case, including that of the seaside towns, before central government. A good deal of that stems from the fact that these industries are fragmented, without a central body to fully represent their needs. I know that it is an old chestnut of mine, stemming from the days when I was the shadow Minister for Sport and Tourism, but I argue now, as I did then, that until there is a Cabinet post for these industries, providing a powerful voice at the centre of government, the real strength of their case, including for seaside resorts, will not be heard or acted on.

These industries provide much to our economy; our brilliant Library kindly supplied me with the figures to show this. The Department for Digital, Culture, Media and Sport reported that, in 2017, the tourism industry contributed £67.7 billion to the UK economy, accounting for 3.7% of UK gross value added, and that, in 2018, it provided an estimated 1.6 million jobs—4.7% of all UK employment. The hospitality industry is the third biggest employer in the UK, providing 3.2 million jobs directly and a further 2.8 million indirectly; in 2017, the industry likewise generated more than £72 billion in GVA to the UK economy. These are strong industries with great potential on which many of our seaside towns depend. I hope that this report will be an important step forward in raising their profile in the

eyes of government, for I cannot believe that, given the right leadership, this important sector will be denied a seat at the top table.

What cannot happen is for the Government to respond, as we saw in the report, by merely saying that they will carefully consider these recommendations then, as so often happens, seldom enact many of the proposals contained within. Our seaside towns have been pushed to the periphery for too long. I very much hope to see strong action from the Government to implement this committee's esteemed road map for regenerating our coastal towns. My noble friend Lord Bassam and his committee have made a positive and compelling case for this important sector of our tourism and hospitality industries to be taken more seriously by government.

7.27 pm

**Lord Mawson (CB):** My Lords, I thank the noble Lord, Lord Bassam, and the clerks for a very well-run committee. It was an enjoyable experience. We did some very useful digging into some of the issues faced by our seaside towns. It is one of the better committees that I have sat on. The amount of interest from local communities across the country and in the media was encouraging. The visits programme was particularly useful and instructive.

My colleagues and I have spent 35 years on the inside of the regeneration game. We have lived through and engaged with eight different Governments and tried with them all to be practical and pragmatic, building working relationships and making things work. In committees, we have not sat on top of the machinery, reading papers and looking down; we have purposefully placed ourselves in the middle of the machinery, and tried to join it up and make it work. We have the long view from the inside and the grey hairs to prove it.

We have also stayed focused on one housing estate in east London for all this time, so we have seen first-hand what happens as endless three-year policy initiatives pass through the poorest and most challenged communities in this country, with the latest bright idea from a Minister intent on making their mark. Of course, they never stay around long enough to see the consequences of their actions. We have many successful regeneration projects—some small, some very big—under our belts in the real world. The organic people-focused approach that helped us to get them there looks like the approach taken in the mythical town of Seaminster.

In Bradford we are bringing together with the local community a £22 million, 24/7, health, leisure, enterprise and community cluster development opposite the local teaching hospital in a mainly Pakistani area that has all the challenges we have been looking at in coastal towns. The Seaminster approach, or something similar to it, is one that we are trying to encourage. It starts with people and relationships rather than process, strategy and consultation so favoured by our civil servants.

It is interesting, if you move beyond the usual ideological rhetoric that so often in practice undermines communities such as these and initiate an entrepreneurial culture focused on the principles set out in our report, how quickly key players in the local community—the

teaching hospital, the council, the business community—turn up at your door and start to create what we call a “sticky ball” that money, opportunity and people can start to stick to and connect with. We call that approach communities in business as distinct from a community in committee. I declare my interest as chairman of the Social Business Well North enterprises.

My reflections today are concerned with the inner workings of this regeneration machinery, the inside view. My colleagues and I have come to the conclusion that large parts of this government machinery are fundamentally not fit for purpose in a modern enterprise economy. The noble Lord, Lord Best, illustrated an aspect of this in his helpful presentation on housing. We have seen a lot of evidence that confirms this, yet on the ground in practice it seems that little changes.

The insights given to us by Chris Baron, the resort director of Butlins in Skegness, with his 500,000 visitors a year—the biggest private sector employer in the area—focused our minds. He told us of the key role his business played in supporting local employment, skills and training, and of his ambition for the company to offer more people more work across 52 weeks of the year. Yet recent changes in the national apprenticeship scheme were presenting real challenges. The basics of the scheme the Government had created did not work for him. I have heard this from other business people across the country. The latest national apprenticeship scheme—which could if it worked properly make a massive difference for the employment of young people in the town in an impressive business—was in practice preventing the very relationships that he needed to make it work.

We were also told by the public sector committee that we met in Skegness that there were real challenges in working with partners at a national level; that national objectives, frameworks and guidelines did not always fit with local need; that there was a need for recognition of the length of time that development projects take and that those involved need to be able to plan over the long term. They of course failed to tell us, though, that every school in the town was in special measures. These disconnects are serious for the next generation.

A retired and disillusioned chartered engineer from Hornsea told us in his written evidence, which captured his frustration:

“We need our ‘stolen’ infrastructure to be restored before this area can be regenerated. Whilst as individuals we do our best, the local council does not encourage cooperation”.

Just after our report was launched I was rung up by a BBC journalist, Polly Weston, who had been given a brief to choose any postcode in the country and just turn up and see what was happening. She had landed in Ferryside, a small coastal seaside town in Wales. She had been listening online to our committee’s deliberations and was interested in the points I was making about the disconnects that were taking place across siloed governance structures, particularly in this case with regard to the Coastal Communities Fund. When I described our experiences over many years of the disconnects in the machinery she told me that this was exactly what was happening in Ferryside with the Coastal Communities Fund.

An academic who had recently moved locally was good at filling in government grant forms. He played the game and ticked all the boxes and secured a great deal of government funding. The programme, called the Patch, then takes you through the realities of what then happens on the ground as a consequence of this approach: namely, the wastage of money and the unintended consequences—a micro-story that you could replicate a thousand-fold across seaside towns. Polly told me how local people could not understand why money had been given for this rather eccentric project rather than supporting the struggling local school, for example. It turned out that the grant was from the Coastal Communities Fund, a joint initiative between the Ministry of Housing, Communities and Local Government and the Big Lottery to support projects that create new and sustainable—that is, long-lasting—jobs. This programme has spent £174 million on 295 projects UK-wide. It sounds excellent—except that, when Polly dug deeper, she found that it had not been evaluated and that the one and only project that those running the scheme could give as a successful example had already closed.

It is a classic example of the best intentions failing as a result of the assumptions made in the way it was implemented. Was it likely that civil servants and lottery officers would be able to pick successful entrepreneurs they often had not even met, in places they knew little about and probably had not even visited? I am sure that they all had lots of qualifications and degrees—but perhaps very little nous. It is the same mistake we make over and over again. You want to invest in a business in a small seaside town. How about getting experienced entrepreneurs to spend some time in it, get a feel for what is happening, what is what, who is making a real difference, spread the word and then invite people to come and pitch? We say that it is not about structures and processes. It is all about people meeting people and making judgments—on that basis primarily—and not on reports and papers. To me as a Yorkshireman it seems blindingly obvious and very straightforward, and I confess that I struggle to understand why anyone thought the approach taken with this fund—like so many others—would work.

We heard from the northern powerhouse initiative and the confident assertions of the Minister, Jake Berry MP, at the top of government; yet on the ground you hear a different story and real scepticism in our coastal communities that any of these fine words or money will get to them or make any difference, particularly in coastal communities and other communities outside our large northern cities. The LEP structures have clearly been a mixed bag when it comes to their effectiveness. Some say that many of them are neither local, enterprising nor a good partner to work with—a mixed bag.

Another sad example is the difficulties the Heritage Lottery has got itself into by backing a charity to run Hastings pier, focusing on process rather than people and skills. I wonder whether the heritage assessors really knew about running a business on a pier. Did they get to know and assess the people who are going to run it or just focus on a business plan—which, as everyone who has ever run a business usually knows, falls apart on about day 10, and then you start again

[LORD MAWSON]

based on your actual experience rather than on assumptions. This is sad because it sets up people to fail and makes it harder it for the people who then have to try to turn things around.

The clues as to what we should do in the macro in our coastal communities are in the micro—in the opportunities we have seen. It is not about strategies, policies and research, so favoured by our civil servants. The modern world is all about people and opportunities. We have seen and met some of these amazing people who are doing this stuff—often despite rather than because of—in our coastal towns. We need to back them. We need to get behind the Lagoon project in Hull long term, or the approach of Hemingway’s multidisciplinary design agency, which told us that it transforms and cares about the detail as much as the big stuff: an important clue here. It believes in the power of culture-led regeneration and it achieves this through an inclusive process that it calls co-design. Wayne Hemingway was born in the coastal town of Morecambe and the Hemingway family home is by the sea. They say they have a stake in the coastline: another clue here.

However, how are these important traits weighted when it comes to government procurement? Very little, I suggest—yet they are in my experience an important key to success. Their passion was clear to the committee. The noble Lord, Lord Grade, rightly commented on it with some amusement. Their work in Boscombe, Margate and Morecambe is impressive. Jan Leandro of the Dreamland Trust said of them:

“It was like trying to paint with fog until Hemingway Design came along”.

There are many others like them. We have met them.

The engineers BuroHappold told us:

“The key thing that we have learned is that good partnership working takes time. Often it is about being on a journey for the long haul. Critical also has been our teams on the ground, working with local people who know the area and who understand the connections”.

More important clues here.

So what is the solution? How do we stop wasting so much taxpayers’ money, spraying resources at problems down these outdated silos with little care for the long term? If as parents we gave up on our children at the age of three, on the basis that three years should be old enough to deliver sustainable transformation, they would not reach adulthood and the evaluation would show that our method of procreation was clearly flawed and that we should stop. Yet the state is getting away with this and none of the present people putting themselves forward to lead this country seems to have even noticed the problem. Maybe because many of our political leaders are living their lives in the Westminster bubble and have little practical experience on the ground, and are aided and abetted by the media, they are asking the wrong questions or no questions at all about these important matters. Thus they are being found out by the electorate, who experience every day these realities.

We have seen clear clues as to what must be done. The 10 principles for successful regeneration are set out in the report and can be applied anywhere. Local

leaders need to stop waiting and blindly following central government; they need to be encouraged to be bold and back the stones that roll locally. The clues are in the micro: stop looking upwards, look outwards. The Seaminster story is full of clues. It is organic, it is all about people and relationships and it is about partnerships. It is long term.

Finally, it is time to get practical, generate a culture that learns by doing, dump lots of ideology that does not work in practice and back a new generation of entrepreneurs in our coastal towns. It is time to understand, get inside these communities and let a thousand flowers bloom.

7.41 pm

**Lord Faulkner of Worcester (Lab):** My Lords, I, too, am pleased to congratulate the members of the Select Committee on producing such an excellent, coherent and well-argued report. I commend especially my noble friend Lord Bassam of Brighton for the brilliant way in which he introduced this debate. I particularly commend the committee for getting such excellent coverage in local and regional media as it went around the country. Coverage of that sort for a Select Committee inquiry reflects well on your Lordships’ House. I must also thank the noble Lord, Lord Shutt of Greetland, for providing the note that appears on page 45 of the report, in which he kindly refers to the second book on post-Beeching railway politics which I co-wrote with my friend and colleague from British Rail days, Chris Austin, entitled *Disconnected!—Broken Links in Britain’s Rail Policy*.

I wholeheartedly support the committee’s conclusion in paragraph 123 that states:

“Inadequate transport connectivity is holding back many coastal communities and hindering the realisation of their economic potential. Emphasis should be accorded to isolated coastal communities which are at ‘the end of the line’”.

When I saw that in the report, I looked forward to the Government’s response and hoped to read a commitment that they would support the reopening of some rail lines to seaside towns and the improvement of services where they still exist. I regret that the Government’s response falls well short of any commitment of that sort. I agree with my noble friend Lady Bakewell that it is a feeble response.

It is worth recalling that scores of Britain’s seaside towns owed their existence to the arrival of the railway in the 19th century. A combination of dramatically improved journey times from the great conurbations and the introduction of paid holidays for factory workers led to the transformation of small fishing villages into immensely popular holiday destinations. Up to the mid-1960s, every one was linked to the railway and, until the arrival of widespread car ownership, depended on it for a large part of their annual holiday traffic.

The railway companies ran hundreds of seaside special trains on summer Saturdays, and this continued until the arrival on the scene of Dr Beeching in 1961 as chairman of British Railways with a remit to eliminate so-called “loss-making” services. The seaside towns fared particularly badly under Beeching. Although the summer Saturday specials were immensely popular,

they were expensive to run and tied up the railways' resources, as the carriages that made up the trains were used on perhaps only a couple of dozen times a year, and were left in sidings for the rest of the time. A more imaginative management approach now would resolve that.

In researching the earlier book that I wrote with Chris Austin, *Holding the Line—How Britain's Railways Were Saved*, I came across at the National Archives a secret memorandum to the Cabinet dated 14 January 1964, written by the noble Viscount, Lord Blakenham, then Chancellor of the Duchy of Lancaster, who chaired the Government's Rail and Road Committee. In essence, he and his committee were charged with suggesting how best to implement the Beeching closure programme while minimising public opposition to it. A section of Lord Blakenham's memorandum dealt with holiday resorts, where no fewer than 127 seaside stations had been proposed for closure by Beeching. He wrote the following:

"Few of them receive large numbers of visitors by rail... As more families acquire cars, any loss of visitors which holiday resorts experience as a result of the closing of their stations is likely to be compensated for by the increasing numbers arriving by car, and the effect of the closures on hotels and employment in these places is expected to be negligible in relation to other normal fluctuations in the number of visitors they receive. We do not think, therefore, that holiday resorts need to be considered a special case".

What a pity that Lord Blakenham's committee did not have access to the wisdom contained in this Select Committee inquiry, nor a little foresight into how, within 40 years, the railways would come into their own again, doubling their passenger numbers, revitalising communities where services were improved and making a serious contribution to reducing carbon emissions.

There were some astonishingly short-sighted closures, and the noble Lord, Lord Shutt, refers to a number of them in his note on page 45 of the report. I was particularly interested to see the picture of Whitby station on page 42, with the somewhat understated caption:

"Coastal towns in rural areas, such as Whitby, often suffer from infrequent rail services".

Last month, I raised the inadequacy of the current Middlesbrough to Whitby service in an exchange on an Oral Question from the noble Lord, Lord Beith, and in a Written Question. Currently, there are only four trains a day, with no early train from Whitby and no evening train back from Middlesbrough, except on summer Fridays. I understand that the community rail partnership has offered funding for more services, but Northern Railway has so far not taken it up. In her Written Answer of 26 June, the noble Baroness, Lady Vere of Norbiton, told me:

"Northern is currently working with Network Rail to look at the feasibility of running an earlier service from Whitby to Middlesbrough from December 2019".

I should tell your Lordships how badly Whitby was let down in the 1960s by first the Conservative and then Labour Governments. At the time of Beeching, Whitby had three services: the line to Pickering and Malton, which linked with the main route from Scarborough to York; a service along the coast to Scarborough; and the Esk Valley line north to

Middlesbrough. Beeching had proposed the withdrawal of all three passenger services, and BR issued formal closure notices in February 1963. North Riding County Council co-ordinated the opposition, helped by the local weekly newspaper, the *Whitby Gazette*, whose front page carried reports about the closures almost every week in 1964 and into the early part of 1965—often there was nothing else on the front page.

The Spa Pavilion in Whitby was the venue for two days of public hearings on 8 and 9 July 1964. The Transport Users Consultative Committee acknowledged that there had been a total of 2,260 objections—at that point a record. The hearings appeared to go well for the objectors. There was much reference to the unreliability of bus services in winter weather, to the needs of schoolchildren coming into Whitby and to the effect on the town's holiday trade if Whitby lost its rail services. The TUCC reported that the withdrawal of the Middlesbrough service would cause "grave hardship" not only to the many users but also to those whose business is very largely dependent upon providing for the large number of holiday-makers who come to the area by train. Its view on the other two closure proposals was similar, though the degree of hardship was described as "serious" rather than "grave". The *Whitby Gazette* claimed a great victory and believed that its campaign had saved all three services, but jubilation turned to despair when, three weeks later, the Transport Minister, Ernest Marples, announced that the Middlesbrough to Whitby service would be reprieved but the other two closures would go ahead.

There were two more twists in the story. The first was the position taken by the Labour Party in opposition as the 1964 general election approached. Harold Wilson told a meeting in Liverpool—and it was later confirmed in the election manifesto—that, if elected, Labour would halt the main programme of rail closures. In a letter to the chairman of the Scarborough and Whitby Labour Party dated 13 September, he confirmed that the Scarborough-Malton-Whitby closures would be covered by that undertaking.

The second twist came when, with Labour in power, the Government fell back on a provision in the Transport Act 1962 which said that they could not halt closures which had already been decided. The National Archives contains a paper, also marked secret, presented to the Cabinet in March 1965 by the Transport Minister, Tom Fraser, which argued that the programme of closures should go ahead more or less unmodified, despite the clear 1964 manifesto pledge to halt it, and that efforts to amend the 1962 Act to rescind previously announced closures should be resisted. The final words in Fraser's paper were "I recommend we stand firm". That is the reason why the majority of the Beeching closure proposals, including scores of lines serving seaside towns, went ahead between 1964 and 1970.

There are a small number of seaside resorts which have benefited from the activities of volunteers who have managed to reopen their lines as heritage railways and linked them to the main network. I should declare my interest as president of the Heritage Railway Association. For example, Whitby is served by four trains a day in the summer from Pickering on the North Yorkshire Moors

[LORD FAULKNER OF WORCESTER]

Railway. A main line connection to Taunton has been restored by the West Somerset Railway which goes to Minehead. The Swanage Railway has been linked to the main line at Wareham, and heritage trains continue to run to Kingswear from Paignton. These all make a great contribution to the tourist economies in each of the areas they serve and bring thousands of visitors and holiday-makers to the seaside towns, but they cannot provide the seven-days-a-week, year-round service which they would have had if the lines had not been closed and had stayed as part of the national network. As the note by the noble Lord, Lord Shutt, on page 45 points out, Cornwall and Lincolnshire,

“appear to be at a particular disadvantage from the impact of rail closures. Significant rail enhancement would assist connectivity to these areas for both ... residents and tourists”.

I wholeheartedly agree, and I commend the work of the Select Committee.

7.53 pm

**Lord Shipley (LD):** My Lords, I am very grateful to the noble Lord, Lord Faulkner of Worcester. The House should know that there has been no choreography between his speech and mine, but he referred to the 2,260 objectors to the closure of the Whitby lines and I was one of them. I attended each day of the hearing of the Transport Users Consultative Committee in the Spa theatre in Whitby. I shall not repeat the history of what happened, but I agree with the conclusion reached by the noble Lord, Lord Faulkner, that for many seaside towns the closure of their railway lines mattered to their economic livelihood.

This has been a wide-ranging debate, inevitably reflecting the differences between large towns with universities and much smaller towns with less varied economies. I was not a member of the Select Committee, but my interest in putting my name down to speak stems from my formative years in a seaside town: Whitby. I am glad the committee paid it a visit. I go to Whitby regularly to visit and have been much impressed by the entrepreneurial spirit which has seen Whitby manage change over the decades from a visitor economy which was mostly dependent on week-long or fortnight-long seaside holidays to one in which shorter breaks themed as specialist weeks or weekends and day trips have become much more important. At the same time, the fishing industry has experienced a major downturn, like elsewhere, and yet there has been a resilience in the town and a lot of enterprising initiatives which I hope the committee heard about when it visited.

There are a large number of recommendations to the Government in this report, but inevitably government cannot do everything, so I shall say a brief word about the role of non-governmental organisations. First, I highlight the important role of the private sector in investing to expand local businesses, building on local products and local skills. It is partly a function of local enterprise partnerships, but I suggest that chambers of commerce could have a role in identifying what those development opportunities might be.

Then there are organisations, such as English Heritage, which through their publicity can help to market a place, not just themselves. In the case of Whitby this

has been done particularly well, but there are many examples. There is then the Arts Council. I am very grateful for a very lengthy briefing it sent to those who were going to speak. It was instructive to read about the significant contribution the Arts Council has been making to seaside communities and that that contribution has been increasing. I am particularly pleased by the number of projects under its national portfolio and the budget that it has been able to support, so I simply say, “Let us have more of that”.

There is then the voluntary sector. Here I go back to railways. The creation and success of the North Yorkshire Moors Railway is an exceptional achievement that has been delivered with the vision and determination of a lot of local people following the Beeching closures. It demonstrates what can be done by local people.

There are then television and broadcasting companies which through drama productions can reinforce the attractiveness of a place to visit. I think of “Heartbeat”, but there are others which promote an area to encourage people to visit.

In the end, places must evaluate their strength and opportunities and propose actions through their local enterprise partnership for government and an English tourist board to build on.

A number of points have been made about access to broadband. There is no doubt that what the committee's report says is true. It is the case that business start-up rates are lower in coastal areas, so important recommendations are made. I observe that Cornwall, which has had Objective 1 status for 20 years, has much better broadband access. We now need a solution by place just as Cornwall has had. What will the Government do for other coastal areas to replicate what has been achieved for Cornwall? It requires planning.

I now move to funding issues. First, there is a three-paragraph response from the Ministry of Housing, Communities and Local Government in the Government's reply which talks about the next two years of local government spending and how priorities will be assessed. Many of these seaside areas are run by district councils. County councils will have the greatest funding pressures through the burden of adult social care and support for children's services, which are two major pressure points. As district councils are responsible for most seaside towns—some are unitaries, but most are not—I would like to hear from the Minister exactly how the Government plan to address their funding.

That brings me to the shared prosperity fund. Paragraph 29 of the Government's reply says:

“Details of the operation and priorities of the UK Shared Prosperity Fund are due to be announced following the Spending review which will take place later in the year”.

So far, so good. The problem here is that there are strong rumours that there will be no spending review this autumn and that it will be deferred for a further year. If the Minister is in a position to give us any further update on that, it would be helpful. The shared prosperity fund is an urgent issue for councils—and, if they are to administer the fund, local enterprise partnerships as well—as they need to understand the level of funding that they will get. I recognise that the Government have attempted to address some funding

issues for coastal areas through the Coastal Communities Fund, the Coastal Revival Fund and coastal community teams. All these things help, but they are not a replacement for mainstream departmental funding.

That takes me to the Department for Transport's cost-benefit ratios. I might be misremembering, but I think that Scarborough Borough Council claimed that the DfT fails to take into account seasonal variations in its formulae for leisure travel. That strikes me as an important consideration because places that are already strong tend to end up with a better cost-benefit ratio, as the gain will be quicker and faster and that of course appeals to the Treasury. Therefore, any comment that the Minister can give us on how the DfT allocates money will be helpful. Indeed, the Government's response says that a rebalancing toolkit is being applied by the Department for Transport. If the Minister can say anything about what has been achieved with that toolkit, that too will be helpful.

I was going to talk about the housing issue and the local housing allowance, but the noble Lord, Lord Best, has done such a magnificent job on it that I cannot add anything. I hope that the wording I see in the Government's response means that they plan to do something about that.

Finally, I want to say a word on educational provision. We must note the lower achievement in coastal communities at key stage 4. That has the impact of lowering aspiration and engagement in higher education. I used to work for the Open University. We did a lot of work in supporting students in the more geographically remote areas. Access to higher education in coastal areas has been affected by the worrying fall in part-time study since 2011-12. Therefore, the committee's recommendation for more flexible approaches and flexible access to online, part-time and distance learning has to be part of the solution. In the words of the Open University, it is essential for future regeneration that local people do not have to "leave to learn".

There has been quite a lot of discussion about place-based planning. I want to echo the words of the noble Lord, Lord Knight of Weymouth. I think that he concluded by saying, "Let's deliver a place-based approach". It is terribly important to have said that because when you have departments that are based effectively in London operating with local enterprise partnerships, no government offices, and the silo workings of Whitehall, which the noble Lord, Lord Mawson, talked about, these things matter. Each place is different; they are not all the same, with the same problems and the same solutions. Therefore, the Government have to organise the targeted interventions that we need and deliver effective cross-departmental working, and I hope that we will hear from the Minister that they will do just that.

8.04 pm

**Lord Lennie (Lab):** I begin by adding my congratulations to my "roomie", my noble friend Lord Bassam, and his committee members on producing a fine, comprehensive and compelling report. The coverage it has received is due testament to its quality, and the Government's response has shown consideration but a certain lack of commitment in addressing the proposals that it raises.

There is much to be done in these communities, left behind as they have been, and the report suggests that there is no single solution to their circumstances. The committee has identified some helpful themes to assist in finding solutions, including, as we have heard, superfast broadband, education facilities, infrastructure connections, affordable and good-quality housing and transport for post-16s. Seaside towns are places to live, work and play. All of life is here but the opportunities are somewhat lacking.

The UK's economy is changing faster than at any time previously and this impacts on seaside towns on top of the demographic changes that have already brought about their disadvantaged circumstances. The seaside holiday is largely a thing of the past, as we all seek reliably warmer climates for our annual break. Shipyards and factories no longer close for a fortnight in the summer, unless it is unplanned, as was the case recently with car plants in the pre-Brexit trauma associated with diesel. We, and seaside towns, are becoming an almost universally service economy, as the former hardware store has become a cafe, the banks have become restaurants, and what was once a small industrial estate is now a hairdresser and a nail bar. The move away from a producer to a service economy is felt by seaside towns as much as anywhere.

In the committee's report, and in particular in the Government's response, a plethora of different initiatives is referenced as sources of funds and ideas for regeneration: the Coastal Communities Fund, tourism action zones, the local government finance settlement, the Department for Transport, the Stronger Towns Fund, travel packs for 16 and 17 year-olds, and the high street task force. All have a contribution to make but there seems to be one omission that I want to talk about, and that is the Big Local. I want to explain its impact on the place next to where I live—central Whitley Bay.

The Big Local initiative began in 2009. It identified about 100 places, or communities, that could benefit from financial input to stimulate community regeneration. These were not whole towns or cities; rather, they were localised parts of places where deprivation levels were high on all indicators. One million pounds would be available to each of these Big Locals over a 10-year period to activate local people to identify issues and find solutions to the problems. The initiative established four target outcomes for them: that they should be better able to identify target needs and take action in response to them; that people should have increased skills and confidence to continue to be able to respond to needs in the future; that a community should make a difference to the needs it identifies; and that people should feel that theirs is a better place to live.

There were not, and are not, many rules relating to the Big Local, other than that local people must be in charge and responsible for identifying issues and solutions. In Whitley Bay a fledgling group of local citizens came together and committed to research the issues that concerned local people and what they could do about them. Eventually this became the Big Local plan and in 2012 they were ready to begin work on implementing it. Broadly, they divided into two streams of work—one to do with the people and the other to do with the place.

[LORD LENNIE]

People initiatives were based on working with people and included: setting up the Big Local shop, described as a portal for social inclusion; an annual carnival celebrating all that is life in Whitley Bay, annually bringing thousands of visitors to the town; and Small Sparks, a small grant scheme to help local people with ideas that will improve their area, such as planting and so on, on a small level.

For places they used a local landscape architect pro bono to produce an environmental master plan, using visuals to show local people and others what their area could look like if the streets and seafront were improved. These were often based on low-cost initiatives, such as changing street furniture, co-ordinated colour schemes, areas for planting and improving local parks. Now, six years on, the plan sets a context for improvements funded by both the Big Local and the local authority.

The Whitley Bay Big Local coincides with the local authority committing to major infrastructure projects such as the Spanish City on the seafront, which incidentally was an iconic place in Mark Knopfler's childhood but had become dilapidated and abandoned since the 1970s. The Big Local has good relations with other agencies. The North Tyneside authority has been very supportive but not intrusive; senior officers and members have provided information and engaged in dialogue. At regular strategic partnership meetings, the Big Local meets with local authority, police, health service providers et cetera.

Other community organisations provide a range of services and support to the Big Local. Citizens Advice, Barnardo's, SALTo arts group and a local credit union have all supported initiatives or provided advice when it has been sought. This is groundbreaking community regeneration, which puts people at the decision-making and action centre of addressing the issues of their communities. In central Whitley Bay a corner has been turned; local people confirm that it is a better place to live and to visit. The regeneration continues and will continue to benefit the community. The Whitley Bay Big Local has recently registered as a charity and is in the process of planning for when the funding from the community fund may run out.

I never thought I would say this, but it is to David Cameron's credit that he committed to this initiative and recognised that solutions to problems can and should be found by those who have most to gain from them: people living in local communities. I am grateful to Simon Underwood and Alan Dickinson from the Whitley Bay Big Local for meeting me in preparation for these remarks. I have a couple of questions for the Minister. First, is he aware of the work of the Big Locals and, if so, why was it omitted from the response to the report? Secondly, it seems that funding for the Big Locals by the community fund will run out in three years' time. Is there any chance that this could be continued?

"Life is gay in Whitley Bay" was a slogan used to promote the place in the 1960s. I do not know about that, but a lot of pride has certainly been restored to the place.

8.12 pm

**Baroness Whitaker (Lab):** My Lords, under the enthusiastic and committed chairmanship of my noble friend Lord Bassam, assisted by high-calibre clerking and expert advice, this committee delivered a strong challenge to the Government to unify and target their assistance to our coastal communities. Some that we looked at, such as Brighton, Margate and Folkestone, had made a good start on reinventing themselves after the decline of their traditional tourism and other industries. But the picture was patchy and uneven, and such national and regional support as there was seemed not fully to take into account either the main potential assets of being coastal or its structural disadvantages. The seaside does indeed have unique assets, as my noble friend Lord Bassam said. The report has focused on the potential for tourism, and this is certainly one.

I recall the words of the late Lord Rees-Mogg—I do not often quote him, I know—in a seminal article in the *Economist* when he was editor. He said:

"The arts are to Britain as sunshine is to Spain".

That is to say, we do not have the predictable sunshine which drew so many British tourists to the Costa Brava when cheap flights became available, fuelling much of the downturn for south-coast resorts, but we do have an asset—I say this following the inspirational remarks of my noble friend Lady Bakewell—which continues to draw visitors from all over the world: our arts and our heritage. The Arts Council is well seized of the point that enhancing the cultural offer is an ingredient of economic growth but it was our view that other public funding streams, some large, some small—arguably too small—should, apart from being better co-ordinated, take better cognisance of this element.

The sea confers other prospects for growth. I applaud the work of the noble Lord, Lord McNally, with Fleetwood. Ports and all the ancillary tasks that support shipping and sailing are key to trade. We are a trading and exporting nation and have been so since the Beaker people came over from the European mainland to contribute their desirable tools and artefacts. We have continuously evolved skills in marine cluster capacity, we are very well placed to lead in environmental energy of all kinds on our shores, and we can mine the minerals of the sea as well as fish from its depths. But we do not lead in energy nearly enough.

We have lost out to competition from nations with better-supported industries and have not targeted our economic planning to develop our coastal towns to get there. There are declining ports all over the UK, some of which combined tourism with the fascination of a working port. I think of Ramsgate, at least as charming as regency Brighton in its smaller way, which has lost much of its port capacity and not had the cultural investment which has so improved Margate and Folkestone. Yet it once combined a busy port with an active and popular visitor economy. My own nearest town, Newhaven—I declare unremunerated interests as president of the coastal communities team and patron of various local entities—was once a most fashionable departure point for the continent, as well



as a busy manufacturing town. I should add that the regeneration it is now undertaking has a large, locally owned cultural element.

What is it that continues to impair the resurgence of so many coastal towns? I think there is at least one underlying answer, and several contributory ones. The underlying factor is the transport problem, referred to so eruditely by my noble friend Lord Faulkner. The seaside has only half the circumference of towns in the interior, and this has never properly been compensated for. Good connectivity of all kinds is essential for trade and optimal transport, for the movement of goods and people. Earlier Beeching cuts and omission from mainline direct routes, the decline of bus transport and insufficient broadband capacity have all contributed to decline.

Our report covers several contributory factors and of these I would single out two which would make a substantial difference, with knock-on good effects, both relating to quality: better built environments and better education. The importance of the built environment in attracting investment, as well as enhancing the lives of its inhabitants, cannot be overestimated. Our seaside towns have suffered from planning—or, rather, the hollowing-out of planning capacity—which has often made them ugly. The quality of housing has been poor and the public realm has been impoverished. The middle management and technical personnel which durable investment needs do not want to move to unattractive places, and there is a resulting lack of demand for better services.

The higher skills which could retain those advanced industries that the coast needs, and has the raw materials for, have not been made a feature in those towns where they could be of most benefit. Young people have left to pursue tertiary education for better-remunerated work and have not come back. Too many of those who remained, often fond of their seaside, have put up with lower-quality jobs or unemployment. It all adds up to a great missed opportunity. We have recommended properly targeted public support at national and local level, which recognises at last the unique potential of our seaside towns, enhances their attractiveness, and gets them growing again.

How have the Government risen to this challenge? Their response is, as far as it goes, positive. They acknowledge the potential and the missed opportunities. I think they have focused rather narrowly on the former tourist resorts, in the work on population transience, for instance. In general, there is not enough of the targeted approach which would really transform the assets and the disadvantages of being on the coast. One size does not fit all. Towns such as Whitehaven need their own kind of support, at least as much as the resorts of the south. Perhaps this will develop, as the most welcome undertakings to reinstate the cross-Whitehall meetings on coastal communities and the new high street task force get going.

Finally, the Department for Education needs to be especially welcoming to educational provision aimed at lifting those skills levels and fostering, in particular, high-level attainments which relate to maritime potential. Also, transport connectivity in and out of seaside towns needs a special analysis and action programme.

This would have a ready welcome in these needlessly suffering communities. Can the Minister assure us of these measures?

8.21 pm

**Baroness Valentine (CB):** My Lords, it was a pleasure to be on this committee. We looked at a wide range of issues and there was always constructive debate, ably chaired by the noble Lord, Lord Bassam.

Flaubert's *Madame Bovary* says:

"Doesn't it seem to you ... that the mind moves more freely in the presence of that boundless expanse of sea, that the sight of it elevates the soul and gives rise to thoughts of the infinite?"

We were reminded in our committee visits of the beauty of the British coastline, and the variety of our seaside towns, which all have the potential to be enriching places to live. But these places, far from Westminster, suffer particularly from our overcentralised bureaucracy. Most have multiple challenges which are ill served by a central government that finds cross-departmental working awkward. At its worst, well intended government departments come up with short-term and siloed approaches to problems which they do not fully understand.

That is why I am a strong advocate of more strategic and planned relationships between towns and central government. In the report, we suggested that this might take the form of town deals—mutual agreements to tackle complex challenges over the long term. These should be based on town leadership, which draws on the different perspectives and skills of the private, public and voluntary sectors. Indeed, I have spent the past two years working on behalf of Business in the Community in Blackpool, creating just such an approach, so I feel particularly qualified to comment on that town.

I have another quote, this one from "Albert and the Lion":

"There's a famous seaside place called Blackpool,  
That's noted for fresh air and fun"—

and that still applies. The resort has 18 million visitors a year, a new five-star hotel, the UK's first double-launch rollercoaster, a fantastic tram service and a hotel where Elvis Presley never leaves the building—not to mention the Blackpool Tower and "Strictly Come Dancing", too.

However, Blackpool also has the greatest concentration of deprivation in England. There are more looked-after children than anywhere else; secondary school ratings are significantly below average; and the male suicide rate is the highest in the country. It is not that people are born deprived; many locals live happy, healthy and fulfilling lives. It is because around 5,000 people every year arrive to live in slum conditions in the inner area. Let me tell you who the tenants are—mostly from Wigan, in this case—of just one building that I visited recently, where the police have been called 130 times so far this year. One is a heavy drinker. Three have serious mental health problems. There are five empty flats: one tenant is currently in mental hospital; two flats await someone from prison and a local hostel; one was deserted by a Liverpool family, who left all the children's belongings; one was raided for drugs; one has a tenant on remand for armed robbery. This level of support through social services, the hospitals and the police is simply unsustainable.

[BARONESS VALENTINE]

Housing benefit of over £80 million a year is spent in this area, allowing landlords to make returns of up to 20% by housing the nation's most vulnerable. There is no limit to the number of people housed and no quality control beyond fire and safety hazards. People who arrive with little hope, separated from their local support network, end up with less. So let me suggest some specific areas where joined-up government could help.

First, the Department for Work and Pensions could pay housing benefit at a rate that corresponds to the quality of accommodation, and refuse to pay for homes that are below any sense of common decency. I hear many arguments about why this is impossible but, as we heard earlier from my noble friend Lord Best, one solution is to shrink the area over which local housing allowance is set.

Secondly, if primary legislation is required to solve this problem, so be it. But at the very least, might the Government consider some sort of housing zone for the inner area of Blackpool—with the most concentrated deprivation in England—where, over 10 years, we could together work through how to tackle the issues there? Beyond the housing issue, there is a planned £300 million regeneration project at the Central Station site, where everyone bar the law courts has agreed to move off the site.

Thirdly, the leases are finishing on several local government buildings. Their activities could be combined in a proposed civil service hub for thousands of jobs, which would provide year-round footfall for the local high street. But the big prize for Blackpool would be a town deal, so that we can support economic development and sort out the chronic housing situation.

Let me return to some other issues, shared by seaside towns, where co-ordinated government action could help. The opportunity areas could last for much longer, giving them time to nurture the skills and well-being of young people who lack confidence and resilience. Transience is a common factor, and I welcome the Government's commitment to investigate its cause and effect. Finally, investing in digital connectivity could compensate for physical isolation and enable our coastal towns to flourish as the new meccas for a healthy work/life balance.

8.27 pm

**Lord Shutt of Greetland (LD):** My Lords, I declare an interest as a member of this committee and pay tribute to its chairman, the other members and the clerks and advisers who have assisted us. It has been a united group and this is no minority report. There is also unity in debate today. I want to be the ninth person to mention Blackpool this evening but I have, as a declaration of interest, to let your Lordships know that I am a director of the Cober Hill guest house in Cloughton, Scarborough—this is just to balance the other side of the Pennines, along with the other two Yorkshire speakers.

The report was published on 4 April and happily, for once, we got a government response before the end of June. It is also interesting that we have another

response, in that the industrial strategy's tourism sector deal has been published. As part of what I say, I shall pull from that as well as from the government response.

We had the tremendous good fortune to make our various visits, and to see success and sadness. This report is evidence-based, and issues of concern were tourism, the public realm, the wider economy beyond tourism, ports, transport, the digital economy, education in schools, further and higher education, housing, health, coastal erosion and flooding, and the end of the line, not just for the railway—if it exists—but for other factors.

I will endeavour to summarise what other noble Lords have said a little. We had a splendid introduction by the noble Lord, Lord Bassam. The noble Lord, Lord Smith, had the idea of seaside zones. The noble Lord, Lord McNally, built on the introduction and referred to coastal erosion. The noble Baroness, Lady Bakewell, as a Peer was concerned about piers, as well as education. The noble Lord, Lord Best, gave a detailed account of why our recommendations on housing should be supported. The noble Lord, Lord Knight, talked of his family story, quality of life and education. The noble Lord, Lord Beith, referred to the coast in his former constituency of Berwick-upon-Tweed, and the whole business of local government and its expenditure. The noble Baroness, Lady Wyld, spoke about Blackpool and Fleetwood, the doctor we met in Fleetwood who was doing such good work, and empowerment and education.

The noble Lord, Lord Pendry, spoke of his time in east Kent. Interestingly, he mentioned the idea of a Cabinet post for tourism. Tourism and the seaside are clearly linked, so it makes one wonder. So much of what has been said today has been about coastal towns and the seaside specifically, yet the Government response has been, "It's just another part of everything else we do". The noble Lord, Lord Mawson, spoke about nous—I am rather in favour of that—and getting away from the Westminster bubble.

The noble Lord, Lord Faulkner, now a Deputy Speaker, spoke from his other place about railways and commended the part that I, happily, put into the report. I was particularly interested in his story about the Whitby lines. I can also say that the former Liberal candidate for Scarborough and Whitby, Richard Rowntree, who fought the seat twice in the 1960s, was firm in his support for those railways. That we now have one of the most successful heritage railways, the North Yorkshire Moors Railway, is down to what Richard Rowntree got up to after standing down as Liberal candidate for Scarborough and Whitby.

The noble Lord, Lord Shipley, also spoke about Whitby and his involvement there, the role of NGOs and, again, concern about local government and a place-based approach. The noble Lord, Lord Lennie, told us about Big Local and referred to Whitley Bay. I recall going on a school trip to Whitley Bay as a teenager, so it is interesting to learn what is happening there now. I remember sailing down the Tyne, and then getting on a double-decker bus to Whitley Bay, where we had fish and chips. The noble Baroness, Lady Whitaker, spoke of the strong challenge we set, referred to her work in Newhaven, and ports and

transport, including the humble bus. The noble Baroness, Lady Valentine, spoke about short-termism and referred a lot to her work in Blackpool. She gave a vivid reflection of what she had seen in Blackpool and heard about in a building there, HMO deprivation and the Government taking life slowly with the court premises that may be moved in the centre of Blackpool.

The government response, regrettably, is selective. Rather than saying that they agree or do not agree with these proposals, it is more a musing on what our report said. The response does not say that the Government highly agree with this and disagree with that. There is no real clarity. There is one point of clarity, which has been referred to a couple of times. The committee referred to the cross-Whitehall official-level meeting, which the Government said they agree with, but that is no wonder given that this was a full toss given to us by the government Minister, who had gleaned that this cross-departmental working was closed down four years ago. No wonder the Government now come back saying that they will reinstate it. How splendid, after a four-year gap, that the different sections of government are now willing to talk to one another. That is progress.

Almost concurrent with the government response, we have seen the tourism sector deal published. It consists of more musing, including several items suggesting that the private sector is busy at work in the council towns. One item worth mentioning is that a bedroom count has been made showing that 130,000 extra bedrooms are now planned to be built in the next five years, 75% of them outside London. This is expected to provide for a 23% increase in visitors by 2025. This is very useful information.

I said that the government response was selective. Recommendation 54, on page 25 of the report, says:

“It is vital for the future prosperity of smaller seaside resorts that they have the opportunity to benefit from national tourism campaigns, and from nationally provided research and support, to help to develop their tourism products”.

There is no response to that.

Our committee got a pretty poor response from our witnesses representing VisitBritain, and no wonder we got no response from the Government. Happily, we can now look at some of the other figures from the tourism sector deal report. Page 47 of the report says that 35% of Brits—that is how we are all described—holiday at an English seaside destination, according to 2017 figures. That is 35% of the population, not 35% of holidaymakers. However, only 10% of overseas or inbound visitors reach the coast, yet a third of inbound visitors include a visit to a park. What is VisitBritain doing to increase the dismal 10% of overseas visitors who visit the seaside? Can it be persuaded to tell overseas visitors that there is more to the UK than London and Stratford? The hoteliers, whom we have heard about, need some tourism signposting to fill the 75% of the beds that will now be built outside London.

I regard the Government’s response to our report as complacent. The committee report suggests action on several fronts, yet the response is musing. As for the tourism sector deal, there is little new. Tourism deals get a mention. There is a competition, but no word of

the prizes, which are to be awarded in March 2020. Mark this however: competitors for the tourism deal are advised that any bid should,

“not require substantial transport infrastructure investment to facilitate”.

Yet we highlighted transport infrastructure as a significant concern in both our evidence-taking and our report.

I have one final thought, particularly now that the Benches opposite have filled up a little. Another competition is going on as we speak: that between Hunt and Johnson. Bearing in mind the promises made by the pair of them daily of extra government resources, should not some noble Lords opposite invite them to the seaside towns or perhaps give Mrs May a late prime ministerial walk on the pier before the farewell expenditure programme is laid?

8.40 pm

**Lord Griffiths of Burry Port (Lab):** My Lords, I cannot possibly concur with the idea that those on the Front Benches opposite look in the slightest bit bored; they have shown an alarming interest in everything that has happened up to now—I say that only because I am going to get my blows in in a moment and I want to soften them up. I am truly grateful that this offbeat subject—for it is not central to the thinking of government at this time or in the public domain—has been brought before us in this focused way and for the wide variety of contributions that have added to the interest of the occasion, with many of them being made by members of the committee. Having been born by the sea, I am delighted that the seaside has commanded this level of report and recommendation.

However, I have been struggling for some kind of controlling idea—something that will allow us to pull all these heterogenous things together. When it is the northern powerhouse, we can strategise; we can have the high-speed train going up and the major cities that we want to bring together. We have some idea of gravitas, critical mass, economic goals and so on. We have a strategic idea that allows us to do our thinking. However, when it comes to the scattering of all these seaside communities right around the coast, it is much harder to create a picture of them. The formula-based approach has been referred to more than once, which I guess is what it has to be. Each one will raise its own questions, offer its own possibilities and demand its own attention. I can see things happening only in that sort of way.

Even when we have recognised the difficulty of having a controlling concept, we must then look at the fact that it is not just a question of getting people to come to the seaside for two weeks in August again like it used to be, or even tarting up what was once nicely done and has now fallen into desuetude; it is multifaceted, and the factors will vary place by place.

Certainly, one aspect of this integrated picture that I see for each place will involve transport and broadband. That is mentioned very clearly in the report. I cannot see how there can be a solution to the problems of seaside towns that does not give attention to adequate transport links. I taught in a place called Lampeter, and they shut the railway line—doubtless this Beeching stuff—the minute after I had taken the last train; I

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could not get home again afterwards. It undoubtedly caused a number of townships to wither away out there in Cardiganshire.

So transport is key and we have to find a way to look at each place and say how the needs of that place are served from the transport point of view. There will be various solutions according to the township, and the same with broadband. It ought to be possible for start-ups to happen in these distant places just as easily as at the Old Street roundabout if broadband is good. My daughter runs a very competent consultative business from the south of France with her computer. Before that she did it in Cambodia, and before that she did it in London. It is the same business—on her lap, at her kitchen table—and she has clients all over the world. So I cannot see why Whitley Bay cannot do the same—or, if I may add my voice to the Blackpool chorus, Blackpool either. They are fundamental, it seems to me, and they are adequately presented in the report.

Similarly, housing has been eloquently attested to by the noble Lord, Lord Best, whom we hear on this subject from time to time, as have health and education. My noble friend Lady Bakewell talked about human capital, about educational needs and skilling people. I had a few remarks to make about the arts, but she said it all so I will not, except that I would like to include in my remarks the fact that Cleveland has a wonderful pier. Shame on her that she did not mention it. Piers are an extraordinary characteristic of our seaside towns that make each one different from every other one. All in all, I would say that we have a collection of seaside towns to rival anywhere in the world. All those aspects are important, as are the private and public financing and support for these things. It is not one or the other; it is both.

It is marvellous that a committee of this House can bring the noble Lords, Lord Smith and Lord McNally, together in what sounds like an abiding friendship, seeing the world in the same way. If all those aspects are important—and all are mentioned in the report—and if it is difficult to have a controlling idea to hold all that stuff together, we can only pity the Government as they try to respond to all this in a coherent way. I think that there is a lot of good will in the response, but it would perhaps have taken a chapter per town to respond in a way that would have satisfied us. So I do not think that the Minister should have come here expecting to have an easy ride tonight, because he is attempting a very difficult task.

So much for all that. I have to say that I have been confused by all the different initiatives: the Coastal Communities Alliance; the Coastal Culture Network; Creative People and Places; this, that and the other. I do not know how they all work together—I do not know whether they do all work together. I do not know how they outbid one another or compete with one another, or what we can pull from them. Or is it that, as one contributor to this debate said, if they get help from this, it is at the expense of losing something from that?

I was not able, from reading all this stuff, to build my picture. Possibly in my remarks noble Lords are sensing the disaggregation that is the result of my

failure to master the brief—but Blackpool certainly stood up and asked to be counted. I do not want to repeat points, but perhaps the Minister would answer the question about the Civil Service jobs in the centre of Blackpool and the Ministry of Justice possibly relocating the courts. If those buildings and operations stand in the way of a potential coherent response to the needs of Blackpool, we should have a response to those questions.

I do not think I have seen it said anywhere, but this report concerns England, does it not? The devolved Governments look after their own stuff, so I am going to introduce something which I may need special pleading for. I sat next to the noble Lord, Lord McNally, on the tube and he told me about Fleetwood and the visit he made there. He said that Burry Port is held up by the people of Fleetwood as an example of what can be done. I could not resist the opportunity to say that in this debate.

Burry Port shares many characteristics with Berwick. When I grew up in a brickyard, my neighbours on one side were the smelting companies—zinc, copper, lead and silver—there was a soap factory on the other and there were power stations in front of and behind me. There were endless rows of trucks taking anthracite coal to the docks, where the gantry cranes would load the coastal shipping to all parts of the British Isles. If I were brought up in the same place now, I could see the fishing boat-bobbing sea—it is 200 yards from where I grew up. My dear friends, for anybody who has not been to Burry Port, may that be the one thing you take away from this debate.

Also in that far-flung part of the British Isles, with perhaps more coastline than any other, are Cardiganshire, Pembrokeshire and Carmarthenshire. There is also that wonderful educational institution that I have just fallen in love with: the University of Wales Trinity Saint David, which has campuses in Swansea, Lampeter and Carmarthen and incorporates working relationships with further education, skilling people to be beauticians, farmers or craftsmen as well as taking degrees and higher degrees.

Unless we move innovatively towards those co-ordinated and multifaceted responses to these terrible problems of the modern age, which refuse to be captured and defined, we do not have a chance. The seaside towns of our country are a challenge to us. They are an essential characteristic of who and what we are; each demands to be looked at in its own right and we will do ourselves a great service in the eyes of our fellow countrypeople and the world if we can find a solution that brings beauty back to those places that are now faded and speak more of yesterday than today.

8.51 pm

**The Parliamentary Under-Secretary of State, Ministry of Housing, Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con):** My Lords, I am most grateful for the many valuable contributions made today, which highlight how much we all value our coastal towns—whether those in England or more widely, as the noble Lord, Lord Griffiths, has just demonstrated—how important it is

to ensure that they have the ability to grow and prosper into the 21st century and how we put right some of the things that have certainly gone wrong.

The conversation has been frank and honest, and has given us much to consider. I will ensure that the debate is sent to all relevant departments; as is very clear, this does not just affect the Ministry of Housing, Communities and Local Government—the Ministry of Justice was something I had not foreseen—but it affects so many departments that I will ensure it has a very wide circulation. I will also ensure that anything I am unable to cover or that I miss is covered in a letter to all Peers who have taken part in what has been an excellent debate.

I thank the noble Lord, Lord Bassam, for securing this debate and enabling us to discuss this very important issue, for the obviously consensual way he has ensured that the committee has looked at these issues and for coming forward with a unanimous report, which I am sure makes it the stronger. The work that the noble Lord and his committee have undertaken has been very thorough and highlights the many challenges facing our coastal communities in the 21st century. That is not just true of England; it is equally true of Wales, and I speak with some experience. I probably do not know Burry Port quite as well as the noble Lord, Lord Griffiths, but I have certainly spent time in Cliff Terrace with friends and know the town very well. The same is true for Ferryside, which was referred to as well.

The debate has examined many of the challenges and it has been encouraging to hear many positive suggestions. I will set the scene a little and then look at points made by noble Lords. First, it is true that there are, as the noble Lord, Lord Griffiths, has just said, many different funds, ensuring that we have funds-a-gogo and programmes-a-gogo to make sure that they all work together, not necessarily in a competitive way but to dovetail together. It is important to have this meeting of all the relevant departments, bringing everything together to see how it all locks together.

We have the stronger towns fund, worth £1.6 billion; a prospectus on this should be available before the recess to show how that is taken forward. We also have the shared prosperity fund; the noble Lord, Lord Bassam, asked how coastal communities can be involved in that. When we take this forward there will be a wide consultation; we will want people and authorities to consult, and that will certainly include coastal funds. We have enterprise zones, of which there was mention early on. I think my noble friend Lord Smith said there was only one. I hope it was him; if it was not, I ask him to forgive me. There are in fact currently 15 coastal enterprise zones. I have the list here. Although I will refer to them in the course of this debate, rather than go through them all now I will ensure that the names and coverage of all of them are in the write-round letter. We are looking at up to another five as part of the tourism sector deal, which we have just announced. Reference was made to some of them: Berwick-upon-Tweed is covered by one of them, while at the other end of the country Falmouth, which has not been mentioned, is covered by another, and there are many inbetween.

There are local industrial strategies, framed around the work that the local enterprise partnerships are doing, first in the West Midlands and Greater Manchester—I shall ensure that more detail on that is also contained in the letter. The coastal communities fund does great work. Somebody suggested that it was not doing much but that is not true; it has spent £218 million since 2012, and we would be hearing about it if that money had not been well spent. That is in places including Whitley Bay—the Spanish City dome, to which the noble Lord, Lord Lennie, referred, has certainly been a beneficiary. I will deal with his other points later. Money has been spent in Wells-next-the-Sea on restoring the paper mill, and in Penzance on an art deco lido, and so on. There have been beneficiaries throughout the country.

The coastal revival fund is part of this mosaic; £7.5 million has been spent by that fund since 2015, including Jaywick, which the noble Lord, Lord Bassam, referred to. At the same time as he was growing up in Clacton I was growing up in Chelmsford, and we might even have been on that beach at the same time during our childhood—a frightening thought—because we often took weekend trips there. I have to say—perhaps to the shame of my parents, although climate change was not so apparent then—that we certainly used the car; presumably the train service was available, but it would have taken a while. Some of this was at least before the Beeching report, let alone the Beeching cuts. Similarly, money has been spent in Watchet in Somerset, where I hope to go this summer as a private citizen—this is not government business—as I want to use the heritage railway there, which runs from just outside Taunton to Minehead. There are many of these railways, which I may refer to later; I share many of the views of the noble Lord, Lord Faulkner, on that issue.

Town deals have been referred to. Grimsby has had a town deal since July 2018 and is a beneficiary, with money spent on the waterfront. Much has been made, quite rightly, of Blackpool, which perhaps presents some unique challenges. It is perhaps worth restating that our coastal towns all differ from each other. They are not all facing the challenges that Blackpool faces—in fact, only Blackpool is facing those challenges. Many of our coastal towns are thriving. To hear comments about them you would not think that, or would think that they had been ignored. St Ives, Padstow and many of the Cornwall resorts face challenges, but very different ones. They are not challenges of the sort we have seen around housing, and so on, but they are certainly challenges. However, perhaps we have not heard so much about those places, for reasons I can understand. Weymouth and Torbay, as well as Blackpool, are the subject of discussions on strategy and taking things forward. I will come to Weymouth in more detail later. Reference has been made to Margate, which is a bit of a success story, with the Turner gallery and work being done on the harbour area, where the gallery is.

I will make some general comments on housing. I understand the points made by the noble Lord, Lord Best, who understands these things. However, I slightly disagree with him when he says that rogue landlords are essentially reactive. In one sense they are, but if a

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clear message goes out that we are going to deal with rogue landlords, it becomes proactive, so it depends on which end of the telescope you are looking through. Therefore, I do not entirely agree with his point. Housing zones beneficiaries are Poole, Weston-super-Mare and Thurrock, which covers Tilbury, and North East Lincolnshire, which covers Grimsby and Wirral.

Planning and flooding have been referred to. Beneficiaries of work on this include Newhaven, to which the noble Baroness, Lady Whitaker, referred. LEPs have been working on this with government money in Snape Maltings, the Fylde peninsula and in the Blackpool area.

Education was generally referred to and we have 12 opportunity areas, specifically targeting policies relating to social mobility. I think that that includes Blackpool—if I am mistaken I will correct it in the write-round letter—but it certainly includes West Somerset, Scarborough and Hastings.

Transport was a common theme. I accept its importance and will come to that when I turn to specific comments, if I may.

Some noble Lords, but not many—the noble Lord, Lord Knight, did—mentioned the need to adapt and change. Perhaps this is agreed by all noble Lords, but it did not come across quite like that; it is no good trying to turn the clock back and recreate Blackpool as it was in the 1970s or, as I think a noble Lord said, the 1950s. That will not work. We must take it forward and think about what Blackpool needs to look like in the middle of this century.

Let me try to deal with some of the points made. I thank the noble Lord, Lord Bassam, for his general comments about the Government, at least in part, being supportive. On the cross-Whitehall front, I do not yet have a date for the first meeting, but I will try to nail that down in the letter, because it is important that cross-Whitehall meetings happen frequently.

My noble friend Lord Smith referred to the importance of the tourism sector and tourism enterprise zones, and I hope that I touched on that. He highlighted the importance of New Brighton, which has indeed received some money—for the lighthouse, if I am not mistaken—from the coastal communities fund. I will confirm that in the letter.

The noble Lord, Lord McNally, spoke of the importance of Blackpool and Fleetwood, and I agree with both those points. He talked about transformative actions such as the Turner gallery in Margate, flood defences in Clacton, the Tate in St Ives and the need for public-private partnerships. I agree with all that: this is the only way this will work. I take very seriously his admonition for action this day—that is absolutely right.

The noble Baroness, Lady Bakewell, talked about the importance of education. I quite agree. She talked about Skegness and the importance of transport. We have given £4 million-worth of government money to enhance bus services, and I shall provide details in the letter. She also rightly talked about the importance of wi-fi. I know from the Welsh experience how important that is. I know the success in Cornwall and have often said: “Why don’t we just do what Cornwall has done?”

There they have spent money and it has worked. I hope that some of the shared prosperity money will be used for that. Specifically, some money is being used and I will come to that later.

The noble Baroness spoke about the Pier of the Year—as in a pier that goes into the sea rather than a Peer from this House. I absolutely agree with the points she made about Clevedon; I will also put in a plea for Cromer and Great Yarmouth, which are also very good. There are piers around the country. Indeed, there is a book on British piers which is well worth reading and having as a guide to those that may have been missed.

On art galleries, I agree. There is a string of them on the south coast. Something that occurs to me, to which I do not have the answer because it occurred to me only this morning, but I have asked civil servants to look at this, is that these days, because it is very important, we have arts festivals around the country. If I am not mistaken, nearly all seem to be inland, such as in Cheltenham, Oxford or Hay. I am obviously not right. I have asked civil servants to look at this. There may be opportunities for others. I can think of some smaller ones.

**Baroness Whitaker:** I invite the Minister to the Newhaven Arts Festival in August.

**Lord Bourne of Aberystwyth:** I thank the noble Baroness, but I was not saying that in the hope of getting an invitation. It is most kind. If I am able to come, I will be there—and if any other invitations are forthcoming, I will look at them in the same positive spirit. I apologise to any towns that may be offended by my missing their coastal arts festivals. I was aware that there are festivals in other parts of the country, such as Whitby and Brighton, although perhaps they are not as all-encompassing as those of Cheltenham, Chalke Valley and so on.

I have already referred to a point where I am not in total agreement with the noble Lord, Lord Best. He quite fairly said, though, that we have been taking action against rogue landlords: bad landlords are now subject to the Homes (Fitness for Human Habitation) Act. That was the Karen Buck legislation, which was taken forward with government support and all-party approval. I will ask officials to look at the specific point he made about Blackpool. I can see the challenge there, if it takes in areas that are perhaps wealthier, such as Lytham.

The noble Lord, Lord Knight, referred to Fergus’s school reunion—or non-school reunion, as it turned out. As somebody who has holidayed in Weymouth, I was a little surprised—but perhaps I have been seeing it in warm weather, which always makes a difference. When I was there for a few days last summer, the harbour area seemed to be full of young people. I made use of the walk along the disused railway that goes down to Portland Bill, and the place seemed to be thriving; but obviously, I have seen only a snapshot. Perhaps I will have a chance for a longer chat with the noble Lord. I agree with his points about education and the importance of skills. It occurred to me that we do not do enough in this country on the transferability

of credits, when compared with the USA—or, indeed, credits for work, which make a difference too. There is perhaps more to be done there. I agree with the noble Lord about the importance of a place-based approach.

The noble Lord, Lord Beith, is a great advocate for his home town, which he represented, along with other towns, for so long. He is quite right that this is not just about tourism. He talked about the lack of a university in Berwick, which is certainly true. There are no perfect parallels, but it occurs to me that it may be worth looking at the university in Falmouth, which operates partly alongside the University of Exeter. It has been a university since 2012 and has really made a big difference to Falmouth. I will be there later this week when I go down to Cornwall. The noble Lord is also right about the issues of remoteness, hospitals and so on.

My noble friend Lady Wyld spoke once again about Blackpool and, indeed, Fleetwood. She made a point which is really important—that we should be looking at doers, not the done-to. I think that is the governmental approach: it is the approach on neighbourhood planning, and we should be carrying that forward here. Governments should be enabling: they should be setting a framework and providing finance to people locally who are trusted—and then we should step back. There may be occasions when things go wrong, but they are going wrong with people who are expert and know what they are doing locally, and I think that that is important. We should be empowering, not micromanaging.

The noble Lord, Lord Pendry, spoke about Broadstairs and Ramsgate—a somewhat remote part of Kent, although Broadstairs has Dickens connections, so some ideas may already have been taken up locally there. He talked about the challenge of overseas travel, which certainly made a difference to the traditional seaside holidays that we can probably all remember from our younger days. Now we are much more widely travelled in Europe, which has made a big difference to the normal holiday—although people do go for long weekends, particularly in the winter months. We need to look at that particular point. The noble Lord, Lord Pendry, also raised the issue of a Cabinet post for tourism. It is well above my pay grade to opine on that, especially at the moment, but I will take the point back: I can see that it was a serious and valid one.

The noble Lord, Lord Mawson, also referred to the doers and not the done-to, and the importance of the Government being enablers. He referred to Skegness, Butlins and the seasonal nature of much of the work. I agree that that is a challenge that we have got to deal with: it has to be fundamental to the way we take this forward. The noble Lord talked about Ferryside in Wales; I am sorry to spoil the point about Burry Port being such a success, but I should say that, although the Coastal Communities Fund is a national fund, the parts of it that apply to Wales are administered not from here but from Cardiff, just as they would be administered from Edinburgh in Scotland. He said, “Trust them and back them”, and I quite agree.

I thank the noble Lord, Lord Faulkner of Worcester. I found myself in almost total agreement with him, as I often do, about Beecham. When one is asked about

who one would invite to a dinner party, I often think that I would ask Lord Beecham just to find out what possessed him to come up with his cuts.

#### **Lord Griffiths of Burry Port: Sorry?**

**Lord Bourne of Aberystwyth:** I am sorry; I meant Dr Beeching. It was a Freudian slip. The noble Lord, Lord Beecham, is not in that category; I exempt him. It was Dr Beeching who came up with the 1961 report.

I agree with the point about the Whitby service. Last year, I got to Whitby using public transport from Scarborough. It is an excellent town; I had the pleasure of going to Ayckbourn’s Stephen Joseph Theatre before getting the bus to Whitby, which took me through Robin Hood’s Bay. I then used the heritage line, which was also excellent. I agree that Whitby has been left without a valuable connection to the south. It is worth mentioning how good some of these heritage railways are, such as the line from Cromer and Sheringham to Holt; I think that the Swanage line and the Paignton line, which goes via Greenway House—Agatha Christie’s home and a National Trust property—on the way to Kingswear, were also referred to. They do a lot of good.

The noble Lord, Lord Shipley, mentioned the heritage railways and Whitby; I congratulate him on not being steeped in blood like everybody else because he was there objecting. He also talked about chambers of commerce, which I will certainly feed into the system. I think that they may be involved with some LEPs anyway, but it is a point worth emphasising. I agree with him on the importance of the voluntary sector and programmes such as “Heartbeat” in providing tourism opportunities. Some £1.8 billion of public money has been put into Digital UK’s superfast broadband programme; I am sure that the shared prosperity fund will look at this issue as well.

The noble Lord, Lord Lennie, referred to the position in Whitley Bay and asked about the Big Local. That is funded not by the Government but by the Big Lottery Fund. It is clearly worth while but if the problem continues, that is a matter for the fund. Again, I went to Whitley Bay not long ago on a trip to Tynemouth. I got there by public transport, which was not too difficult; the metro system was pretty excellent.

The noble Baroness, Lady Whitaker, made a plea for ports. Of course, some ports are successful; not all are in decline. I know that Felixstowe and Tilbury, which is inland—not inland, but on the river—are massively successful. Again, public transport to Tilbury is pretty good but I take the noble Baroness’s point. Newhaven is covered by an enterprise zone, which provides an opportunity for particular policy advantages. I think she mentioned Whitehaven, which does not benefit particularly from tourism. It is good that we do not think only about tourist resorts; I thank her for that point.

The noble Baroness, Lady Valentine, spoke about Blackpool and “The Lion and Albert”. From memory, I do not think it ended well for Albert, but we want it to end well for Blackpool. The housing zone is certainly something to look at; the town deal for Blackpool is being looked at. I cannot make any promises about

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that but I can say that Blackpool is a challenge that the Government take very seriously. It is close to all our hearts; we all know Blackpool, which is uniquely British and certainly worth saving.

I thank the noble Lord, Lord Shutt, for what he said about VisitBritain. It committed £40 million to the Discover England Fund, whose projects often concern coastal destinations, between 2016 and 2020 so, in its defence, it does quite a lot. We have also spent money on US connections to D-day and the “Mayflower”. I think the noble Lord referred to Mrs May; she holidays in this country, as he will know, on which she is to be congratulated.

I thank the noble Lord, Lord Griffiths, for what he said. I agree that we perhaps need a theme although, as we have seen, this is a wide-ranging area involving a great deal of different policy. I will check on the justice courts in Blackpool. It is a valid point that I will chase up. This is multifaceted. We need to consider the changes there have been in society and carry them forward. We all want the same thing. However, this is multifaceted and I will endeavour in the letter to fill in any gaps.

I thank noble Lords for a valuable debate, particularly the noble Lord, Lord Bassam, who has helped pull it together.

9.15 pm

**Lord Bassam of Brighton:** My Lords, I shall not detain the House too long in my summary. I have enjoyed the debate. I have had another run round the coast of England this evening as we have debated the various topics and places that your Lordships have referred to; I enjoyed every speech and contribution.

I make one or two pleas. First, we should look at the seaside and the coastal communities not with a sense of nostalgia but with a sense of an opportunity and as a challenge. That is my first point.

The strength of this report is that everyone in the committee was happy to sign up to it. It is content rich, it is bursting full of ideas and it is not complacent. It makes specific demands of government. The demand we need to reinforce today is this: we cannot ignore the seaside communities as they have been over the past decade since the last report. We need to persist and continue to press the Government. It is for the Government's own good to keep seaside towns and communities at the forefront of our thinking; otherwise, they will undoubtedly end up as part of the two-speed or three-speed national economy that we have. Seaside towns and communities need to be given special consideration. They need a champion in government, champions in local government and strong advocates to press their case. They are special and unique and bring a richness to our country and our culture which other communities express in entirely different ways.

Colleagues have covered the territory well. Education, housing, art-led regeneration, the need for more entrepreneurship, more vision and better leadership have all been dealt with extremely well in the debate. Government has a challenge here. I shall continue to press the case for our coastal and seaside communities. I have invited the Senior Deputy Speaker to give a role to one of the other committees to follow up on the work we have undertaken over the past year—personally, I think the Economic Affairs Committee would be a good place to start. The measures, proposals and recommendations contained in the report need to be agitated for, pursued and concentrated on over the next months and years. The problems will not go away and they will only get worse if we ignore them.

That said, I thank everyone for their participation in the debate and the Minister for his response, and everyone who has indulged in this important debate and report with good humour and good will.

*Motion agreed.*

*House adjourned at 9.18 pm.*





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