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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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

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

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House of Lords

Thursday 4 November 2021

11 am

Prayers—read by the Lord Bishop of London.

Temporary Cycle Lanes in London Question

11.06 am

Asked by **Lord Cruddas**

To ask Her Majesty's Government what discussions they have had, if any, with (1) Transport for London, and (2) the Mayor of London, in relation to the abolition of temporary cycle lanes in London.

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con): My Lords, decisions on installing or removing cycle lanes in the capital are a matter for Transport for London and the London boroughs. Officials from the department have regular meetings with TfL to discuss this and other matters. The delivery of cycle lanes across London is also overseen by a steering group, which comprises senior representatives from government and TfL.

Lord Cruddas (Con): I thank my noble friend for her response. To clarify, I am a keen cyclist myself and, during the lockdown, I even bought myself a new bicycle. To clarify my concerns, I refer only to the temporary cycle lanes. If they become permanent, they will be even more of a nuisance. In that context, it seems to me that, given that the Government have provided emergency funding to TfL during the pandemic, there is an opportunity to contribute to any debate about their continued existence in a meaningful way. Can my noble friend confirm that the meetings and discussions that she says have taken place have addressed that issue?

Baroness Vere of Norbiton (Con): I think I can reassure my noble friend that the meetings are taking place. They take place fortnightly, and they discuss a wide range of issues. It is the case that cycle lanes were put in at the start of the pandemic on a temporary basis—indeed, on a trial basis. The vast majority of those have now become permanent cycle lanes; I think that maybe only about 1 mile of cycle lane has been removed, and that was on Euston Road.

The Lord Bishop of London: The Prime Minister recently announced his desire to invest £1 billion to boost electric car usage. Given the push for cleaner and greener travel, will Her Majesty's Government first address the number of faulty charging points for electric cars in London and, secondly, promote co-operation among suppliers, so that potential users are not dissuaded by the current requirement to download multiple apps from multiple companies?

Baroness Vere of Norbiton (Con): The right reverend Prelate has gone a little bit beyond my brief this morning, but I can reassure her that we work very closely with the manufacturers of the chargers—indeed, the operators of the chargers. Of course, we need the chargers to work, and we need to make sure that we work with local authorities to make sure that they do so.

Lord Young of Cookham (Con): But, my Lords, did not the Royal Borough of Kensington and Chelsea jump the lights by removing so precipitately the successful and popular bicycle lane in Kensington High Street, which was a crucial link in the east-west cycle route? At the next meeting of the Active Travel Oversight Group, on which my noble friend's department sits, will she reopen discussions with the royal borough to see if the scheme can be reintroduced, with amendments if necessary?

Baroness Vere of Norbiton (Con): Ah, the Royal Borough of Kensington and Chelsea—that well-known hub and hive of interest in cycling. Indeed, it has about 100 miles of road in the borough, but not a metre of cycle lane. But it is the case that the Active Travel Oversight Group, to which my noble friend refers, has discussed the issue of cycle lanes in that particular council. It is also the case that TfL has thus far not provided any active travel funding from the latest settlement to that council.

Lord Berkeley (Lab): My Lords, I congratulate the Minister and TfL on these temporary cycle lanes. As other noble Lords have said, they are really good. Will the Minister confirm that as many of them as possible will be made permanent and that, where there are missing links, which are so important for safe cycling, she will discuss with TfL some cycle routes to link them, which are also safe and will therefore encourage cycling?

Baroness Vere of Norbiton (Con): Of course, we have discussions with TfL on what the network looks like as a whole. It is, of course, the decision of the local borough, in many cases, as to whether it puts a cycle lane in place, and it must consult the local community. But I am pleased to say that the surveys that we have done to date show that twice as many people support increased cycling and walking as oppose it.

Baroness Barker (LD): Does the Minister agree that air quality in London remains poor and that, to achieve better air quality as soon as possible, there has to be a modal shift away from cars towards bikes and e-bikes? Does she agree that maintaining cycle lanes is a critical factor in people feeling safe enough to cycle in London?

Baroness Vere of Norbiton (Con): It is the case that London has an incredibly good public transport system. I found out the other day that, of London car owners, 90% of their journeys are within London. One has to ask some of them at least why that would be the case, when there are very good buses and, obviously, an excellent Tube network. So modal shift does play an important part, not only for carbon emissions but also for air quality improvements.

Baroness Foster of Oxtton (Con): My Lords, I would like to echo the words of my noble friend. Park Lane, Millbank and other routes across London are permanently clogged up due to the disappearance of bus lanes, which were there for a very good reason, along with taxis. The congestion and pollution caused are appalling. Would my noble friend the Minister use her influence to try to reverse some of these ill-thought-through cycle lanes?

Noble Lords: Hear, hear.

Baroness Vere of Norbiton (Con): I sense that the House is divided on this topic.

My Lords, well-designed cycle lanes and low-traffic neighbourhoods benefit everybody. Sometimes traffic increases, but evidence shows that the increase is temporary and short-lived as the traffic adapts. Of course, we must be cognisant of increased congestion if it occurs for a prolonged period—for example, as it did on the Euston Road. In that particular case, the cycle lane was removed.

Lord Tunnicliffe (Lab): My Lords, given the conflict between the Royal Borough of Kensington and Chelsea and the mayor, and that all new transport schemes have winners and losers, has the Department for Transport provided adequate decision-making criteria for the resolution of interagency disputes?

Baroness Vere of Norbiton (Con): The Government's role in this is to ensure that the guidance relating to the network management duty is appropriate. We have reviewed and refreshed that guidance, and it does reflect the Government's desire for local highway authorities to provide safe space for cyclists and pedestrians. It also sets out that boroughs need to consult and must give any scheme sufficient time to bed in before they think about removal.

Lord Robathan (Con): My Lords, like my noble friend Lord Young, I am a former chairman of the All-Party Cycling Group in the House of Commons. However, not all measures to encourage cycling, which I have been doing since I got to Parliament in 1992, are worth while. I particularly pick up on Park Lane, where there is a cycle lane in the park not 50 yards away. This is mad—all we are doing is achieving pollution and congestion in Park Lane. I very rarely go up Park Lane but, when I do, I see that it is a shocking waste of money and people's time and, indeed, it is polluting the atmosphere.

Baroness Vere of Norbiton (Con): My Lords, there is much focus on Park Lane this morning. Of course I will take the concerns of my noble friends back to the department and it will be discussed at the Active Travel Oversight Group.

Lord Austin of Dudley (Non-Afl): My Lords, as another former chair of the All-Party Cycling Group, I would like to invite noble Lords to come with me for a bike ride to discover the joys of cycling in London. They will find that it is good for their health and public health, it cuts congestion and emissions, and it helps to meet the targets that the Government set this

week at COP. So I ask the Minister: how do the Government propose to persuade reluctant local authorities to provide more safe infrastructure for cycling, so that they hit the Government's own target to double the number of trips made wholly or partly by cycling from 2013 figures by 2025?

Baroness Vere of Norbiton (Con): The route to your Lordships' House is clearly the chairmanship of that APPG. The Government want to encourage improved cycle lanes and cycling infrastructure and, for those reluctant local authorities, we make it very clear to them that future funding is conditional on historic performance. If they do not put in the sort of measures that we would wish to see, frankly, they will not get any money in the future.

Lord Jones of Cheltenham (LD) [V]: My Lords, the report *Cycling Injury Risk in London* showed that protected cycling infrastructure reduced the odds of injury on the morning commute by up to 65%, whereas advisory lanes increased injury odds by 34%. Have the Government carried out a cost analysis of increasing protected cycle infrastructure against the benefits to the NHS of increasing the number of cyclists?

Baroness Vere of Norbiton (Con): The Government expect that new cycle lanes are properly segregated to ensure that cyclists are as safe as possible.

Gypsies and Travellers Question

11.16 am

Asked by *The Lord Bishop of London*

To ask Her Majesty's Government what assessment they have made of the availability of places for nomadic Gypsies and Travellers to legally and safely stop; and what plans they have to address any identified shortage of places.

The Minister of State, Home Office and Department for Levelling Up, Housing & Communities (Lord Greenhalgh) (Con): The Government do not undertake an assessment on the availability of places for nomadic Gypsies and Travellers to stop. It is the responsibility of local planning authorities to make their own assessment of need for both permanent and transit site provision and to identify land to meet this need in their local plan. Authorities are best placed to make decisions about the number and locations of sites locally.

The Lord Bishop of London: I thank the Minister for his Answer. He may be aware that, in areas such as Leeds and Durham, a model of negotiated stopping has been piloted. This is where there an agreement between Traveller communities, local authorities and other agencies that allows temporary stopping on sites, having discussed the duration of their stay and, sometimes, a contribution towards costs. Will Her Majesty's Government consider implementing a negotiated stopping programme across the country to enable this community to retain their cultural identity? If so, what department will be responsible?

Lord Greenhalgh (Con): The right reverend Prelate should know that, when I was Communities Minister, I was someone who encouraged the use of negotiated stopping throughout the Covid-19 pandemic by writing to local authorities. Having negotiated stopping sites avoids the need for enforcement of unauthorised encampments through the courts and we think it is a great way forward. But it is also a matter for local authorities, and we will continue to encourage them to use this.

Baroness Whitaker (Lab): My Lords, the Labour Government enacted legislation that obliged local authorities to assess the housing need of Gypsies and Travellers. Successive Governments have prayed this in aid as an improvement. The noble Lord the Minister will be aware that very few local authorities comply. What steps will Her Majesty's Government take to monitor and enforce this legislation, which is of course the prerequisite for providing enough sites?

Lord Greenhalgh (Con): My Lords, the Government expect local planning authorities to assess the need for Traveller sites in their area and to plan accordingly. We are not looking to introduce a statutory duty, as currently operates in Ireland; we do not see that as a necessary step.

Baroness Greengross (CB): My Lords, what steps will the Government take to work with local authorities to increase the number of sites for Gypsies and Travellers? Statistics from the charity Friends, Family and Travellers show that only eight local authorities out of 68 in the south-east of England have identified a five-year supply of specific, deliverable sites for Gypsies and Travellers. What steps will the Government take to improve this situation?

Lord Greenhalgh (Con): My Lords, we will continue to encourage all local authorities to access funding for both permanent and temporary sites through the affordable homes programme of some £11.5 billion. I reiterate that it is the responsibility of local planning authorities to make an assessment of need for both permanent and transit sites and to identify sites in their local plan. Of course, these local plans are independently assessed by an inspector.

Baroness Blake of Leeds (Lab): My Lords, earlier this year, reports emerged that Pontins had used a blacklist of common Irish surnames allegedly to attempt to prevent Traveller families staying at its holiday parks. What recent assessment have the Government made of levels of similar discrimination against Gypsies and Travellers? Can the Minister say what steps are being taken to end this?

Lord Greenhalgh (Con): My Lords, we have previously discussed this in the House and it is an absolutely disgraceful example of discrimination. No one should be discriminated against because of their race and ethnicity, and we have invested in a programme of some £150,000 to tackle discrimination. We will continue to challenge companies such as Pontins, and I think the media did a fair job of ensuring that this does not happen again.

Baroness Bakewell of Hardington Mandeville (LD): My Lords, if every local authority provided permanent and transit sites serviced with water, sanitation and waste disposal, families would have somewhere to bring up their children, get them into school and look after their elderly. There is no fear that they will overwhelm social services, as they always look after their elderly themselves. Why do the Government not help them to do this by enforcing the responsibility of local authorities to provide sites?

Lord Greenhalgh (Con): My Lords, I answered that question in my answer to a previous supplementary: there are no plans to bring in statutory provision, because the previous introduction of a statutory duty simply did not work. We will continue to encourage local authorities to fulfil their duties under their local plans.

The Lord Speaker (Lord McFall of Alcluith): The noble Baroness, Lady Blower, is not present, so I call the noble Lord, Lord Mann.

Lord Mann (Non-Aff): Would it not be helpful to have a national website that identifies temporary sites? Indeed, would it not be quite possible for local authorities to be able to live-time the number of vacancies on those sites so that everyone can see what is available and where?

Lord Greenhalgh (Con): My Lords, that is a really helpful suggestion that I will take back to officials in my department. The statistics on this are positive, in that we have seen an increase in the number of sites in the last 10 years but, obviously, knowing where those vacancies are would be very helpful indeed.

Lord Dubs (Lab): My Lords, am I to understand that the Government's policy is simply to say, "Nothing to do with us, leave it all to local authorities"? Is not the difficulty that if one local authority moves ahead of the others, the demand in that area will increase, and adjacent local authorities will not share the responsibility? Surely we need a proper national approach of co-operation between the Government and local authorities to move forward.

Lord Greenhalgh (Con): My Lords, I think that is what we have. We are working with local authorities and encouraging them to assess their local need. We have seen, through this policy, an increase in site provision and we feel that responsibility rests in local government. As someone who spent 20 years in local government, I do not think everything should be directed from Whitehall.

Baroness Brinton (LD) [V]: My Lords, the Minister has just said that there has been an increase in authorised encampment pitches. The reality is that there has been an overall 8.4% decrease of pitches on local authority Traveller sites over the last decade. There has been an increase in unauthorised encampment sites not run by local authorities. It seems extraordinary, at a time when this Government propose to criminalise Gypsy and Traveller families who cannot find authorised encampment pitches, that they are not doing more than "encourage"

[BARONESS BRINTON]

local authorities to fulfil their duties. Please will the Government reconsider that and ensure that local authorities provide enough sites for the community?

Lord Greenhalgh (Con): My Lords, I can provide only the statistics that I have been given, which are that since 2010 there has been an increase of 1,291 new affordable permanent pitches, and in the January 2020 Traveller caravan count there were 354 transit pitches, of which 138 were vacant transit pitches. We recognise the need to increase supply, which is why we are providing the affordable homes grant that local authorities can bid into. I also point out that there is a very high bar for criminality—members of the community committing actual harm—before criminal proceedings begin.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I refer the House to my interests as set out in the register. Does the noble Lord accept that the lack of places for Gypsy, Traveller and Roma communities is a huge problem? This is a community that is expected to abide by the law, as we all are, but it also needs to be protected by the law. Its members need to be treated with respect, to be free from discrimination and to be able to live their lives peacefully. What are the Government doing to support that? So far, all he has said is that it is a matter for the council.

Lord Greenhalgh (Con): I have also said that there is a high bar for criminality, that no one should be discriminated against because of their race or ethnicity, that we are investing in measures to reduce hate crime and that we recognise that the Government play a part, particularly in funding. That is why there is funding available in the affordable homes grant, and I am sure there will be further announcements of funding that will increase the supply of authorised permanent sites and transit provision. We will continue to encourage negotiated stopping as another way of dealing with these issues.

Baroness Ritchie of Downpatrick (Lab): My Lords, in order to copper-fasten additional sites, what determined steps will the Government take to ring-fence funding for local authorities to build Gypsy and Traveller sites as part of the levelling-up agenda and to respect human rights provisions?

Lord Greenhalgh (Con): My Lords, I am not a great fan of ring-fencing: that is not always the way to achieve something. We have £11.5 billion in total for a programme of affordable housing, but that can also be bid for to build these additional sites. We continue to think that the right way is for councils to assess against local need and make their bids accordingly.

Council Tax: Second Homes Question

11.27 am

Asked by **Baroness Thornhill**

To ask Her Majesty's Government what plans they have to introduce legislation prohibiting second homes advertised as holiday rentals from avoiding council tax by registering for business rates and thereby qualifying for small business rate relief.

The Minister of State, Home Office and Department for Levelling Up, Housing & Communities (Lord Greenhalgh)

(Con): I recognise the noble Baroness's interest in this issue. The Government have confirmed that we will legislate to require that holiday rentals meet an actual letting threshold before being assessed for business rates. This will ensure that only genuine holiday businesses can access the rate relief for small businesses. We will set out further details shortly in the Government's consultation response.

Baroness Thornhill (LD): Minister, this at last is a Cornish/Cumbrian Lib Dem campaign success—I can see the leaflets now. Can he explain why it has taken so long and say when we will get a timetable and conclusions of the 2018 consultation that was never actually published? Does he agree that salt has been rubbed into the wound, given that unscrupulous second-home owners have also received £104 million from Cornwall's Covid aid pot, thus reducing the amount available to legitimate businesses?

Lord Greenhalgh (Con): My Lords, I should have registered my residential and commercial property interests, although I have not tried to use this loophole. The Government announced in March that we will legislate, and we have been working very closely with the Treasury and the Valuation Office Agency to finalise the details of how and when this will be implemented. This of course takes time and we will publish our consultation response shortly.

Lord Campbell-Savours (Lab) [V]: My Lords, the proliferation of holiday lets in lakeland towns such as Ambleside, Windermere and Keswick is decimating the residential market for locals, particularly the young. The switch from council tax to a reduced business rate system will only aggravate the problem by further incentivising holiday letting. Is not the answer to this wider problem of drift to holiday letting to cap the number of holiday lets through the use of a combination of licensing and planning rules? Something has to be done.

Lord Greenhalgh (Con): My Lords, the Government support the sharing economy, but the noble Lord will be pleased to know that we recognise the concerns about the uneven regulatory requirements in it. In the *Tourism Recovery Plan*, published in June 2021, we committed to consult on the introduction of a tourist accommodation registration scheme in England.

Lord Shipley (LD): My Lords, the Minister referred to a consultation, but does he accept that every residential property should pay council tax and parish precepts, whether it is a main home, a second home or a holiday let, as a contribution to local services?

Lord Greenhalgh (Con): I point out that 96% of second homes pay council tax in full, even though they may use local services only on an occasional basis. We believe that, in the sharing economy, where people run businesses and meet the threshold, it is reasonable for them not to pay council tax and to be subject to the

business rates regime. No local authority has lost out, because they are covered by various grants in the business rates retention scheme.

Baroness Blake of Leeds (Lab): My Lords, I refer to my interest as a vice-president of the LGA. Last year, the Chancellor announced a major reduction in stamp duty, which also covered buyers of buy-to-let properties, holiday homes and other second homes. Can the Minister confirm how much the tax cut for second home owners cost the public purse in total?

Lord Greenhalgh (Con): My understanding is that we have introduced a stamp duty surcharge of some three percentage points on top of the standard rate for those who purchase additional properties. That covers all second home owners, so they are not getting off lightly when they are buying their homes, and the Treasury is doing very well out of that regime.

Baroness Harris of Richmond (LD) [V]: My Lords, I declare my interest as a second home owner. Can the Minister tell me what impact he thinks this will have on communities where second homes are prevalent?

Lord Greenhalgh (Con): My Lords, it is a hard one to answer; in some areas where tourism is incredibly important it is a great boost to the economy, and in others it can result in the hollowing out of a particular area. I cannot give a simple response to that question.

Lord Bassam of Brighton (Lab): My Lords, the Question of the noble Baroness, Lady Thornhill, touches on one aspect of the housing crisis facing many living in tourist areas, but particularly coastal communities. As we found during the 2018 Select Committee inquiry on seaside towns, many local residents face a combination of low pay, high rents or unaffordable mortgages, and being squeezed out of the housing market by holiday lets. What plans do the Government have to find a workable solution to the interplay of these connected problems that does not penalise families struggling to make ends meet and trying to find a decent job?

Lord Greenhalgh (Con): My Lords, there are a number of schemes. I have mentioned the £11.5 billion affordable homes programme; there is also the first homes scheme, which has a minimum discount of 30% but which, with local councils, can be increased to 40% or 50%, so that new homes are offered first to people who live locally. Those kinds of initiatives will help local people get on the housing ladder, which is what the vast majority of people want.

Lord Kennedy of Southwark (Lab Co-op): My Lords, I refer the House to my entries in the register. Holiday lets, as we know, can be much more lucrative than tenancies, with landlords frequently able to bring in the income they would get over the course of a whole year from tenants in just the summer months. Small business rate relief also means that they can pay very little tax. Should the Government not do more in this area, perhaps with a larger levy, to encourage landlords

to rent to tenants instead and help deal with the housing crisis that we spend so much time talking about in this House?

Lord Greenhalgh (Con): My Lords, we are approaching this by ensuring that people do not game the system. It is perfectly proper, if you have a business, to be subject to the business rates regime. We have not yet finalised what that threshold will be. We are also consulting on whether there is a need for registration of these homes, as I have mentioned.

COP 26: Disabled Access

Question

11.35 am

Asked by Lord Holmes of Richmond

To ask Her Majesty's Government what plans they have to undertake an inquiry into the reasons why the COP26 summit venue did not provide equal access for people with disabilities; and what steps they are taking to ensure that similar events in future are accessible to all.

The Parliamentary Under-Secretary of State, Foreign, Commonwealth and Development Office and Department for Work and Pensions (Baroness Stedman-Scott) (Con): We are committed to an inclusive COP 26 which is accessible to all. The venue was designed to facilitate that. The permanent structures are fully wheelchair-accessible and the venue holds gold-level accessibility status. A complete accessibility audit was completed for the temporary structures and they were fully compliant. There are blue badge spaces for delegates and two fully accessible shuttle routes. Once we were made aware of the situation, it was resolved and Israel's Minister Elharrar was content.

Lord Holmes of Richmond (Con): My Lords, many things can be said about Monday's incident—overwhelmingly, that it was avoidable. Does my noble friend agree that, had COP 26 been planned and delivered to be inclusive by design, this would not have happened? Does she also agree that, *prima facie*, it was a breach of equalities legislation? As a result of this, what steps will the Government take to ensure that all their events and services and all departments of state are inclusive by design—sure, for the benefit of disabled people, but more for the benefit of everyone?

Baroness Stedman-Scott (Con): I spoke yesterday to my noble friend and the Minister for Disabled People. The Minister is absolutely determined to get to the bottom of this to avoid recurrence in future. We are acting fast by meeting different people so that we can get to the bottom of it and make a difference. On the point my noble friend makes, we are committed to making sure that disabled people have all the access they need. We clearly have more to do.

Lord Dobbs (Con): My Lords, the incident was truly wretched and the publicity that arose from it did a great deal of damage to all the things we are trying to achieve. But can we try to take something positive from that miserable incident? Karine Elharrar, the

[LORD DOBBS]

Israeli Minister, was showing that, just because you happen to be disabled, that does not mean you have lesser rights or abilities. She follows in the footsteps of President Roosevelt, Wolfgang Schäuble and many very fine and senior Members of this House. Can we use this incident to ensure that we do not treat disability as a curse? It is a challenge which so many people, including many Members of this House, rise to magnificently.

Baroness Stedman-Scott (Con): I can only agree with my noble friend. I reiterate and support his point that, in this House and in public service, there are fine people who battle against things which would floor most of us. I completely agree with that. We will use this incident to good effect.

Baroness Nicholson of Winterbourne (Con): Does the Minister agree that, while our Government are firmly committed to best practice for all with disabilities, the gap between that policy and their achievement remains unacceptably wide? Would she agree to a meeting for constructive discussion with one or two Members of your Lordships' House, whose dissatisfaction is well grounded on practical parliamentary experience?

Baroness Stedman-Scott (Con): The Government are firmly committed to best practice for all disabilities. Although progress has been made in recent decades on accessibility and inclusion, far too often obstacles remain. When the Minister for Disabled People was appointed to our team in the DWP, one of the first things I did was ask her to meet Peers. She has agreed to do that. Give her time to get her feet under the table, and noble Lords will have ample opportunity to discuss all those things with her.

Baroness Thornton (Lab): My Lords, it is great to be back here at the Dispatch Box dealing with women and equalities issues, which have been added to my very small brief of health. Given that the Paris Agreement, and before that the Cancun agreements, acknowledged that disabled people are disproportionately adversely affected by climate change—of course, this was an organisational and rather shaming failure at COP 26—can the Minister inform the House whether disabled people have been involved and heard at COP 26? Will their needs be fully integrated into the delivery plans as they emerge and are implemented?

Baroness Stedman-Scott (Con): I, too, have had Minister for Women and Equalities added to my responsibilities, which I am very pleased about. On the issue the noble Baroness raises, we have to include disabled people in considerations about climate change. I will ask my colleagues in the environment department to write and confirm that to the noble Baroness.

Lord Shinkwin (Con): My Lords, the experience of the Israeli Minister is a day-to-day reality for millions of disabled people in the UK, including myself. But perhaps we should congratulate the Government on completing the hattrick: first, the widely derided national disability strategy, then the removal of the UC uplift

from disabled households that cannot work, and now this. What message does my noble friend think this latest example of discrimination sends to the UK's 14 million disabled people?

Baroness Stedman-Scott (Con): My noble friend is understandably critical of the national disability strategy and has made that quite clear. Again, one of the first things I did when the Minister for Disabled People crossed the threshold at the DWP was to ask her to meet my noble friend, which she has agreed to do. It is not good that this incident happened; I cannot hide behind that. We have apologised and we are committed to making sure that it does not happen again.

The Lord Speaker (Lord McFall of Alcluith): My Lords, that concludes Oral Questions for today.

Creative Sector

Motion to Take Note

11.42 am

Moved by Baroness Featherstone

That this House takes note of the impact of Her Majesty's Government's policy and spending on the creative sector in the United Kingdom.

Baroness Featherstone (LD): My Lords, I thank all noble Lords for coming today. I have no doubt that we are all going to benefit hugely from the rich array of experts, innovators, educators, business leaders and creators in this House who will give of their wisdom to the Government, trying to impress upon them the need to turbocharge their level of commitment to the creative sector in both policy and spending. I greatly look forward to the maiden speech of the noble Lord, Lord Spencer of Alresford—if I have the pronunciation wrong, I trust that someone will correct me. I welcome the noble Lord, Lord Parkinson of Whitley Bay, to his place. He shows a keen interest in his portfolio.

There is not a noble Lord in this House who does not value the creative sector—at least, I trust that is the case. That applies to the Benches opposite too; it would be churlish not to acknowledge the Culture Recovery Fund thrown, albeit late, to a sector reeling from the repercussions of Covid and Brexit. I hope we will hear today from some of those to whom that really was a lifeline, and that this impresses upon the Government the value of the creative sector to people in every part of this country. But it was the 11th hour when the realisation dawned that this sector, which contributes so massively to the economy—at over £115 billion gross value added in 2019—and which was growing at five times the rate of the rest of the UK economy before the pandemic, was going under. I thank the Government for that fund.

There is not a huge amount in the spending review to say thank you for, but as the Government tend to deflect all criticisms by holding up such fig leaves to hide a lack of genuine priority, drive and belief in the sector, and to save the Minister from doing it at the end, I will do it for them. I genuinely thank the

Government for the extension of tax relief for museums, galleries, theatres and orchestras, the £850 million in post-pandemic support for culture and heritage institutions, and the £14 million a year in scale-up funding for creative SMEs. The problem is that the true priority the Government give to the sector lies behind those fig leaves.

The DfE Secretary of State's letter to the Office for Students demonstrates this precisely. It says that courses that are not among the Government's

"strategic priorities—covering subjects in music, dance, drama and performing arts; art and design; media studies; and archaeology—are to be subject to a reduction of 50 per cent",

and, further, that the Office for Students

"should reprioritise funding towards the provision of high-cost, high-value subjects"—

suggesting that creative subjects are not of high value—and that the Government

"would then potentially seek further reductions"

in years to come.

Then there is the EBacc, where arts are excluded completely, and the lack of action on the vanished £90 million-a-year arts premium promised by the Treasury in March 2020. In the meeting yesterday, it was mooted that the money could be in the DfE settlement; let us see if the DfE actually allocates it to that purpose. What do we actually see, educationally speaking? A couple of most welcome but inadequate T-levels, because there is no evidence or conviction that the work is being done with employers to deliver even these small policies.

We have only to examine the way the Government negotiated the Brexit deal to understand the value they place on our creative community. For example, our music industry contributed £5.8 billion to the UK economy in 2019—which was obviously before Covid—yet when Brexit slapped our touring musicians and performers in the face, it was clear that no thought at all had been given to this during negotiations. Why? Why were these issues not high on the Government's agenda before the catastrophe? It hardly supports the Government's claim of how important the creative sector is to them when there have been 11 different Secretaries of State in DCMS in the last 11 years, serving about a year each. That is a pretty clear indication of the priority and importance that the Government award the portfolio. Although I am not prone to biblical quotations

"By their actions shall ye know them".

I could go on and on, but your Lordships will be relieved that I will not. The point I am trying to drive home is that the Government have signalled so clearly, at home and to the whole world, that the UK creative sector is not a priority or important, whereas the message should be the exact opposite: it should be one of the top priorities on the government agenda. It is our secret weapon and our soft power success. I am sure that many of the issues noble Lords raise in today's debate will helpfully point the Government in the direction of actions they must take to encourage, support and grow the sector. This is a moment of both opportunity and necessity, to build back better and level up by using the talents of the most precious commodity we have: our human capital in our unique and original thinkers.

From McKinsey's 2018 report, *Skill Shift: Automation and the Future of the Workforce*, we know that creativity, critical thinking, decision-making and complex information processing are going to grow in the coming decade from an already high base. Our children and young people must not be fodder in educational sausage factories where creative thinking cannot flourish. No one should be enslaved by conformity. Not only is that a liberal mantra; it is also the credo for the future economic success of our nation. From *Realizing 2030: A Divided Vision of the Future*, a report by Dell Technologies and the Institute for the Future, we know that 85% of the jobs that will exist in 2030 have not been invented yet, and that 56% of business leaders say schools will need to teach how to learn, not what to learn, if students are going to be prepared for that. From the World Economic Forum 2020 report, we know that 50% of all employees will need reskilling by 2025 and that creativity, originality and initiative are in the top 10 skills.

So, it has been rough. Along with Brexit, Covid and diminishing fees from streaming, festivals, concerts, theatres, broadcast and record production, print magazines and arts teaching have been decimated, and this has undermined those working in the creative industries. Individuals have been squeezed to the point where their ability to maintain a professional living is vastly diminished, especially with living costs racing in the other direction. Those employers on whom much of the sector depends, whether directly or through production companies, are either cutting back or under threat. Imported production is not enough to take up the slack. Publisher advances for all but the top 150 novelists have all but disappeared. The position for poets and playwrights who are not screenwriters is dire. Local authority cuts are hitting not only local venues and museums but performers who work in the very important care and therapeutic sectors.

As I said, English universities are being told to cut arts subjects and those universities that have creative subject departments are awaiting with dread the Augar review implementation. Many in the arts rely on part-time teaching, research posts and freelance lecturing to supplement their artistic income. Outlets for visual artists, the private galleries that often depend on tourists and customers with high disposable income, are struggling. Not everything is suitable for selling online, and galleries are increasing the commission they charge artists because of rising rent rates and digital costs.

The inflexibility and complexity of the benefits system mean there is very little support for those in the creative sector. They are among those for whom some form of guaranteed basic income would make a huge difference, for the rules and regulations governing universal credit make it utterly unsuitable for those in the creative sectors.

There is nothing we need more in terms of building back better, levelling up and recovering from Brexit and Covid, which are, after all, stated government priorities, than the creative minds that will enable the UK to "STEAM" ahead. I said "STEAM" and I mean that. The Government make a false distinction between art and science; both are vital to advance the human condition.

[BARONESS FEATHERSTONE]

On levelling up, of all sectors, the creative sector is the one that is growing in parts of the country that need new employment opportunities. For example, according to the Creative Industries Federation, between 2011 and 2020, jobs in the creative industries grew by 68% in the north-east and 61% in Yorkshire and Humber. Kingston University carried out interviews with major businesses outside the creative sector, including Deloitte, Mastercard and Lidl, and a weighted sample of 2,000 UK employers to find the answer to two questions: what challenges the UK faces in remaining globally competitive—having Brexited, that will be even more important—and what skills businesses are looking for to meet those challenges over the next 10 to 20 years. Its findings are absolutely decisive. Business across all sectors prioritise creative problem-solving skills and identify emerging economies as the key threat to the UK, because countries such as China and Singapore are investing in these skills to absolutely transform their economies.

We need a Government that understand and value the creative sector, and put their money and energy into it; that respect, capitalise and believe in the creative sector; that support and encourage our broadcast companies, recognising their irreplaceable value as the second-largest exporter of television programmes and formats in the world; that understand and support the BBC rather than undermining it; that stop trying to sell Channel 4 and recognise that it breeds the ecosystem that spawns new and emerging talent, as well as being financially successful; that ensure broadcasters have continuing access to European platforms; that invest equally in developing creative skills alongside science skills; and that fight for the rights of our intellectual property.

We need a Government that recognise that, in challenging times for the UK, the creative industries offer a platform for economic success; that shape our education and economy for the future, because the future will belong to countries who support innovation and creative minds; that recognise the part played by creative courses in the innovation economy and ensure that policies are retained and enhanced; that support freelancers, sole traders, part-timers and those with a portfolio of roles, who people the creative industries; and that ensure that the tax and welfare system supports them to thrive and earn well.

We need a Government that will intensify and strengthen our creative core by promoting creative subjects in schools, further education and university; that ask Ofsted to monitor the curriculum so that no school can easily drop art, music or drama; that encourage institutions and businesses to collaborate with schools to provide cultural education and offer high-quality careers advice; that ensure that high-quality apprenticeships are offered in the creative and digital industries; that increase diversity in the creative industries by working with the industry and listening to its needs, with more support for flexible apprenticeships; and that promote the value of live events, in music, small and public venues, regional theatres, local halls and festivals across the country, especially while we grapple with Covid.

The Arts Council expressed the challenge and the opportunity thus:

“Never has there been a more important time to stimulate the debate, share intelligence, work in partnership with the sector and beyond, so that the benefits of arts and culture are discussed as a mainstream issue”,

not just “at the margins”. The Creative Industries Federation and Creative England’s recent report *The UK Creative Industries: Unleashing the Power and Potential of Creativity* features newly commissioned data from Oxford Economics, which projects that, with the right investment, the sector could recover faster than the UK economy as a whole, growing by over 26% by 2025 and contributing £132.1 billion to the economy in gross value added. That is over £28 billion more than in 2020 and is more than the financial services, insurance and pension industries combined.

It is clear—and I hope Her Majesty’s Government really heed this debate—that government policy, funding and indeed attitude impact profoundly across the creative spectrum: advertising and marketing, architecture, crafts, design and designer fashion, film, TV, video, radio, photography, IT, software, computer games—this is a massive area—publishing, museums, galleries, libraries, music, performing and visual arts. I am afraid this Government are found wanting. I will finish with a quote from the Prime Minister, although I cannot do impressions:

“You know, sometimes I don’t understand what’s wrong with us. This is just about the most creative and imaginative country on earth – and yet sometimes we just don’t seem to have the gumption to exploit our intellectual property.”

Let us hope he listens to this debate for all the answers he needs.

11.58 am

Lord Bassam of Brighton (Lab): My Lords, I congratulate the noble Baroness, Lady Featherstone, on conducting this debate; it is much needed in the House. I look forward to the Minister’s opening foray into debate on the cultural sector and to hearing from the noble Lord, Lord Spencer of Alresford. I do not think it is the Alresford that is next to Great Bentley, where I come from, but I look forward to the speech nevertheless.

The DCMS defines creative industries as:

“those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”.

Never has there been a time when those things are more needed, as we move out of the Covid pandemic and into a time when our economy will hopefully become broader and richer as we open it up.

As the Lords Library briefing note makes clear, the creative sector encompasses a wide variety of industry sub-sectors, ranging from film and television to IT software and computer services. These are powerful drivers in the modern UK economy, contributing, as we heard from the noble Baroness, Lady Featherstone, an estimated £155.9 billion and 2.1 million jobs to the economy in 2019. Put into context, this contribution to the economy is greater than the automotive, aerospace, life sciences and oil and gas industries combined.

Kingston University, an internationally renowned centre for art and design, says that evidence exists that creative skills drive innovation and growth in all parts

of the economy. I ask the Minister: why did Kingston University find that there is a “growing disconnect” between the globally recognised pre-eminence of our cultural sector and the education policies that sustain that success? As Kingston suggests, there is a risk that current policies will severely disrupt the talent pipeline that fuels that pre-eminence.

Moreover, given the impact of Covid on the economy, we have a national need to encourage the creative industries to help strengthen the recovery. As the noble Baroness, Lady Featherstone, observed, Oxford Economics reported that the sector could recover faster than the UK economy as a whole. Its recent *State of the Nation* report projects that the sector could, as has been said, grow by 26% by 2025, contributing £132.1 billion in GVA and creating some 300,000 jobs. I ask the Minister, with his recent DfE experience, why are the Government disinvesting from the cultural industries? This disinvestment comes a time when competitor economies such as China and Singapore are placing creative education at the heart of their plans for growth.

The Prime Minister wants to see a high wage economy—I think we all do. Higher-level occupations account for 83% of the creative industries, compared to 42% across the workforce generally. Higher education is strongly correlated with the creative sector. This work generates job satisfaction and, of course, higher pay. But over the period 2010 to 2020, there was a 37% decline in arts GCSE and a 30% decline in A-level entries. The English Baccalaureate does not include a single creative subject. Why? In the private education system, of course, creative education continues to thrive, meaning that the creative sector will, a bit like cricket, become the preserve of elite education and lack the diversity of backgrounds that the current Secretary of State seems to so crave. In higher education, the OFS confirms that there has been a 50% reduction in funding available for creative courses at universities, with a redirecting of these funds to STEM subjects and others deemed strategically important. It should not, in my view, be a case of either/or, but of both. Does the Minister agree with that view?

To grow the cultural industries, we need to invest; to invest, we need to plan; and to plan, we need ideas and imagination—something the Government lack. Why else would they look to support projects that look back rather than forwards? The creative industries are the future. I hope that this afternoon, the Minister can persuade the House that his Government understand that and set out a coherent arts strategy for the next decade and not just the next spending round.

12.03 pm

Lord Spencer of Alresford (Con) (Maiden Speech): My Lords, each one of you at some time past made your maiden speech in this Chamber and will no doubt recall what a special, perhaps nerve-racking moment it was for you and maybe your family. That is very much how I feel today. One of the things I and, no doubt, you too noticed immediately on joining this House was the great courtesy and civility extended between all involved here. This is an oasis of traditional manners, helpfulness and politeness that, I am sure, makes this important place of work so much more productive and rewarding. I would like to thank all the

many individuals who have extended those courtesies to me since I was introduced here last year: the clerks, the police, Black Rod and fellow Members, especially my two supporters, my noble friends Lord Strathclyde and Lord Marland, whom you may all hold responsible for my presence here.

My journey to this House, no doubt like many of yours, has been somewhat convoluted and varied. I was born in what was then the Federation of Malaya, son of a colonial civil servant father. A few years later came Macmillan’s momentous “wind of change”, and my father judiciously switched careers to join the United Nations and was posted in 1960 as a development economist to Khartoum, that famous and historic city at the junction of the Blue and White Niles. I remember the city and the country very well, and was lucky to learn some Arabic and travel quite widely with my parents. It was then a remarkably peaceful place, despite the enormous size and religious and ethnic diversity of that newly independent nation.

In 1964, we moved to Addis Ababa, headquarters for the UN in Africa. Ethiopia, then ruled by Emperor Haile Selassie, was one of the very few African states that was never colonised, apart from a brief, albeit painful Italian occupation. Although I was educated in England, this was very much my home until we finally left Addis in the late 1970s.

I was then working in my first job at a stockbroking firm in London. But although I had left Africa, Africa has never left me. The experience of being brought up in a sub-Saharan country with completely different cultures, religions and ethnicities left a deep imprint on me. I feel hugely privileged for where I have been, what I have seen and who I have met. That time also imbued in me a strong commitment to conservation and related issues. My wife and I are now very lucky to have a property in north Kenya, where we have abundant wildlife, including rhino, elephants, lions, leopards and buffalo, in an unspoiled and protected environment.

In 1986, I decided to start my own business with three colleagues, and we launched an interdealer broking firm called ICAP. I had at the outset estimated our chances of success as 50:50 at best, but the tide of good fortune was on our side. The Thatcher era abolition of exchange controls, coupled with bold economic and tax reforms, followed by the big bang, dramatically transformed the City of London and, indeed, the whole of the UK. There was a huge inflow of capital and expertise, with many foreign corporations setting up their headquarters in London. Our business thrived and head count grew rapidly. In 1998, we went public and in 2006 joined the FTSE 100 index—exactly 20 years after our modest beginnings. By then, we had 5,000 staff in 63 offices worldwide. ICAP was undoubtedly the world leader in our sector. We were a British business unicorn before that term had been invented.

I am happy to say that we were also ahead of the curve in CSR. We started an annual charity day in 1993, a unique idea at the time, when the firm gave all the revenues from a single day’s trading to charity. This project is still ongoing and has so far supported several thousand charities around the globe. This is without doubt one of my proudest achievements and legacies.

[LORD SPENCER OF ALRESFORD]

Your Lordships may well now be thinking, what on earth has all of this got to do with today's debate? Well, quite a lot, I suggest. As we have just heard from the noble Baroness, Lady Featherstone, the creative sector, traditionally viewed as being theatre, film, TV, orchestras, dance, opera, museums, galleries and the like, is hugely important to the UK. But we should widen the definition of the sector to include creative corporations. Who would not say that, for example, Apple, Google and Tesla are creative?

What is without question is that "creativity" and all that goes with it—innovation, imagination, change, design, pushing the boundaries, embracing new ideas and cultures, vision, perseverance, risk taking; all these and much more—are critical components for a vibrant economy, a vibrant society and a vibrant nation. Certainly, we could never have built ICAP to become a world leader without embracing all of this. As our nation emerges now from the cloud of Covid and faces the challenges and opportunities of Brexit, there has never been a time when we have needed to support, invest in and promote creativity, in its widest definition, more.

I thank the noble Baroness, Lady Featherstone, for tabling this important debate, giving me this opportunity to make my maiden speech, and my noble friend Lord Parkinson for what will no doubt be an excellent reply. I look forward to contributing my best endeavours to this great House.

12.09 pm

Lord Marland (Con): My Lords, I cannot tell you what a pleasure and honour it is to follow my noble friend Lord Spencer of Alresford's maiden speech. What an excellent speech it was. We started in the City together in the 1980s and, frankly, I have been living in his shadow ever since. As noble Lords just heard, some of his magnificent achievements far outweigh those of most human beings. He is a child of the Commonwealth, as he said. His father was committed to public service. He was a scholar at Oxford. None of those things have I ever been able to attain. In 1986, he built the biggest inter-dealer broker—a truly British company. It went from nothing to being a multi-billion-pound business—a magnificent achievement. As my noble friend alluded to, his greatest achievement—he was modest in what he said—was the more than £150 million that he raised for charity through his ICAP charity day. I therefore think that his addition to this House is remarkable for his own achievement but is also of great benefit to the House.

I also congratulate the noble Baroness, Lady Featherstone, on this truly important debate. Actually, I congratulate the arts because, through these horrible Covid times, many of them, like so many of us and so many other business, have struggled to maintain their existence, to strive and to create, while using the new technologies available to perform. It is a magnificent achievement. I chair a charity called Tickets for Troops. Before Covid, the performing arts gave us around 150,000 free tickets for our Armed Forces each year, so my affection for the performing arts is unrivalled. I have not only lived with the fact that our charity has not had any tickets; I have seen what the arts have had to put up with through this difficult time.

I want to contradict the noble Baroness slightly because I think that our Government have done incredibly well. They have had to struggle with Covid, but they have set aside an enormous amount of funding for the arts. The arts are still thriving and are, for want of a better phrase, ready to roll. The Government are fostering the arts against a lack of insurance, which is a big problem; it is very disappointing that the insurance industry has failed to offer them coverage, which is key for them.

The noble Baroness and the noble Lord, Lord Bassam, were quite right to talk about the future, because this is about the future, how we build on success and what the Government do to make it. As noble Lords will know, I was an international trade envoy for the Prime Minister and one of the founders of the GREAT campaign. We recognise the importance of promoting the arts globally.

However, there is a failure in the system. Look at the movie industry. Take the James Bond films; they are magnificent productions. We have the actors, studios and technicians in this country, and then we produce the product. Look at the music industry, which the noble Baroness referred to earlier. Again, we have the talent, production studios and orchestra halls in this country; we therefore have the product. Then look at the creative industries, including fashion, design and architecture. We can design the product but cannot produce it. The focus for the Government in the next few years should therefore be creating enterprise zones and freeing up the banking system so that, in this post-Brexit Britain, production can be created to supply rather than things having to be produced elsewhere. I would like to hear my noble friend the Minister's views on this.

Again, I welcome my noble friend Lord Spencer to these Benches and congratulate him on his excellent maiden speech. I look forward to hearing my noble friend the Minister's response.

12.13 pm

Lord Clement-Jones (LD): My Lords, first, I congratulate my noble friend Lady Featherstone on both initiating this debate and her excellent opening contribution, which set the scene so effectively. I also congratulate the noble Lord, Lord Spencer, on his excellent maiden speech. I was particularly delighted to hear his perspective on the value of creativity for our future. Of course, we are all familiar with his bringing fun to fundraising through ICAP's charity day, with many celebrities bashing the phones and appearing in the *Evening Standard* the day after. I was also interested to hear that we have a common interest in conservation in Laikipia in northern Kenya.

I will talk about the way in which the pandemic has had an impact on livelihoods in the creative, arts and entertainment sectors. I want to talk about a number of current threats to independent producers, our book and fashion sectors, authors and our music industry. I do not quite see the sunlit uplands that the noble Lord, Lord Marland, did.

The first threat is the situation in which our independent film and TV production companies find themselves as a result of competition from the major studios and

streaming services such as Netflix and Amazon. The growth of the UK as a destination for film and TV production has been so swift that there are now insufficient skills and crews. If we cut corners, quality will decline. We have a similar situation in competition for access to facilities, with independents being priced out. Steve McQueen, the maker of “Small Axe”, could not afford London—the location where its events took place—and had to shoot in Wolverhampton instead.

We need to tackle the overheating of the sector that is taking place. In particular, we need to expand the training and skills pipeline, as my noble friend described, rather than cutting funding and threatening to limit the number of people taking creative arts degrees. Where is the promised £90 million-a-year arts premium for schools? Where are the reforms to the apprenticeship levy? As my noble friend mentioned, Kingston University’s future skills league table shows that creative skills are in demand right across the economy; of course, the noble Lord, Lord Spencer, also made that point. Independent producers have described their great concern about the Government’s proposal for the future of Channel 4, which commissions hundreds of independent British companies that can exploit the intellectual property in programmes around the globe.

I come to our renowned, world-class book sector and the consultation over the post-Brexit copyright exhaustion regime. Copyright is key to the book trade, as it offers a bundle of rights that enable authors to protect their intellectual property and benefit from it. This right means that authors or their publishers can control the distribution of their book in a particular market, as long as their rights have not been exhausted. However, the IPO is currently considering a change to the UK’s copyright exhaustion framework—specifically, the introduction of an “international exhaustion regime”. This would have a devastating impact on UK publishing and a huge knock-on impact on UK authors’ incomes.

By the same token, the impact on the fashion industry of a switch to international exhaustion, in particular on our global London Fashion Week, could be significant. What is the Minister doing to ensure that the creative industries’ concerns, including those of the publishing and fashion sectors, are properly taken into account? What analysis has his department done on the impact that an international exhaustion regime would have on the UK’s publishing and fashion sectors, or on the UK creative industries’ exports?

Post Covid, many authors are in a very difficult situation. The Society of Authors survey found that

“49% had lost more than a quarter of their income by October 2020 ... Only 28% got help from the first two payments of the Self-Employment Income Support Scheme.”

Hundreds of libraries have closed across the country over the past decade, which has reduced public lending right income. The single most effective thing that the Government could do would be to increase the public lending right fund available for distribution, which currently stands at a mere £6.6 million, has been frozen for a decade, and is half the amount of the ones in Germany and France.

Finally, I turn to the threats to the music industry, with which I have a long association. UK Music recently unveiled its annual report, *This Is Music 2021*.

It has revealed the devastating impact of Covid-19, which wiped out 69,000 jobs—one in three of the total workforce. Studios and venues were forced to close, and musicians and crews were unable to work. In a sector where three-quarters are self-employed, many were not covered by government support schemes. UK Music has drawn up the music industry strategic recovery plan, which outlines five key areas where swift action is needed: tax incentives; urgent action to remove the barriers to touring, which my noble friend Lord Strasburger will talk further about; a permanent reduction in the VAT rate on live music event tickets; more funding and support for music exports; and boosting funding for music education and for the self-employed to secure the talent pipeline. Where do the Government stand on these requests to help to save some of our critical creative sectors?

12.20 pm

Lord Berkeley of Knighton (CB): My Lords, it is a pleasure to follow the noble Lord, Lord Clement-Jones. I agree with virtually everything that he has said. I declare my interest as a composer and broadcaster and welcome this timely and vital debate, brilliantly initiated by the noble Baroness, Lady Featherstone. I extend my welcome to the noble Lord, Lord Spencer. He will find that his knowledge of wild animals is enormously helpful in your Lordships’ Chamber and may even recognise the odd elephant of one hue or another.

Our Government tell us constantly that they prize the creativity of our musicians, artists, actors, dancers, fashion designers and writers, but their splendid words are rather undone by their less than splendid stance on creative education and the result of the Brexit negotiations. These two issues, Brexit fallout and education, were compounded by a third, which admittedly was beyond the Government’s control: Covid-19.

The Government’s support for the arts during the pandemic was enormously helpful—and we are grateful for it—as is the doubling and extension of orchestra tax relief in the Chancellor’s Budget Statement last week. However, many freelance musicians and artists, as the Government recognised, fell through the support network during the pandemic and these are precisely the people who, as they try to recover, are now being hit by the problems with touring, particularly in Spain, where the cost of getting visas and the invasive requirement to reveal personal accounts, including bank statements, are exacting real hardship, as publicly described by two of our most gifted singers, Dame Sarah Connolly and Ian Bostridge.

Cabotage is a huge problem, especially for those companies and orchestras who own their own trucks. Why is Spain important and why cabotage? Well, if you are planning a European tour for an orchestra, a string quartet, a dance company or a heavy metal rock group, you must divide the costs by the number of performances that you can give. Geographically and historically, Spain is key to European touring, yet it has more restrictive requirements than several countries with which we do now have bilateral agreements. Currently, trucks are allowed to transit to only two locations before either all the gear must be transferred to a local carrier or you must return home and start

[LORD BERKELEY OF KNIGHTON]
again. During this gap, performers must be paid for loss of work and for subsistence, amounting to thousands of pounds.

Regarding Spain, I have a little suggestion for the Minister. We know how many UK citizens love and welcome their Spanish holiday. We know how Spain values their contribution to the Spanish economy. Surely there is some leverage here, à la France and fishing. “You want us on your beaches so make it easier for us to tour or maybe we will have to help reach our carbon targets by further taxing flights to Spain.” Of course, there are many complex issues surrounding this problem with Spain, including a national and endemic bureaucracy and the strong and febrile feelings over Gibraltar, but there must be a way through. Could we not perhaps go back to pre-European Union rules? What are Spain’s arrangements with other countries outside the EU—America, for instance?

A letter has been sent to Boris Johnson on behalf of cross-party MPs, demanding urgent action over the crisis facing musicians and crew touring the EU. The All-Party Parliamentary Group on Music, endorsed by the All-Party Parliamentary Group on Classical Music, of which I am a co-chair, has also revealed plans to hold a cross-party inquiry into the costly barriers and delays facing musicians, particularly emerging artists. Details of the two initiatives come after Sir Elton John warned in June that the UK music industry risked losing a “generation of talent” and branded the situation a “looming catastrophe” for artists.

Regarding education, the amount of time devoted to arts subjects, including music, has been steadily declining in our schools over the last decade. I feel more passionately about this than any other aspect of creativity, even those that I have mentioned, because we are depriving future generations of the opportunities that we all enjoyed. In terms of levelling up and diversity, we all celebrate the wonderful playing of the cellist, Sheku Kanneh-Mason. A few months ago, his mother, Kadie Kanneh-Mason, told me on Radio 3 that what upsets her about current music provision in schools is that if Sheku was a pupil now, he and his siblings would not be where they currently are; the privileged and well-off can get music lessons but the poor in our society are stranded.

Ideally, we should get these creative subjects back on to the national curriculum, but, failing that, let us augment hubs and target underprovided areas, as suggested by the Local Government Association. When the Minister rises to tell us how valued the creative industries are, as I am sure he will, will he consider whether we will still be able to say that in decades to come if we have denied our children the means to develop into the musicians and artists of the future that they, and we, deserve?

12.26 pm

Baroness McIntosh of Hudnall (Lab): My Lords, I congratulate the noble Baroness, Lady Featherstone, very warmly, on securing this debate and on setting out the issues so very clearly and lucidly. During a long career in the arts and in your Lordships’ House, I have probably opined on most of the things that she mentioned at least once and sometimes many times.

I am not sure that I could ever possibly have done it as well as or better than she did today. I also congratulate those who follow, because there is very little that I can add to what has already been said or will be said by the extraordinarily well-informed group which I am privileged to be part of today. I also welcome the noble Lord, Lord Spencer, to the House. He will be a great asset to us. I look forward to hearing from him again in the future.

I want to talk briefly about one of our most important cultural assets, which was referred to, albeit in passing, by the noble Baroness, Lady Featherstone: the BBC. We know that there are some people, possibly quite a few, who resent having to pay the licence fee that entitles us all to access the vast range of programming provided by the BBC. Those people would prefer to pay only for what they use. Perhaps we might think about applying that to the NHS. We also know that there is a small but vocal and influential minority who would like to see the BBC diminished because they regard it as a threat to their commercial interests. There are a few people, including some politicians, who are convinced that the BBC is irretrievably biased towards what they see as a liberal metropolitan world view, and would therefore like to see it reined in.

These are all reasonable, defensible positions. I do not agree with any of them but that does not prevent me understanding them. What is not reasonable or defensible is government interference in a well-trying and thus far largely independent process to appoint the chair of a key regulator, apparently to smooth the way for a candidate previously deemed unappointable, whose well-publicised attitude to the BBC is, shall we say, less than supportive. Also not defensible is a senior government figure—a Cabinet Minister, no less—making barely veiled threats about the BBC’s future funding in reaction to one experienced journalist’s momentary and perhaps understandable frustration.

I am sure that the Minister, who I know takes his brief very seriously, will want to give the House a different perspective on these problem issues, and I look forward to hearing what he has to say, because I believe that the BBC, despite its flaws, of which there are many, is a public good and matters to our culture, creativity, politics and international reputation in more ways and for more reasons than this Government sometimes seem to understand—or perhaps they understand them all too well. Either way, those who would like to see the BBC taken down should be careful what they wish for.

12.30 pm

Lord Foster of Bath (LD): My Lords, I begin by congratulating the noble Lord, Lord Spencer, on a truly interesting—which is often not the case—maiden speech. I also congratulate my noble friend Lady Featherstone on not just securing this important debate but, as the noble Baroness, Lady McIntosh, rightly said, on her excellent speech, which I hope will influence government thinking.

It seems to me that the Government have a Jekyll and Hyde approach to the creative sector. They rightly talk up its importance and, to be fair, have directed significant sums to help the sector during the Covid pandemic—yet in many ways they fail to understand

the sector and its specific needs. This can be illustrated by many examples, such as the furlough scheme failing fully to take into account the sector's particularly large number of freelancers and part-timers and the Government's dismal betrayal, in the Brexit negotiations, of musicians and other creative performers whose livelihood comes from touring within Europe. Further evidence is provided, as we have heard, by the Government's threats to cut the BBC down to size or to privatise Channel 4, failing to appreciate the importance of those institutions in the wider creative sector ecology.

In the limited time available, I will concentrate on just two other government policy areas to illustrate their failure to understand and respond to the creative sector's needs: the talent pipeline and the importance of protecting intellectual property. Post-Brexit talk is all about developing homegrown talent yet, as far as the creative sector is concerned, government policies are hindering such development. For example, soon after the introduction of the apprenticeship levy it became clear that there is no one-size-fits-all scheme, and the creative industries argued for a bespoke one to meet their requirements and ways of working. Only now, after several wasted years, are trials of a more appropriate scheme taking place. I hope the Minister can update us on what is happening and that he will acknowledge that the failure to act sooner has meant that, as ScreenSkills has claimed, there are only one-quarter as many creative industry apprenticeships as there could have been.

While the Government are at last beginning to listen in relation to apprenticeships, the same cannot be said for what is happening in our schools—an issue raised so powerfully just now by the noble Lord, Lord Berkeley. The failure to include arts and creative subjects within the EBacc has led to students being discouraged from studying them and encouraged instead to focus on subjects that form part of the EBacc. Government workforce statistics show this very clearly, with a sizeable decrease in the teaching of non-EBacc subjects. For example, in the past 10 years art GCSE entries have declined by 37% and design and technology entries by nearly 60%. Not surprisingly, A-level entries in arts and creative subjects have also declined dramatically. A-level music entries are down by 44% since 2011. This is hardly a recipe for developing homegrown talent in the creative sector.

That is why we on these Benches have long argued for the inclusion of creative subjects within the EBacc—and we are not alone. The Commons DCMS Select Committee recommended it way back in 2013, and in June of this year the Commons Education Select Committee made a similar recommendation. To date no Minister has given a convincing justification for rejecting such recommendations, so I will listen with interest to our Minister's attempt. And, while he is doing it, recalling that his party's 2019 manifesto promised

“an ‘arts premium’ to secondary schools to fund enriching activities for all pupils”,

will he tell us when it is coming?

Now creative subjects in our universities are under threat, with an inevitable impact on the talent pipeline. The universities regulator has confirmed that it will be

cutting its funding for arts subjects by 50% and, worse, we now hear that the Treasury is pressing for a reduction in the number of students studying such courses on the grounds that they are less likely to pay back their student loans. I hope the Minister can assure us that such pressure from the Treasury will be resisted.

To date, the Government have not listened to concerns about the talent pipeline, but I hope they might do about intellectual property. The generation and exploitation of IP is a defining feature of the creative industries. Piracy is a major threat to that exploitation. One of the problems in tackling it is that digital service providers do not verify the identities of those using their services, so pirates can make millions from their illegal activities without being identified. The Government have now said that they will look at how Know Your Business customer regulations might be introduced to deal with this problem. Can the Minister therefore update us on how that work is being taken forward and when he expects it to be concluded?

Finally, I have previously asked the Minister about the future of the IP exhaustion regime and the possibility that the Government may introduce an international rather than a national one—a move the sector believes will be devastating. So far, we have been told that the options are being reviewed and a decision will be made in due course. Given the importance of the issue, can the Minister say why it is taking so long, when we are going to hear and why the Government are even considering an option that could be an existential threat to our creative industries? The Government talk up the creative industries but must do more to understand them.

12.37 pm

Lord Cashman (Non-Affl): My Lords, it is always a pleasure to follow the noble Lord, Lord Foster of Bath, and I congratulate him on his contribution. I also congratulate my friend, the noble Baroness, Lady Featherstone, on the laser-like brilliance of her opening statement, and I welcome and congratulate the noble Lord, Lord Foster, on his maiden speech. I look forward to many more.

A noble Lord: Spencer.

Lord Cashman (Non-Affl): Spencer. I am corrected from a sedentary position. My error was unforgivable; I restate that I congratulate the noble Lord, Lord Spencer, on his excellent maiden speech.

I remind the House of my interests as a set out in the register, particularly as a member of Equity. I am in receipt of royalties from programmes and I am a published author with Bloomsbury. I am grateful for the many briefings I have received from the Society of London Theatre, UK Theatre, Equity and many others, including the renowned and prolific commercial theatre producer Sonia Friedman.

As the noble Lord, Lord Berkeley, said, before the pandemic, the creative sectors were facing difficult issues because of our post-Brexit trade deals and, in particular, the restrictions on the freedom of movement of goods and people. The creative industries import and export talent and product across the EU and further afield, and there are still many issues, now

[LORD CASHMAN]

impacted by the pandemic, that need to be resolved. I shall not repeat them as the noble Lord, Lord Berkeley, dealt extensively with them.

I welcome wholeheartedly the government measures and any criticism I have is because I expect more and better. Despite the measures that have been introduced, it remains a very mixed picture. While many have received assistance and support, many others were unable to get help and are still struggling or have left their professions. Indeed, some established freelancers were advised that their work was not “vital” and that they should retrain. That attitude is insulting and short-sighted, and potentially drives away practitioners where there is already a drastic skills shortage.

Some theatres and venues across the UK are experiencing returning audiences, but many others are struggling. Across the board, ticket sales are far from guaranteed, with the majority of theatres’ producers having to take a week-by-week approach to their finances, which creates a hugely unsettling economic environment. In such an unsettled economic environment, it follows that there will be long-term employment and artistic consequences that could affect theatres, producers and venues, as well as the skills crossover.

The lack of international tourism and broader public uncertainty about personal safety and returning to life as normal are at the heart of these issues. Therefore, clear government messaging is crucial, in addition to continued targeted economic support to help the creative industries transition out from Covid-19 restrictions.

The Budget and the CSR in October provided much-needed potential financial relief, but it is about take-up and accessibility of funds. For instance, DCMS has awarded just 1.3% of the £2 billion Culture Recovery Fund. One needs to beg the question: why? We must also address other key areas: funding for local authorities to ensure that the arts are part of the regeneration of our towns and cities; and cultural VAT, which should be maintained at 12.5% or the reversion period extended.

The arts premium for secondary schools is vital. I give this urgency because I know it matters. At the age of 11, I initially went to a secondary school and, because of my exposure to theatre, my life was dramatically changed and my life changes enhanced beyond all measure. The benefits to young people are immeasurable, stimulating imaginations and taking them beyond their place of birth or the people to whom they were born and giving them the horizons that beforehand were unimaginable—truly, the power to change lives.

I briefly turn to the doubling of theatre tax relief, which will have an extremely positive impact on the ability to produce and stimulate new productions through the autumn and deeply uncertain winter. However, there are some operational issues with TTR. The interpretation that DCMS has specified is that only shows with activity after 27 October can qualify for the doubled TTR. However, activity on shows of a large scale—indeed, on any large-scale performances—often starts well over a year or two in advance of the first performance. There are solutions to this problem, and I urge the Minister to meet with producers and others.

I have two final points. The reintroduction of the minimum income floor for universal credit will have an extremely negative impact on creative freelancers with variable income. A recent survey by the union Equity found that 50% of respondents were concerned that they could be forced out of the industry as a result. Quite rightly, Equity wants to abolish the minimum income floor and replace it with a meaningful alternative to better support creative freelancers. I urge the Minister to meet with Equity to discuss its proposals.

Finally—and I say this with all due deference and courtesy—the cultural vandalism of privatising Channel 4 will have damaging consequences for its supply chain, resulting in thousands of job losses. It will serve no one, least of all the viewer, nor the principles of broadcasting diversity. The Channel 4 model works. Therefore, I ask the Government to stop meddling, leave Channel 4 alone and abolish such reckless proposals.

12.43 pm

Lord Aberdare (CB): My Lords, the noble Baroness, Lady Featherstone, has done well to obtain this debate and to introduce it so powerfully at a very timely moment to address the challenge of reviving the creative sector following the impact of Brexit and Covid. I welcome the noble Lord, Lord Spencer of Alresford, to the House. I was particularly struck by his commitment to CSR and his connections in Kenya, with its mountains whose name I am proud to share.

The Chancellor was recently cited as saying:

“For us, in the UK, the creative industries, arts culture is something we are genuinely world-class at.”

The creative sector makes a significant economic impact, is faster growing than most other sectors and calls for skills that are increasingly recognised as essential for business. That is without saying anything about its huge importance to our quality of life as individuals and our soft power. Its success has been based on a strong national ecosystem of talent, skills, experience, facilities, institutions and resources, built up over many years.

I will focus on music and the performing arts. They have been badly hit by Covid-19, as we have heard. I will not repeat the statistics mentioned by the noble Lords, Lord Clement-Jones and Lord Foster, and others. Many schools have cut back on their arts and music teaching, reinforcing an alarming drop in pupils taking music GCSEs and A-levels, especially in state schools.

Government has played an important role in helping the sector to stay just about above water. Its task now is to maintain and enhance the ecosystem on which the sector depends, while continuing to repair the damage done since 2019. Above all, it needs to ensure that the education pipeline of creative skills and talent is expanded, not disrupted or blocked, and that the sector receives the support and investment it needs to complete its recovery and return to growth. I have a fusillade—perhaps it is more like a scattershot—of questions for the Minister about some of the actions that I believe are needed, which I hope he will address either in his response or subsequently.

The Government have promised to

“publish a refreshed national plan for music education next year”,—[*Official Report*, 25/10/21; col. 516.]

which is welcome—particularly as the noble Baroness, Lady Barran, indicated during Oral Questions last week that it would “focus on disadvantaged children”. What more can the Minister tell us about how the Government have consulted about the plan and how they will seek to bridge the alarming and growing gap between the state and independent sectors in music and arts teaching? For example, will they ensure that funding for music education hubs is on a more secure and predictable basis, rather than putting them in a situation where they have to look at whether they can re-employ their staff on an annual cycle? How do the Government plan to ensure that the laudable aims of the plan are met, unlike those of its predecessor?

There seems to be a disconnect between performing arts education in schools and the work of awarding organisations, such as those accredited by the Council for Dance, Drama and Musical Theatre, offering graded examinations in the performing arts through their own networks of specialist teachers. More than 1.1 million such examinations were taken in the UK in 2019, as against 110,000 entries for GCSEs in dance, drama and music, and 17,500 for A-levels. Might the Minister look at how these two approaches could better reinforce each other and increase and maintain the sector’s access to teaching resources, perhaps by expanding the role of music education hubs to cover this?

How will he ensure that careers advice and guidance fully reflect the opportunities available in the creative sector? When will the Government finally get to grips with the damage done by the EBacc to music and arts teaching in schools? These are questions that other noble Lords have asked. What can he say about the promised arts premium for secondary schools, assuming that this is not another manifesto commitment that the Government plan to abandon?

More broadly, how will the Government ensure that the creative sector as a whole receives the focus, support and investment that its significance and potential deserve? What plans are there to scale up the creative cluster approach? Will the Minister look at updating research and development definitions to enable more R&D funding for the creative sector, as countries such as France, Germany, Italy and South Korea have done? We have fintech and edtech; we also need createch. Will he seek to increase the number of creative apprenticeships available and to provide targeted support for the small firms and freelancers so prevalent in the sector?

I could ask many more such questions—I have not even mentioned touring—but they all point to the need for a comprehensive, integrated policy and spending approach to the creative sector as a whole, joined up across all the government departments involved, to address the Government’s agenda so powerfully set out by the noble Baroness, Lady Featherstone, and to ensure a healthy and vibrant ecosystem within which creative individuals and businesses can have the freedom and opportunity to do what they do best: innovate, invent and create.

12.50 pm

Lord Vaizey of Didcot (Con): My Lords, I wish everyone a happy Diwali and refer noble Lords to my entry in the *Register of Lords’ Interests*. Almost all of

them relate to the creative industries but I particularly point out the Authors’ Licensing and Collecting Society and my trusteeships of the National Youth Theatre and Music Masters.

I congratulate my noble friend Lady Featherstone—she is a friend—on calling this important debate. She is a great colleague on the Communications and Digital Committee. I also welcome, as has everyone else, the wonderful maiden speech by my noble friend Lord Spencer. I believe, and I genuinely mean this—often one just mutters platitudes—that he will make an enormous contribution to this House. I found his speech fascinating as I learned about his childhood and growing up, but I particularly focused on his point at the end about the need to recognise the creativity in business. I have to say that made me come over all philosophical about our approach to the creative industries and indeed the arts.

In my view, it works in two different ways. First, take a company like Apple, which is normally the most valuable company in the world, although it oscillates a bit in that position with Microsoft. Apple is a company whose effective success has been based on design. We rightly celebrate the work of a British designer, Jony Ive, in designing the iPhone, but it is a design-led company that has effectively conquered the world; we all pay through the nose for an iPhone because we like its shape and design.

That goes to the heart of why creativity is so important in the world of business. It is the magic dust that is often the difference between success and failure. Many countries around the world look at the UK’s creative sector through a business lens. If you talk to the Chinese—I know we are not meant to—you will find that they have nothing to learn from us about manufacturing processes but are keen to learn from us about creativity. That is why it is important for politicians.

Secondly, the arts and the creative industries are businesses too. That is why it is important for a Cabinet Minister to be seen on the set of James Bond, for example; they should not be dismissed as somehow frivolously wasting their afternoon with a bunch of film stars. They are not. They are visiting an area of high economic importance, surrounded by people with fantastic skills in very technical areas who are creating wealth, and an incredible marketing tool, for this country. That should be celebrated.

The arts also have to reflect on what they can learn from business. As Culture Minister, I felt that no one could ever go bust in the arts. My noble friend Lord Spencer began by saying that he rated his business success as 50:50 when he started out in the proverbial back bedroom, but it always seems to me that if a regional museum or arts organisation closes down then it is deemed to be a catastrophe and a failure of a philistine Government rather than recognising that the arts, just as much as business, will have winners and losers and need refreshment. Thus endeth my philosophical thinking, which may be welcomed by all sides.

However, I will make one last philosophical point. Something else that I learned when I was Culture Minister is that the arts are surprisingly conservative. My noble friend Lord Aberdare mentioned the need for createch; I agree. There is often a failure in cultural

[LORD VAIZEY OF DIDCOT]
institutions to think forward and differently, and to ask difficult questions. For example, I have a very open mind on Channel 4 privatisation. I have absolutely no problem with the question being asked and the issue being examined. I do not simply want the status quo to be the default position for the arts, just as I do not want to see it in business. That is why, when I was the Minister, I often found conversations with people in the tech world much more stimulating than with people in the arts world about the future of their organisations.

I have used up almost all my time. I just want to say a few things to the Minister, who has a fantastic job and, as he will have worked out from this debate, quite a big in-tray. I know this will be said later by my noble friend Lady Wadley—I apologise for echoing her; she put the idea in my head this morning—but it is so simple to get this right. In terms of government spending, arts spending is a rounding error. It would be so easy to put the arts on secure funding. The noble Lord, Lord Clement-Jones, mentioned the public lending right. That is a classic example where the Government would get so many plaudits if they were to increase it, for what is an insignificant sum.

The Culture Recovery Fund has been a triumph while the extension of tax credits by the Government really should be applauded; they are a clear and extensive form of support for the arts. The Government are leaning into that and deserve real credit for it. I look forward to my noble friend Lady Wadley talking about the national plan for music education, which she is in charge of, because a third pillar, alongside spending and tax credits, is a real opportunity to lean in on arts education. Many noble Lords have made the point that it makes an enormous difference. It is not simply about creating great musicians or artists; it is about giving kids real confidence and soft skills that they are going to need in whatever profession they look at. I know the Secretary of State is fully committed to the levelling-up agenda, particularly given her background and what she has achieved. The arts can really make a massive difference.

In terms of turning back on to the arts themselves, arts organisations also have to look at themselves and say, “Are we doing enough to genuinely reach out to new audiences and different people as well?” They have to do that in partnership with government, not simply ask the Government to do it for them.

12.56 pm

Baroness Harris of Richmond (LD) [V]: My Lords, I too thank my noble friend for introducing this important debate so brilliantly and comprehensively. I congratulate the noble Lord, Lord Spencer, on his fascinating maiden speech and welcome him to this House, even virtually.

I want to tell noble Lords about the impact that the pandemic and government policies have had on the creative industries in a small rural town. Like many small communities up and down the country, you will find a wealth of remarkable cultural and creative activities in my beautiful market town of Richmond at the top of the Yorkshire Dales. We have dozens of groups that our citizens can join, from choirs and orchestras to writers’ groups, painters, potters, sewers

and dancers—all tastes are catered for. It is remarkable to me that a town of only 8,500 should have so many creative people wanting to express themselves in so many diverse ways.

In particular we have our internationally famous Georgian Theatre Royal, a grade 1 listed building built in 1788, the oldest working theatre in its original form in the UK. Knowing that we had this debate today, I wanted to know how the theatre had fared during this terrible time and, interestingly, it has fared pretty well. Having been given a hugely generous donation from a marvellous benefactor, it was beautifully restored during lockdown, which enabled it then to open once restrictions on theatres had been lifted. During lockdown, though, it was helped by the Culture Recovery Fund, for which we were enormously grateful. That paid around £78,000 for items such as maintenance, insurance and utilities. Then of course there was the job retention scheme, which paid the salaries of the small number of people employed at the theatre, which, by the way, has only 155 seats. In a way, if there were to be a good time for the theatre to be closed, one could say that this was it. However, without the help from the recovery fund and the furlough scheme, it might well have been a very different story.

However, it is not all roses. Most venues, all over the country, may have survived, but actually putting on a production is much more problematic. Because they received little help with their finances, many smaller venues have had to close permanently. Certainly, small production companies like the ones used by our theatre in Richmond have found it extremely difficult to get started again because of the uncertainty of getting money in. Shows take time to be stage-ready, and artists simply have not had the help that others have had, leading to a real shortage of shows to put on in our theatre. Indeed, the chief executive tells me that it has been almost impossible to produce a good programme because of the inability to get people together to rehearse. This is the fault, without doubt, of the Government’s leaving this sector without any help whatsoever during the pandemic.

Small theatres need to be paid up front now because insurance is problematic and going up, as we have heard. There is understandable nervousness about getting people back into theatres. Will they make enough profit to stay open? Even an historically significant theatre like ours has these deep concerns, so what assurance can the Minister give to them? For instance, will the Government ensure that the theatre and orchestra tax relief scheme will continue to support the many small theatres and orchestras into the future, because it will be a long time before they can make any profit?

It seems to me that this is all about confidence: confidence in our Government to do the right thing and begin to support our cultural heritage. This sector was so cruelly treated during the pandemic by not supporting artists and performers—the very people we need to help our creative industries grow. We also need to find the confidence to return to pre-pandemic levels of support for those individual performers and groups, who bring such richness to our daily lives.

That means allowing overseas artists to perform here as well. At the moment, we have made it extremely difficult for them to do so, as we have heard, and our

home-grown performers are finding it almost impossible to get bookings in Europe because of the ridiculous paperwork they now need to complete. What was once easy has been made ludicrously difficult because of our stance on Brexit. So, finally, will the Government begin to see how important it is for us to share our culture with the world and recognise that only by unfettered reciprocal arrangements between countries can we begin to rebuild our creative industries?

Baroness Scott of Bybrook (Con): My Lords, I remind noble Lords that there is a six-minute limit on speeches from Back-Benchers, and it will take time from the response from the Minister if we keep going over.

1.03 pm

The Earl of Clancarty (CB): I congratulate the noble Baroness, Lady Featherstone, on an excellent and comprehensive speech. I also congratulate the noble Lord, Lord Spencer of Alresford, on his fine and absorbing speech.

I will focus on two areas: the arts and arts education. Among some excellent briefings, I was struck most immediately by the frightening figures that Equity quotes about the long-term funding of the arts in the UK: that public funding for the arts, per head of the population, has dropped by 35% since 2008, and local government funding has dropped by 43% in the same period. According to Eurostat, in 2019 we ranked second from bottom of all European countries for spend on cultural services as a percentage of GDP, with only Greece below us. Greece's situation is understandable; ours is not. These are appalling cuts.

However, I cannot help wondering—perhaps I am going against the grain here—whether the formulation of the creative industries map in 1998 by the noble Lord, Lord Smith, exciting at the time, has in the longer run proved something of a double-edged sword for the arts, which to an extent have been subsumed within that economic grouping. This is not to deny the usefulness of that grouping, but we should not lose sight of the arts as a core entity, albeit fuzzy around the edges.

The arts are not just significant economically, as the rest of the creative industries are; alongside our state media they are an integral aspect of the democracy of this country. It is hugely important that healthy, state-funded arts and media are managed independently, and that the Government of the day properly maintain an arm's-length distance from both. It is important to restate this principle at a time when there are concerns about the erosion of democracy in our country.

The arts have taken a massive hit with Covid. UK Music reports the loss of 69,000 workers—over a third of music's workforce. Music has significantly contracted because of its dependence on live events, but musicians and many others have also fallen and continue to fall through the gaps in support. I thank the Government for the recent meeting for Peers on employment in the creative industries, which the Minister attended. I point out that work in the arts is vocational. For most people who are forced to find other work, it will be a second choice.

The Government have announced some welcome rebuilding measures, but much more is required. The Culture Recovery Fund should be extended. The apprenticeship levy needs to be more flexible for the creative sector, as others have pointed out. The Government should rethink increasing VAT on tickets back to 20% in April next year. Recovery will not be fast for the arts.

But, in the long run, Brexit will be the major problem, and it already is. We have heard the OBR's predictions of the extent of the greater damage it is likely to cause to the economy as a whole, compared to Covid. At no point when signing an agreement with the EU did this Government take the needs of services, including the creative economy, into account. For the performing and visual arts and fashion, mobility is crucial.

Will the Government take note of the three types of action that they must take, as set out by the House of Lords European Affairs Committee in its letter to the noble Lord, Lord Frost, on 29 October? The first concerns what the Government should do in negotiation with the EU, including a visa waiver agreement, cabotage and carnets. The second concerns negotiation with individual countries, and work permits. The third concerns the action they can take more immediately, closer to home, including making Eurostar a designated CITES port and improving UK Border Force's understanding of the permitted paid engagement scheme for visiting artists.

A visa waiver agreement is urgently needed. We know that the EU would be more receptive to this, unlike the unrealistic UK offer. Moreover, it is the ISM's understanding, following a recent meeting it had with officials from the Home Office, DCMS and the Cabinet Office, that there are no legal barriers to prevent the Government trying to negotiate such an agreement with the EU.

It is essential that young people have the same access to the arts as they do to sciences in schools. With new teams at both DCMS and DfE, now is the right time to look again at the EBacc. Over the last seven years, take-up of arts GCSEs has fallen by 28%, and take-up of A-level music has dropped by 44% over the last 10 years. The 50% cut to arts higher education courses and the wrongheaded suggestion that courses that lead to poor salaries should be cut will additionally give the wrong signal to schools at a time when a pipeline of talent for the arts is required, as part of the post-Covid recovery.

Finally, in his Budget speech, the Chancellor talked of

“investment in a more innovative, high-skilled economy”.—[*Official Report*, Commons, 27/10/21; col. 274.]

Education in art and design subjects is key for such innovation to take place. We need to move away from predominantly knowledge-based education if such an economy is to succeed.

1.09 pm

The Earl of Dundee (Con): My Lords, I am grateful to the noble Baroness, Lady Featherstone, for introducing this debate. I congratulate my noble friend Lord Spencer on his excellent maiden speech.

On the creative industries, I shall briefly connect a few points: their future prospects; the part played by digital technology; their ability to enhance learning

[THE EARL OF DUNDEE]

and education; and their application at any and every level, whether local, national or international. In view of Covid, however, and as many of your Lordships have done, today we should start by assessing various damage-limitation expedients.

The DCMS Committee of another place has alleged that help arrived too late, precipitating mass redundancies and threatening permanent closure of our cultural infrastructure, while the Public Accounts Committee of another place has claimed that in spite of attempts at compensatory funding many participants are still in great difficulties.

Nevertheless, the Government should be commended for their July 2020 cultural recovery disbursement of £1.57 billion, awarded to more than 5,000 organisations, as since then they also can be for instigating a variety of other useful interventions, including those of last week's Budget, enabling tax relief for theatre, orchestra, museum and gallery businesses, to which the noble Baroness, Lady Featherstone, referred.

For 2022 and 2023, what forecasts does my noble friend the Minister make both for the recovery of creative industry jobs, which pre Covid in 2019 had reached 2.1 million, as well as for the sector's contribution to the United Kingdom economy, which only three years ago rose to 5.9%, at £115.9 billion?

We may take heart that, between 2011 and 2019, the gross value added measure for the creative industries grew four times faster than the rate for the rest of the UK economy. The sector exported £36 billion in services worldwide and accounted for almost 12% of the UK's services exports. We can also take comfort from the all-win, solid partnership, which is fortunately there to stay, between digital technology and the creative industries, permeating all sectors and now evident within each, from film, TV, music, fashion and design to arts, architecture, publishing, advertising, video games, crafts and so on.

Be that as it may, along with artificial intelligence, digital technology is quite easily misinterpreted, and even incorrectly misunderstood to undermine or replace human minds. Yet as we well know, the opposite is the case, for digital technology does not take over intellectually but instead, and provided in partnership with human thinking and creativity, which come first, is able to innovate or cause many more permutations and constructive results which otherwise, without it, would not have occurred at all.

Another misplaced fear and inaccuracy is that machines and robots, as they proliferate, will disadvantage people. However, research from the United States and Europe indicates that the more creative a job, the less likely it is to be replaced by a machine. That suggests that, to the extent that robots may perhaps do the jobs of men in manufacturing, agriculture and some services, the creative industries then become all the more necessary for generating employment and enabling stable communities. This leads to the aim, shared by all, to attain a much more consistent national spread of creative industries, thereby narrowing the gap between the south-east of England and the rest of the United Kingdom.

Before Covid, while resolving to redress this imbalance, the Government also indicated a 50% increase in reported creative industry exports by 2023, sustained annual growth of 3.9% reflecting £130 billion by 2025, and a million more people employed by 2030. How far would my noble friend now see fit to revise those figures? What plans are there for 2022 and 2023 for the further development of creative clusters within the UK's cities and regions? In the next couple of years, what targets are there for new partnerships between universities and businesses to strengthen R&D and improve understanding of the sector?

Ironically, during the pandemic the quality of online learning has become even better while its cost has reduced. The British Council is a case in point. Before the pandemic, its traditional business model had relied on the receipt of income from face-to-face English teaching along with some financial support from the FCO. Now its business model has changed, substituting direct teaching with that online, certainly in order to make ends meet and pay back, as required, its current FCO loan of £60 million, yet at the same time without any loss of quality in its language teaching.

The Government's pre-Covid industrial strategy paper calls for the better teaching of maths, sciences and technical knowledge. All such programmes would be best delivered online. There is as well a strong case to include the humanities within a comprehensive range of subjects. Video games systems, such as those designed in Dundee, already cover a number of subjects with excellent results, particularly when, through use of the Socratic dialogue, learners are also challenged to ask questions and drawn out to give their own opinions on aspects of what they are learning.

Where it already exists, there is no need to replace good teaching at schools and universities. Locally and nationally, the online learning delivery purpose instead is to supplement teaching, as relevant, although occasionally to provide courses in the first place if these should be lacking, such as those covering neglected subjects already referred to by the noble Lords, Lord Berkeley of Knighton and Lord Foster of Bath, and my noble friend Lord Vaizey of Didcot.

Internationally, however, the purpose is different. Within a full range, this is to offer to countless numbers of people abroad whichever subject or subjects they need and want to learn but have not been able so to do owing to an insufficient availability of teaching in their own countries.

My noble friend the Minister will recall that at the recent G7 in June of this year, the United Kingdom, in chairing that summit, has already agreed to assist education internationally. A key issue is that online learning courses should lead to proper qualifications. Just now, as a Council of Europe parliamentarian and through its committee structure, I am writing a report on that. In connection with their G7 commitment, what steps are the Government taking to ensure that any online learning delivered internationally—

Baroness Scott of Bybrook (Con): I am sorry, will my noble friend wind up?

The Earl of Dundee (Con): I will just finish.

In summary, the creative industries have a very good prospect. To counteract the current negative economic effects of Covid, ongoing protection is necessary. The Government must also continue to do all they can to spread out from the south-east. A central challenge is to improve and increase education. Through increased online delivery, the UK must now improve education for learners both here and abroad.

1.16 pm

Lord Storey (LD): My Lords, I too want to thank my noble friend Lady Featherstone for securing this debate and for her fantastic opening speech. I also congratulate the noble Lord, Lord Spencer, whose contribution I found truly fascinating.

We have heard several noble Lords speak of the huge contribution that the creative industries make to the British economy in general and to exports in particular. We have just heard from the noble Earl, Lord Dundee, of those figures, and I do not want to repeat them, other than to say that one figure stands out in my mind: the creative sector is growing at four times the rate of the UK workforce.

However, the creative industries do not just play a vital role in the economy; they shape the country's international image. In film, television, music, gaming, fashion and sport, our creative reach is enormous. That is not to mention, of course, James Bond and the Beatles—I was not going to say, “Yeah, yeah, yeah”. Our museums, art galleries, sporting institutions and terrestrial broadcasters have contributed to how others see us. For example, the BBC's global news services reach 438 million people around the world every week—more than any other international broadcaster. It plays a major role in enhancing the UK's standing and reputation overseas—nothing Metropolitan elite about that. The most recent Soft Power 30 index puts the UK back at the top of the world rankings, pipping France at the post.

For the creative sector to flourish and continue to grow, we need, as my noble friend Lord Foster said, a talent pipeline. It needs young people at school who have a passion for, say, music, or art and design, to be given the opportunities to develop that talent, to go on and study a vocational course, to go to university or to sign up for an apprenticeship. That encouragement must be there.

My last job was as a head teacher of a 600-place primary school in an outer-city former council estate on Merseyside. In fact, it was the very estate where our current Secretary of State at the DCMS lived—Elsinore Heights, I think it was. The school was very keen on creative and arts subjects, visual and performing. We had school orchestras and peripatetic music throughout. I decided that the school should apply for an Arts Council Artsmark. When the inspector duly arrived, she spent a full day at the school, going into all the lessons—it was more challenging than Ofsted. At the end of the day, she came to give me her conclusions. She said, “Mr Storey, I'm sorry to tell you that you haven't got an Artsmark—but you have an art gold mark.” I was stunned, and said, “Really?” She said, “Yes”, and that she had gone into a literacy lesson—that was the pushing point—where the teacher was using percussion instruments to teach children to write poetry.

You can imagine the effect on that very deprived community of being able to put the plaque outside the school, saying that we had an Arts Council mark.

When the children went on to the local secondary school, I know that creative subjects were again encouraged, and pupils went on to work in all sorts of jobs in the creative industry, including designing computer programmes. I remember that Josh Bolt, an actor, went on to appear in, or star in, “Last Tango in Halifax”, and whatever that awful comedy programme is called. Those students went on—they were proud of what had happened. Sadly, that is not the case now.

Introduced in 2010, the English baccalaureate is the Government's measure of how pupils in secondary schools choose to take a GCSE and how well they will do in the following core subjects: English, literature, language, maths, science, history and geography, and a language. Those subjects are chosen because they are considered essential to many degrees. The Government have an ambition to see 75% of pupils studying the EBacc by 2022, and 90% by 2025, but there are no creative subjects as part of the EBacc—so, not surprisingly, in financially challenging times, schools have cut back on creative and technical subjects to save money.

As my noble friend Lord Foster said—perhaps we should have been more creative and shared our notes—the figures speak for themselves, with all creative subjects down by 28%, design and technology down 59%, drama down 21% and music down 17%. A-level music is down by a staggering 44%. Yet in public and independent schools, the creative subjects have blossomed. Do we really want only those children whose parents can afford to send them to public schools benefiting? I thought that the Government were about levelling up. I hope that our current Minister, having known how creative arts can be important to young people, talks to her colleagues in the education department.

1.23 pm

Lord McNally (LD): My Lords, this has been a very constructive debate, thanks in no little part to how my noble friend Lady Featherstone introduced it, and I congratulate her on that. I also congratulate the noble Lord, Lord Spencer, on his maiden speech. I was interested to hear about his interest in exotic animals. The noble Lord, Lord Berkeley, referred to the elephants in this House—I think he will quickly find that a number of species he thought were extinct are still on these Benches. Later, I shall ask the noble Lord, Lord Spencer, for some specific help on the issue that I want to talk about, which has already been introduced by the noble Baroness, Lady McIntosh—namely, the future of the BBC.

Next year, on 18 October, we will celebrate the formation of the British Broadcasting Company in 1922 by a group of leading wireless manufacturers, led by Marconi. On 14 November 1922, the BBC began daily broadcasting from the Marconi studio in the Strand. In the last 100 years, it has been Conservative Governments who have quite often made the right calls in broadcasting, not least by establishing the BBC as the British Broadcasting Corporation in 1927, protected by royal charter. Its first director-general, John Reith, gave it the guiding mantra which has served it so well for nearly 100 years: to educate,

[LORD McNALLY]

inform and entertain. In so doing, we have been able to talk to each other and to the world in a way which has won trust and respect.

In the last 12 months, more than 90% of adults used BBC services each week. It is an established fact that whenever there is a national or international crisis, as the Covid pandemic has proved, the nation and the world tune in to the BBC. In its educational output, the BBC provides support for students, parents and teachers while helping the next generation to connect with our culture, arts and the creative industries, as the noble Lords, Lord Cashman and Lord Vaizey, and my noble friend Lord Storey, emphasised in their speeches.

All this should be a cause of great celebration. One of our major contributors to soft power and the promotion of excellence in every part of our national life is approaching a major milestone. Yet in recent years it has come under constant attack from political and financial interests, which would like to see it undermined and marginalised. I have said before in this House that it would greatly contribute to public understanding if our newspapers, when covering stories about the BBC, followed the example of their financial pages and carried a short note setting out the financial interests of their owners. As my noble friend Lord Clement-Jones pointed out, we now see the BBC and other public service broadcasters having to compete with international streaming services whose inward investment, welcome as it is—and their very deep pockets—have only a glancing commitment to our creative industries or cultural identity, as they promote their international products.

Over the past decade, the BBC's UK services have seen a 30% real-terms reduction in income while being obliged to maintain their commitment to quality and relevance across all our nations and regions. During a similar contraction in public service broadcasting in the USA in the 1980s, one commentator famously said, "We will only realise what we have lost once we have lost it". The same will be said of the BBC if we continue to allow it to be crippled by the malice of those who wish to see it diminished and destroyed.

In the months ahead, government and Parliament will have to make some fundamental decisions about the future of broadcasting in this country, from the chair of Ofcom to the future of Channel 4, from regulation of online harms to the funding of the BBC. The changes in technology and the power of the tech giants and their streaming services could mean that our creative industries become merely the sub-contractors to an international, US-dominated market, setting its own cultural and creative agenda. The distinctively British cultural content and the values that underpin them will be diluted and lost.

Her Majesty the Queen, when addressing COP 26 earlier this week, urged the participants to move beyond the short-term political and become states men and women. The same challenge should now be made to the Government in respect of our cultural and creative industries, and in that we need the support of the Conservatives on their Benches in drilling some sense into the Government about their responsibilities. Let us celebrate the success of the past century but, more

important still, put in place the legislation and funding which will allow the BBC to be the iron pole of excellence around which we can foster and encourage our creative industries in the decades to come.

1.29 pm

Baroness Fleet (Con): My Lords, it is a privilege to follow the noble Lord, and I thank my noble friend Lord Vaizey for his generous comments, even though he mistakenly honoured me with a new title. As Baroness Fleet, I declare my interests as chair of the advisory panel for the national plan for music education and co-founder and chair of the London Music Fund. I too congratulate my noble friend Lord Spencer on his maiden speech.

I also congratulate my noble friend the Minister on his success in securing funding for the creative industries. However, when I searched the mighty document for the words "arts and music education", the closest I could find was funding for a new Beatles attraction on the Liverpool waterfront. I doubt anyone in this House is a greater fan than I of the Beatles, but whatever happened to the arts premium promised in the 2019 manifesto and raised by several noble Lords today? It is not too late for my noble friend to rescue what looks like a snub to the arts and creative industries by announcing today that he will work with the Department for Education to ensure that the arts premium will indeed be awarded to schools. The £90 million is a fraction of a fraction of the new money being distributed by the Chancellor. I note that red squirrels, no less—the noble Lord, Lord Spencer, may be interested in this—will be the beneficiary of £280 million for a wilding programme. Are red squirrels really more important to the Government than young musicians?

I hope noble Lords will indulge me if I too say a few words about the arts premium and why it is so important. First, it is important as a signal from the Government that they do care about the arts and creative industries, and also that they recognise the role that the arts play in the development of the child. Previous speakers have spoken about the financial power of the creative industries, but what of the pipeline of talent? The arts are being squeezed in schools, what with STEM and the EBacc, and it is those from the poorest and most underprivileged communities who are losing out. As chair of the Government's advisory panel for the national plan for music education, I want to make access and inclusion a priority. Surely, we should be doing more to ensure that our brilliant creative industries have not just a trickle of new talent but a healthy flow from all communities and regions.

I want to speak specifically about the value of music education, following several noble Lords earlier. Most primary school children have the opportunity to be introduced to a musical instrument through a term or two of whole-class ensemble teaching, largely funded through music education hubs, to the tune of £79 million a year. But then what? A great many families simply cannot afford to pay for further tuition. Even if a child has real potential, they will probably fall through the net unless they can find additional support from a charity such as the London Music Fund. I co-founded this organisation at the behest of the then Mayor of London, now the Prime Minister, with a specific remit

of improving access to high-quality music education for all children. We have awarded more than 600 scholarships to children from low-income families and I have seen at first hand the transformative effect that music has. It has huge social benefits, boosting mental health and self-esteem as well as improving concentration and cognitive ability, raising attainment in maths and English. Literacy, numeracy and creativity go hand in hand.

Making progress in music gives a child self-esteem and the knowledge that they can succeed and move on to university or even music college. This very weekend, I am taking one of our graduate scholars, a grade 8 musician, to Oxford for the day, as she now feels she has the self-confidence to apply to the most distinguished university to read mathematics. She is the daughter of a single mother living in a high-rise on one of London's toughest estates. Music tuition would not have been in her family's reach had not the London Music Fund stepped in. This young woman's ambition and achievements owe a great deal to the part that music has played in her life.

A knowledge and love of music, nurtured in school, will lead children to the creative industries in all sorts of careers, not just as musicians, technicians and producers. Opportunities are there for so many young people and we must make sure that we supply the right young people to help create the greatest creative industries, of which we are all so proud. I hope that at the end of this debate, my noble friend the Minister will commit to working with the Department for Education to ensure that the £90 million for the arts premium is finally delivered. It is not too late.

1.35 pm

Baroness Miller of Chilthorne Domer (LD): My Lords, first, I very warmly congratulate my noble friend Lady Featherstone on her brilliant introduction and on painting a picture of the breadth of the creative industries. No debate that I can remember recently has been more inspiring. I also congratulate the noble Lord, Lord Spencer, on his maiden speech, and I look forward to hearing more from him. I just say in passing to the noble Baroness, Lady Fleet, that of course red squirrels have come together with the arts in the form of Beatrix Potter, who really laid the foundations of the understanding of books for many children with *The Tale of Squirrel Nutkin*.

I must turn to what this Government are consulting on. This was touched on by my noble friends Lord Clement-Jones and Lord Foster when they explained that the Government are consulting on what sort of intellectual property regime to pursue now, after Brexit. In my contribution today, I shall emphasise the importance of a territorial—in other words a national—copyright regime to the British book trade. The British book trade has been and still is a really great success story. Britain is the world's number one exporter of books. That is a great achievement, and the publishing industry is worth £6 billion. Culturally, British books export the English language around the world, and British books are a very important means of exerting soft power.

Of course, books are also the foundation for many films. James Bond has been much mentioned, and I am sure Ian Fleming would be very pleased that his

books live on in that form. Books transform into other things, including video games, and of course people also buy books as a record of such things as exhibitions and for reference. Very importantly, books open the world, both real and imaginary, from the moment a parent starts reading to their child. Books expand our horizons. They are companions and they enable us to walk in other shoes than our own. Non-fiction books have held their own very well in a digital world. Indeed, I love books so much that I spent the first half of my working life first in publishing and then in bookselling, so I understand the critical relationship between authors, publishers and booksellers and how this relationship nurtures the new, unknown author.

Any change in the intellectual property regime would mean, for example, that a blockbuster success for a publisher and for a bookseller would be threatened. The blockbuster success is the wave that is necessary to give momentum to the trade that then carries the riskier, the lesser-known and the niche authors. Were the Government to move to an international copyright regime, floods of cheap books produced elsewhere in the world would flood on to the market, but only the blockbusters. It would undermine the publishing trade very critically and diminish authors' incomes. It would undermine how physical books published in the UK are distributed around the world. I cannot emphasise enough that copyright is the key to the UK book trade: it offers our authors the right to protect their IP and benefit from it.

There may be a view in the Government that the book trade is old-fashioned and that authors can just publish online, but the fact that books are still such a valued purchase for the British public is partly because of their content, but partly because of how they look—their design and their typeface. The book trade is a survivor: it survived the abolition of the net book agreement, which proved a death sentence for many independent book shops, and it survived the onslaught of Amazon, which of course started out as a book outlet before it diversified into everything including the kitchen sink.

I cannot really believe that the Government wish to undermine the book trade, but can the Minister assure me that they have decided on a firm choice to maintain a system that protects British authors and the British book trade? The Conservative mantra during Brexit was "Take back control". If the Government change the copyright regime around books, so that it takes away control from British authors, it will be a disaster for the British book trade.

I have one last question for the Minister: have the Government done an impact assessment of changing the intellectual property regime across the creative arts, and an impact assessment specifically for the British book trade on the effect of ending our British territorial protection?

1.41 pm

Baroness Prashar (CB): My Lords, I too thank the noble Baroness, Lady Featherstone, for securing this debate and introducing it with such clarity and passion. This debate is taking place on the auspicious day of Diwali, so I hope that future omens for the revival of creative education and industry are positive. May I

[BARONESS PRASHAR]

also congratulate the noble Lord, Lord Spencer, on his inspiring maiden speech? I was delighted to hear about his Kenya connection, where I was born.

The coronavirus pandemic brought unprecedented challenges to culture and creativity across the UK. The theatre and music industries were probably hit the hardest, but we must all marvel at their resilience and ingenuity, on which we must build going forward.

The economic importance of the creative industries is beyond doubt. The figures, which we are all familiar with, speak for themselves. However, this sector is not just economically important; it is the lifeblood of innovation and diversity. This sector is the glue that holds local communities together and engenders a sense of identity and belonging. It is through creative activity that people express their sense of being. It is our greatest soft power asset, and its social and educational benefits are incalculable.

It is indeed welcome that, in response to the impact of the coronavirus pandemic, the Government introduced several schemes, established the Culture Recovery Fund and made some helpful announcements in the Budget. However, while these schemes have helped some, there are other issues that need greater attention. These include the impact of the pandemic on freelancers, small organisations and some specific groups; and, of course, as we have heard, the need to bolster creative education in schools for the reasons so eloquently expressed by the noble Baroness, Lady Featherstone, the noble Lord, Lord Storey, and the noble Earl, Lord Clancarty.

Freelancers and the self-employed, given the way government support was structured, were excluded from direct support and were not eligible for the furlough scheme. Freelancers are important to the creative economy. ONS data shows that at the end of 2019, around 15% of the workforce were self-employed, but that figure rose to 30% of all creative occupations and 88% of music, performing and visual arts occupations. Freelancers are very vulnerable and are overrepresented in music, performing arts and visual arts. During the pandemic, we saw their number decline.

While the recent Budget makes more support available for freelancers, it is unclear whether this will be enough for those in music, performing and visual arts. Women and young people appear to have been distinctly affected. This points to a need for more specific targeted support for these groups. Are the Government looking at this and will they be providing specific support to freelancers, particularly women and the young?

The reintroduction of the minimum income floor for universal credit will have a negative impact on freelancers with variable income. Equity has called for the abolition of the minimum income floor and the introduction of a more meaningful alternative to support freelancers. Will the Government consider this?

The pandemic crisis and the heightened debate about race following the Black Lives Matter movement raised awareness of structural inequalities and injustices. While greater efforts are being made to encourage diversity and minority representation, this is an opportunity to respond positively to structural inequities, ensuring greater involvement of minorities in decision-making, access to capital, capacity building and skills training. Apprenticeship funding is welcome, but how

will this be made more attractive for the creative industries and how will the Government ensure equity in accessing these apprenticeships?

A reinvigorated debate about racial inequality has highlighted structural inequities and this provides an opportunity for an overdue conversation on how to respond to entrenched inequalities. I hope that the Government will engage with relevant groups and organisations to garner ideas and learn what effective action is needed. What action are the Government taking to ensure that this opportunity is not lost?

Research also shows that it is much harder for people from deprived backgrounds to start their career post 18 in a creative industry without a good foundation in creative education in school. As we have heard, despite the commitment to level up there was no sign of the £90 million arts premium in the Budget, as the noble Baroness, Lady Fleet, and others have said. Has this pledge been shelved? If so, why?

The role of the Government and their agencies in providing targeted policy interventions is clear. More targeted support means more devolved and place-based strategies, which are central to achieving the objectives of the levelling-up agenda. What is the Government's sustainable strategy to ensure that the creative industries are integral to their levelling-up approach? I look forward to the Minister's response.

1.47 pm

Lord Strasburger (LD) [V]: My Lords, I congratulate my noble friend Lady Featherstone on securing this debate and on her inspiring opening speech. I also welcome the noble Lord, Lord Spencer, to this House.

I will focus on one crucial part of the creative sector's income: what it earns from paid engagements, multi-country tours, residencies and international shows inside the European Union. The Prime Minister is fond of describing everything as "world-leading", but if he were to take any interest in our creative industries, he would find that, here at least, that epithet is richly deserved. The imagination, ingenuity, endeavour and financial performance of our creative industries are second to none. They nurture our souls and, as our ambassadors, they bring peoples together all over the world.

We should be very proud of and grateful for the cultural joy, hard cash and soft power that our musicians, dancers, actors and fashion industry and all their teams of background staff deliver for our country—or, I should say, did deliver until the Covid pandemic struck early last year. Since then, the industry has been in hibernation, or worse. Venues have closed and tours, festivals and exhibitions have been cancelled. Performers and their staff have had to switch careers to survive; many will be permanently lost from the industry, along with their talent and experience.

You might expect that the creative industries would be celebrating the beginning of the end of our battle with Covid, which of course is far from over. Some venues have reopened, live performances have restarted and the cash tills, or these days the card machines, are back in action. However, a vital revenue stream, accounting for roughly half of many companies' income, has been wiped out at a stroke by the Government's trade deal with the EU. Previously, performers and their crews could work and travel around Europe

without any friction or costs. Now, they are faced with mountains of red tape, crippling costs and impossible logistics. If they were to embark on a tour visiting, say, 20 venues, their trucks and vans would now have to return to the UK after just two stops.

Artists had been assured that this would not happen. On 21 January last year, Nigel Adams, then a DCMS Minister, told the other place how important easy touring is for the creative industries. He said:

“It is essential that free movement is protected for artists post 2020.”—[*Official Report*, Commons, 21/1/20; col. 57WH.]

He was right. That is precisely what the EU offered: a cultural visa waiver scheme. However, inexplicably, the Government rejected it, and instead proposed something completely inappropriate. It is intended for businesspeople travelling to meetings, not artists plying their trade and being paid for it. That was the end of it. The British Government never raised the subject again, and the trade deal was signed without including any mention of our second-largest industry, for which it was the worst possible outcome: a no-deal Brexit.

Our artists now operate on far worse terms than for those from Tonga. For many companies and staff, it is the final nail in the coffin after Brexit. The worst affected are younger performers and crews, and those with embryonic careers, who need income from Europe to survive and the experience that comes with international touring to develop their talent. The Government are in denial about their role in this catastrophe. Until they admit to themselves that they should have accepted the EU's generous offer, we cannot make any progress. They need to abandon their preposterous excuse that a visa waiver scheme would somehow breach their manifesto commitment on taking control of our borders. Performers come here for a few weeks to ply their trade, then go home. They do not represent any threat whatever of uncontrolled immigration.

We must go back to Brussels and negotiate a cultural visa waiver scheme as an addendum to the trade agreement, without the need to reopen the existing treaty. Only then can our second-largest sector emerge from the darkness of the Covid winter into a spring of renewed success on the world stage. Unfortunately, the new Secretary of State postponed her meeting with Sir Elton John, which should have taken place this morning and at which he would have urged her to grasp this nettle. However, I remain hopeful that her strength of will and fresh perspective will enable her to fix this urgent problem.

1.52 pm

Baroness Bonham-Carter of Yarnbury (LD): My Lords, I add my thanks to my noble friend Lady Featherstone. Many superlatives have been sprinkled on her speech; I add “passionate”. I have also heard passion from around the House on this incredibly important topic. I also welcome the fine maiden speech of the noble Lord, Lord Spencer. I am so pleased that he chose this debate to make his maiden speech, because it was not necessarily obvious to the rest of us. It was a wonderful speech and I am pleased that he is part of this debate.

Lockdown was catastrophic for the creative industries, a sector that relies particularly on personal interaction. My own stark realisation of what was about to happen

was on 16 March 2020, when the doors to Tom Stoppard's “Leopoldstadt” literally closed in my face as I arrived. However, as the noble Lord, Lord Marland, said, the sector showed characteristic imagination and innovation and found new ways of collaborating, working and planning with communities across the land, streaming gigs, exhibitions, performances and festivals. In so doing, in some ways, it succeeded in reaching out to a more diverse audience. However, we all know that online events are no replacement for the pleasure of actual shared experience or the loss of revenue. The toll it took on the viability of venues, on the literal escape for audiences into other worlds and on the careers and lives of our fabulous creative workforce was terrible.

As the noble Lords, Lord Foster and Lord Cashman, said, this workforce was particularly vulnerable due to the precarious nature of its freelance world. Some 72% of its workers fall into this category. During lockdown, they came to be known as the “excluded” because that is what they were, unable to access government support schemes. Will the Minister listen to the calls for a freelance commissioner to ensure that resources are distributed more equally in future?

The UK's creative and cultural workforce still does not adequately reflect the diversity of the UK population, as the noble Baroness, Lady Prashar, mentioned. I hope that the Minister will pay attention to the report from the APPG for Creative Diversity, of which I am a member, on how the Government can help the sector in this area. For instance, although we welcome government investment in developing flexi-job apprenticeships with agencies, will the Minister ensure that this remains sustainable and affordable for the sector after the initial investment runs out? Also, will he ensure that some of the levelling-up support, in particular the £560 million for youth services, is available for culture and creative activities? I take this opportunity to thank the noble Baroness, Lady Stedman-Scott, for her leadership and energy in making Kickstart work for the creative sector, as exemplified by the involvement of Pinewood and the games sector.

Our creative industries, and the cultural and artistic excellence that underpins them, make us a soft power superpower—an economic powerhouse. As the noble Lord, Lord Spencer, said, they unlock innovation. They provide social cohesion. They bring solace and, in some cases, actual healing to those struggling with physical and mental ill-health. They are gold dust, literally and metaphorically. The Chancellor acknowledged this recently when he said:

“For any country, there are probably a few things that you are world-class at. For us, in the UK, the creative industries, arts culture is something we are genuinely world-class at.”

His provision last week of an uplift in tax relief—I hope the noble Lord, Lord Vaizey, hears me—was very welcome indeed.

However, why is government policy not more joined-up in its support for the creative industries? Much has been said today about education and the skills pipeline. The acquiring of a skill begins at school, as the noble Lord, Lord Storey, said. Successive Conservative Governments consistently and persistently undervalue and undermine arts education. First, it was via the EBacc. Then, it was through proposals to scrap

[BARONESS BONHAM-CARTER OF YARNBURY]
 qualifications that are still needed by the creative industries, such as BTECs and level 3 courses. Defunding existing courses before new ones are tested is a huge risk. Please can the Government stop further cuts to the funding for creative subjects in higher education, with a 50% cut for some courses having already been announced in the summer?

“STEM, not STEAM” is the Government’s mantra. It totally ignores the fact that there should not be a choice between the arts and science. They are symbiotic. As Peter Bazalgette, chair of ITV and ex-chair of Arts Council England, said in a recent speech:

“Our global competitiveness will increasingly depend on the fusion of creative and technological innovation.”

It already does. The noble Lord, Lord Vaizey, mentioned Jony Ive and the iPhone, but did your Lordships know that nine out of the last 10 special effects Oscars were won by Brits—a perfect example of this fusion? Yet this Government—the same Government whose industrial strategy prizes the creative industries as a priority sector—say that arts subjects are not strategic priorities. It is baffling. Can the Minister explain this disconnect? More importantly, will he listen to the many noble Lords, including a former Culture Minister, who have made the same point in this debate?

Then there is Brexit. We have just heard the words of my noble friend Lord Strasburger. The fact is that the creative sector was dealt a no-deal Brexit. Will the Minister respond to his requests, and those of the noble Lord, Lord Berkeley, and the noble Earl, Lord Clancarty? Through their careers, they understand directly what is going on.

Finally, I want to pick up what my noble friends Lord McNally and Lord Clement-Jones highlighted. One of the most successful drivers of our world-beating creative sectors are our PSBs—a sector that feeds directly into levelling up. They make programmes across the country, boosting local economies and utilising local skills. They and our cultural institutions are central to promoting the UK around the world. It is about soft power. When he was Foreign Secretary, our now Prime Minister described the BBC as

“the single greatest and most effective ambassador for our culture and our values”

and a crucial contributor to Britain’s role as a soft power superpower.

The PSBs held us together during the pandemic, providing news that people could trust and, in the case of the BBC, essential support for home schooling. Can the Minister explain why this Government are seeking to slash the funds of the BBC and privatise Channel 4? Why, as the noble Baroness, Lady McIntosh, asked, are they so determined that a man such as Paul Dacre, who was deemed unsuitable to chair the PSB regulator Ofcom by the last interview panel, should be encouraged to apply again, with the job description tweaked to favour his application, as highlighted on Twitter? The old job ad said that candidates for the Ofcom chair needed to “support the chief executive”, while the new one says that candidates need to “challenge” the CEO. The old ad said that candidates need “familiarity” with regulation, while the new one says that they need an “understanding” of regulation.

Finally, I return to something Peter Bazalgette said in his recent speech. He asked why, as a nation, we overinform ourselves about declining industrial sectors and underinform ourselves about high-growth ones, such as the creative industries. Let us shout out about what we are so good at and invest in it in a joined-up way, as so eloquently put by my noble friend Lady Featherstone. Then I suggest we raise a glass of British sparkling wine—a great creation in itself.

2.01 pm

Baroness Merron (Lab): My Lords, this has been a rich debate. I thank the noble Baroness, Lady Featherstone, and congratulate her on securing this opportunity for your Lordships’ House. I also congratulate the noble Lord, Lord Spencer, and welcome him to this House from these Benches. I look forward to hearing more from him on the creative sector, wildlife and all allied and unconnected issues.

First, I will make a tribute. I put on record my recognition that, during the pandemic, sportsmen and sportswomen competed in empty stadiums, musicians rehearsed in their bedrooms and streamed performances online, technology kept us in touch with our family and friends both around the corner and across the globe, and writers and broadcasters lifted our spirits and helped us to make sense of an unprecedented and frightening situation. As my noble friend Lady McIntosh so eloquently said, the BBC was at the heart of all that. We owe our thanks to the whole creative sector.

I was struck by the number of excellent briefings I received in preparation for this debate, and I am sure many noble Lords were in such receipt. I take this to be an indicator of the strength of will of the creative sector, which needs a voice and effective government support as it strives to overcome immense challenges to survive and thrive.

As my noble friend Lord Bassam detailed so helpfully at the outset of this debate, the UK creative sector is a major contributor to our economy that is ignored at our peril. However, it is important to say that, while economic growth is important to the nation, so is our health and well-being. The creative sector makes its contribution to that area in spades.

As the debate today laid bare, there is an inconsistency of approach and action from different government departments and the debate has rightly called for an effective cross-government strategy, which is desperately needed. I hope the Minister will deliver on this.

There were of course doubts even before the pandemic struck, but these doubts have solidified over the past 18 months. Covid-19 presented a potentially fatal threat to many parts of the sector and, while government support was made available, it was often too slow to arrive. It appeared to be allocated somewhat arbitrarily and was limited in scope, or subject to conditions when given.

While the Government may like to point to their various economic support schemes during the pandemic, they are still unable to satisfactorily answer why freelancers and certain other creatives were excluded from the Self-employment Income Support Scheme. There was also the debacle of the pulled advertising campaign which aimed to push people in the creative sector to retrain and take up positions in other fields.

We recognise other, more recent announcements of support for parts of the sector, including extra awards under the UK Global Screen Fund, but the overall value of this support—just over £1 million across 18 new film productions—remains small when compared to other areas of government funding. We also saw the botched handling of the events research programme earlier in the pandemic, which saw findings delayed and businesses having to cancel proposed events due to the uncertainty they faced. While TV and film were able to operate, albeit at a reduced capacity, during parts of the pandemic, music and other venues were closed for extended periods. It is no surprise, therefore, that a recent report by UK Music suggests that one in three jobs in the British music industry was lost during 2020, ending a decade of solid growth. UK Music's research was unable to say how many of these jobs had returned in 2021 following the reopening of most venues. Perhaps the Minister can help us with that.

On certain levels, it was heartening to see the creative industries secure their own dedicated section in the Chancellor's autumn Budget Statement last week. However, it seemed to reflect the Government's wider approach to the sector in that it was short, lacked detail and was backed up by relatively modest sums of money. The extension of tax reliefs will help a variety of venues and sites as visitor numbers begin to increase, but what further plans can the Minister outline for aiding the recovery?

Of course we all love the Beatles, as we have heard many times in this debate. However, does the Minister not feel that the £2 million earmarked for a new attraction on the Liverpool Waterfront could have gone to something rather more current and useful, perhaps to inspire the next generation of musicians? While we are talking about Liverpool, perhaps he can say why the Government did not do more to protect the city's UNESCO world heritage status?

Many noble Lords have spoken today about their concerns about the lack of access to learning and training in creative subjects, and the failure to address the concern that the sector may well face a shortage of new talent. The noble Lord, Lord Cashman, spoke very movingly of the life chances he was given through theatre studies as the school he attended and said that, without those, he would not be where he is today. The noble Lord, Lord Berkeley, said that music lessons should not be the exclusive preserve of those who can afford them. I urge the Minister to commit to working across government to ensure that access to education in the creative sector is the preserve of not only those who can pay but all those who can learn and develop their talent.

Will the Minister ensure recognition of creative subjects as being of strategic importance, in line with the plan for growth, alongside STEM subjects? Can he do his level best to deal with the misplaced chatter around creative education, with courses sometimes being considered as a burden on the taxpayer and not strategic subjects? It is time we got past this attitude.

The chief executive of the Creative Industries Federation has said that

“the limited expansion of R&D tax relief—which continues to exclude many in our sector—is disappointing, as is the missing arts premium, an election manifesto commitment made only two

years ago. The creative industries have the power to drive economic growth and regeneration across our country, and creative skills are vital for a future-proof workforce.”

Will the Minister resurrect the arts premium, which would have amounted to around £270 million in funding according to the Arts Professional website?

As the noble Earl, Lord Clancarty, laid out so clearly, UK creatives suffer from having to deal with so many obstacles to the possibility of working in the EU. We have discussed this many times in this House. When will we see a concerted effort—and the results of those efforts—to sweep away the costs, delays and barriers that fashion workers, entertainers and all other creatives face when simply seeking to travel, often at short notice, to work and do business in the EU?

With the right government support and strategy, creativity in this country has the power to change and to give chances to many—I hope that it will be so.

2.11 pm

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con): My Lords, I am delighted that the noble Baroness, Lady Featherstone, was able to secure this debate, which has allowed us to recognise the great value of the creative industries to the United Kingdom. I am particularly glad that she managed to secure it now, for I am one month into my new role and still pinching myself at my good fortune to have been given the opportunity to try to do some good for sectors which I hold so dear, as I know all noble Lords who have spoken in today's debate do. As my noble friend Lord Vaizey said, this is a fantastic job, and one that comes with a big in-tray. It is also a great responsibility to look after one of our economy's crown jewels: our creative sector.

The Government have a long and deep commitment to supporting our creative industries. That was shown through the 2018 creative industries sector deal, which invested more than £150 million across the life cycle of creative businesses. It was also shown in last week's Budget where, even in a challenging economic climate, we announced a further £42 million over the next three years to support our world-leading creative industries across the UK.

I was very grateful to the noble Baroness for her recognition of what the Budget and spending review meant for the creative sector. I make no apology for beginning my remarks by dwelling on that Budget. I think she undersold it when she talked about fig leaves; this is a huge investment of taxpayers' money, going to a part of our economy which is one of our crown jewels, as I said. In addition to the £42 million I just mentioned, last week we announced temporary increases to the headline rates of tax relief for theatres, museums, orchestras and galleries across the United Kingdom until the end of March 2024, which increases—and in some cases doubles—the relief that organisations can claim as they invest in new productions and exhibitions. It is a fantastic and widely welcomed boost for our world-class creative sector and is worth almost a quarter of a billion pounds. We also announced changes to the film and high-end TV tax reliefs to allow production companies to switch between claiming

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either film or high-end TV during production, ensuring that relief is not lost if a company decides to change its distribution method. We more than doubled the borrowing limit of the BBC's commercial arm to £750 million in stepped phases between next year and 2026-27, subject to confirmation on oversight arrangements.

We also recognise that there are wider opportunities to improve the efficiency of creative businesses through improved digital connectivity and mobile coverage through a landmark investment to deliver one of the largest ever upgrades to our digital infrastructure. More broadly, as we said in the Budget, we are providing up to £150 million of additional funding for the national museums, galleries and other DCMS public bodies to help them recover from the pandemic and to level up across the country, providing more spaces for creative people to display their work and for people to come and enjoy and engage with it. Again, all of this demonstrates the Government's commitment to supporting our creative sector and recognises that it contributes to our economic recovery and delivers on the Government's key priorities on levelling up and extolling the virtues of global Britain.

While the pandemic has heavily affected some of our creative industries, the Government have provided them with unprecedented levels of support which, again, the noble Baroness and others paid generous tribute to. The Culture Recovery Fund was extended by a further £300 million over the summer, taking it close to £2 billion—the largest ever investment in the arts in this country. It would be remiss of me not to pay tribute to my right honourable friend Oliver Dowden, my honourable friend Caroline Dinéage, my noble friend Lady Barran and others who were a part of that work, as well as my right honourable friend the Chancellor, who is the Member of Parliament for the rural and culturally vibrant market town rightly extolled by the noble Baroness, Lady Harris of Richmond, and who has demonstrated his personal and the Government's wholehearted support for our creative sectors through the Budget. We have gone further still, announcing last week an £800 million live events reinsurance scheme and an extension to the £500 million film and TV production restart scheme, both of which will enable UK events and productions to thrive and plan with certainty.

I am pleased to say that we have seen activity rebound close to pre-pandemic levels across many parts of the creative industries already, but it is clear that this rebound is not spread equally as some audience-facing sectors, such as live music, are still considerably down on pre-pandemic levels. In the visits and engagements I have been doing with organisations up and down the country, I have heard very clearly their concerns about the ongoing effects of the pandemic and the importance of building confidence among the public to book and enjoy what is on offer.

I was sorry to hear that the noble Baroness, Lady Merron, is not as enthusiastic as the Government are about the new Beatles attraction in Liverpool. To reassure her, this is not just a museum. Indeed, it is designed to inspire future generations, as she hopes it will. It may include a new secondary school and there will be rehearsal space for the Royal Liverpool Philharmonic

Orchestra. As the director of culture at Liverpool City Council has rightly said, this will be about more than just the Beatles. The Fab Four are the hook, but Liverpool City Council and the Government are really excited about how this gets kids from some of the poorest areas of Liverpool to create and explore their passion for music. I hope that we will be able to convince the noble Baroness as that comes to fruition.

She and other noble Lords talked about freelancers. We are well aware of the effects of the pandemic and its differential impact on people, based on the roles they perform. The Government recognise the vital contribution that freelancers make to our creative industries. We have provided unprecedented support to self-employed people throughout the pandemic, and up until the end of September, freelancers were able to access financial support through the Self-employment Income Support Scheme, which has so far helped nearly 3 million people. Of course, I am keen to engage with freelancers. We speak to the Creative Industries Council, but I want to speak to freelancers on an individual level to understand how the pandemic affected them and what more support they might need.

A great many noble Lords dwelt on the importance of education. That was a point well made in the excellent maiden speech of my noble friend Lord Spencer of Alresford, whom I warmly welcome to your Lordships' House. He talked about the importance of creativity and innovation for all sectors. Of course, the transferrable skills that creative industries and endeavours give us, such as communication, teamwork, self-confidence, perseverance, lateral thinking and so much more, are of great benefit and have been to companies like his—ICAP—and so many more.

To that end, following the point he, the noble Lord, Lord Aberdare, and others made on R&D and createch, I again point to the 2018 sector deal, through which the Government worked to recognise the importance of R&D to the creative industries and the opportunities to drive local growth by supporting it in creative clusters across the UK. We invested £39 million in the creative clusters programme through UKRI, which connects clusters of creative businesses and academia to take advantage of the most recent research and innovation, so that they can grow. Those clusters are spread across the country, from Cardiff to Edinburgh and Leeds to Belfast. I am pleased to say to my noble friend Lord Dundee that we confirmed in the spending review that we will support the UK games fund, which is based in Dundee, over the next three years.

On innovation more broadly, which my noble friend Lord Spencer talked about, the sector deal supported the Audiences of the Future work programme, which encouraged creative businesses to use innovative new technologies to reach new audiences. To date, that has provided funding of over £37 million, with investment from the industry, to more than 130 businesses and research organisations. Of course the pandemic has put turbochargers on that and I join the noble Baroness, Lady Merron, and others who paid tribute to the way that people across the sector threw themselves into making sure that people could continue to perform and do what they love and that the public more widely were able to see and enjoy that. We have seen across the sector lots of fantastic ways in which organisations

have brought their work to new and wider audiences. When I visited the Hallé Orchestra in Manchester I saw how the Cultural Recovery Fund money helped it to invest in some technology which brought its work to wider—indeed, international—audiences, which will have some benefit after the pandemic as well.

Noble Lords talked about the importance of education in schools. I speak as a proud graduate of the state comprehensive system. I pay tribute to the work that teachers do in inspiring creativity in so many pupils up and down the country. The Government are committed to ensuring that all children and young people have a broad and balanced curriculum, of which creative education is a key part. Music and art and design are part of the national curriculum and remain compulsory in all maintained schools for five to 14 year-olds, and pupils have an entitlement to study at least one arts subject at key stage 4 in maintained schools. I am aware of the discrepancies between the private and the state sector. I recently saw my old drama teacher from school. I was very lucky to go to a school which had fantastic facilities: a drama studio, a fully equipped auditorium and music rehearsal spaces. After I left and towards the end of her career my teacher moved into the private sector because the facilities that she was able to enjoy and use for the benefit of her pupils were so much better. It is a discrepancy of which the Government are well aware and which we are keen to address.

Noble Lords talked about the arts premium. With the significant impact of the pandemic on children's learning, our priorities have inevitably had to focus on educational recovery over the next three years. That is why core funding for schools will rise by £4.7 billion by 2024-25, equivalent to a cash increase of £1,500 per pupil. We value the arts not just for their own sake but as part of our recovery from Covid. That is why we also invest around £115 million a year on a diverse portfolio of music and arts education programmes, including Saturday art and design clubs, the National Youth Dance Company and the BFI Film Academy, which are designed to improve access to the arts for all children, regardless of their background, and to develop talent across the country. I am pleased to say that I am to have a meeting with my colleague Robin Walker, the new Minister of State at the Department for Education, where I will certainly be taking up many of the points that were raised by noble Lords in today's debate, and I will be pinching my noble friend Lady Fleet's line about red squirrels, which helps focus minds.

Noble Lords talked about the EBacc. I gently note that it was introduced under the coalition Government in which I had the pleasure of working with the noble Baroness and other noble Lords on the Lib Dem Benches. Schools have time beyond the EBacc to teach other subjects. Indeed, the EBacc was designed to be limited in size in order to allow for that. The best schools in the country combine excellence in EBacc subjects with high-quality arts and cultural education. However, the noble Earl, Lord Clancarty, is right to point to the vocational nature of these subjects in schools and in pupils' future careers. It is important that we recognise that people are able to have a rewarding career in the arts in every sense, not just lucratively, although there are great opportunities, particularly as

we emerge from the pandemic, for people to have careers which pay them well. I saw a brilliant example of that last night at the Royal Albert Hall when I went to see the Music for Youth Remix Prom. Nearly 2,000 young people from state schools and orchestras and youth groups up and down the country, from Cornwall to Teesside, went to the Royal Albert Hall and performed with each other in that fantastic space. The grins on their faces said it all, even before they had produced a note. It was wonderful to see.

Music education remains a central part of a broad and balanced curriculum in schools. That is why it is part of the national curriculum. A new national plan for music education will be published early next year following the publication of the model music curriculum earlier this year. It will aim to ensure that every future pupil has the opportunity to sing, learn a musical instrument and make music with others. My noble friend Lady Fleet knows it well because she chairs the expert advisory panel that has been assembled to guide the development of the plan. It is made up of teachers, music education hub leaders, industry representatives and other music education experts, including representatives from the National Youth Orchestra of Great Britain, UK Music and the Arts Council. Of course, this is another area where I am mindful that the responsibility lies with both DCMS and the Department for Education. I know that my noble friend Lady Barran, who was a Minister in your Lordships' House for DCMS and is now at the DfE, answered Questions on that. I hope that gives noble Lords reassurance that a joined-up approach to government can be seen from this reshuffle.

The noble Lord, Lord Aberdare, and other noble Lords talked about the importance of careers advice. I share the concern that perhaps in the past careers advice in this area has owed rather a lot to Noël Coward's "Don't put your daughter on the stage, Mrs Worthington", but I am pleased to say that the National Careers Service website is working to address that. It includes more than 120 profiles in the creative and media sector, each profile describing what those roles entail, the qualifications needed and the entry routes. In addition, DCMS funded the Creative Careers Programme as part of our sector deal commitment. It saw £2 million of government funding leveraged by a further £8 million of in-kind support from more than 1,000 creative employers. The programme is designed to reduce the aspirational, informational, postcode and reputational barriers to entry into the creative industries. It has so far informed and inspired more than 115,000 young people about job opportunities which are available in the cultural and creative sectors.

Noble Lords also talked about higher education. The noble Baroness, Lady Bonham-Carter, referred to a 50% cut in some arts subjects. It is important to dwell in some detail on that. What was announced in July this year by the Office for Students was a 50% cut to the strategic priorities grant to some subjects in this academic year. The strategic priorities grant, which is annual funding supplied by the Government to supplement higher education providers' income where tuition fees alone do not meet the high cost of provision, is just one of the additional funding sources which are available to providers alongside tuition fees. The cut which she mentioned represents a small proportion—

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around 1%—of providers' overall income. It was designed as a reprioritisation to target taxpayers' money towards the subjects which are helping the National Health Service during the pandemic and will help it recover from it; that is, science, technology, engineering and the specific needs of the labour market. We know that high-quality provision in a range of subjects, including the arts, is also critical for our workforce, our economy and our society more broadly, which is why the Office for Students also allocated an additional £10 million this academic year to our world-leading specialist providers, including several top institutions such as the Guildhall School of Music and Drama and the Royal Northern College of Music.

The noble Lords, Lord Foster and Lord Bassam, and others talked about apprenticeships as a further route, and the Government are making apprenticeships more flexible so that they can better meet the needs of employers in all sectors. In August, we launched a new £7 million flexi-job apprenticeship fund to support the greater use of apprenticeships, such as in the creative industries, where flexible working practices are commonplace, including short periods of project-based employment.

I am pleased to point to ScreenSkills, which is piloting a flexi-job apprenticeship training model funded by DCMS with the support of Netflix and Warner Bros. That pilot is funding 20 apprentices in production assistant and production accountant roles, and aims to widen participation in the film sector further. Widening participation is another key point which has come up again and again in today's debate and about which the Government also feel strongly. Noble Lords will have heard in all the utterances from my right honourable friend the Secretary of State since she was appointed the importance of widening participation and access so that people can enjoy and participate in our creative industries. As she has said, a working-class background should never be a barrier to a successful career in the creative industries. We want to increase access to opportunities across the board as part of our plan to level up. That touches on the points rightly raised by the noble Baroness, Lady Prashar, about racial diversity. We want everybody, whatever their background, to be able to play their part.

That is why, this year, DCMS co-funded the Creative Industries Policy and Evidence Centre's report on *Social Mobility in the Creative Economy*. It is why we are working with groups such as the All-Party Group on Creative Diversity, which the noble Baroness, Lady Bonham-Carter, mentioned and the creative industries to look at that vital area. We know that there is much to be done, but with the Secretary of State from Merseyside and a Minister from Tyneside, I hope that noble Lords will be reassured that there is a team of Ministers determined to do it.

I touch on the importance of touring, following our departure from the EU. The noble Baroness, Lady Featherstone, said that no thought had been given to this; I think that was a little unfair. The UK took an ambitious approach during the negotiations with the EU which would have ensured that touring artists and their support staff did not need work permits to perform in the European Union. Regrettably, that was

rejected by the EU. I point to our recent trade deal with the three EFTA countries—Norway, Iceland and Liechtenstein—which was based on the same offer and accepted, which shows that our proposals were workable and that we are fighting to help musicians and other touring performers tour abroad.

In many areas, the arrangements are much more straightforward than has at times been reported. For instance, 20 member states offered visa and work permit-free routes for musicians and creative performers. That includes most of the biggest touring markets, including France, Germany and the Netherlands. Portable musical instruments carried or in a vehicle can be transported cost-free and should not require ATA carnets, and small splitter vans are not subject to the TCA limits on cabotage and cross-trade.

We are working with the remaining member states which do not allow visa-free and permit-free touring, such as Spain and Portugal, to encourage them to make touring easier. We want all our European friends to be able to enjoy the economic and cultural benefits that UK touring artists bring, as we do from the EU creative performers who can tour easily here. The noble Lord, Lord Berkeley of Knighton, asked about Spain in particular. I can tell him that my honourable friend Wendy Morton, the Foreign Office Minister, had a meeting with her counterparts in Spain on 30 September, and Her Majesty's ambassador to Spain met the Spanish Minister of Inclusion, Social Security and Migration on 14 October. We continue to engage actively at ministerial and official level, and I will certainly keep the noble Lord posted on it.

I am almost running out of time but I turn to the publishing industry, which the noble Baroness, Lady Miller of Chilthorne Domer, and many others pointed to. I am very mindful, the morning after the Booker prize was awarded, of the importance of books; I send my congratulations to Damon Galgut on his success last night. I am also the Minister with responsibility for libraries, and point to the fantastic work that many of them did to continue to loan books and be a huge support to people, particularly those who were home schooling during parts of the pandemic. DCMS is incredibly proud of the British publishing industry. It is a huge success story, as the noble Baroness said, and a big part of our soft power. Our books are read the world over, turned into TV shows and films, and boost the economy in all sorts of ways. Publishers have shown incredible resilience during the pandemic. Indeed, the value of the UK publishing sector rose by 2% to nearly £6.5 billion, so clearly a lot of people found solace in books during the pandemic.

Now that we are in recovery from the pandemic, we want publishers to bounce back and build back stronger than ever. The focus for Ministers at DCMS is to ensure that the publishing sector is accessible to all. We want more authors from disadvantaged and underrepresented backgrounds, as well as people working in the industry more broadly.

The noble Baroness and others asked about the IP exhaustion regime. The Government recently held a consultation on the UK's future exhaustion of intellectual property rights regime. The Intellectual Property Office held constructive discussions with stakeholders across multiple sectors, including representatives from the

creative industries and design sectors. The Government are assessing the options and will make a decision in due course.

The noble Baroness, Lady McIntosh, the noble Lord, Lord McNally, and others talked about the BBC. I hope that she heard the words of my right honourable friend the Secretary of State during the party conference season that the BBC is a “beacon for the world”. The appointments of both the BBC chairman and a new chairman for Ofcom have followed the Governance Code on Public Appointments.

I am keen to give the noble Baroness, Lady Featherstone, time to respond, so I will draw my remarks to a close there. I promise to write to all noble Lords whose questions I have been unable to cover. She said that she wanted to see a Government who understand values and promote our creative sector. I hope that she has seen from what I have been able to say in the limited time today that we indeed have such a Government and such a Minister, and I am very grateful for all the thoughts that have been raised in today’s debate.

2.36 pm

Baroness Featherstone (LD): I thank the Minister. I will not detain the House long. I thank all noble Lords. I said at the beginning that they would give of their wisdom to the Government, and they have, in some wise and wonderful speeches from right across the House. I offer my congratulations to the noble Lord, Lord Spencer. I must confess that I googled him prior to the debate, and his hinterland is very interesting—I recommend reading about it.

The Minister’s response was a fine gallop through all the wonderful things the Government are doing, but the point of this debate and the point I have been trying to get across to him is that we need a fundamental change of gear, a shift of policy and funding. Of course, when you have a whole department, you do a lot of very good things, but it is not good enough. From what we have heard across this Chamber, I think that we want more. I thank all noble Lords for their contributions today, and let us carry on fighting for a sector that needs its champions.

Motion agreed.

Biometric Recognition Technologies in Schools

Question for Short Debate

2.38 pm

Asked by Lord Clement-Jones

To ask Her Majesty’s Government what assessment they have made of the use of facial and other biometric recognition technologies in schools.

Lord Clement-Jones (LD): My Lords, I start by acknowledging the versatility of the noble Baroness, Lady Chisholm, in responding to this debate.

A little over two weeks ago, the news broke in the *Financial Times* that facial recognition software in cashless payment systems, piloted in a Gateshead school

last summer, had been adopted in nine Ayrshire schools. Questions have already been asked in the Scottish Parliament by my colleague Willie Rennie MSP, but it is clear that this software is becoming widely adopted on both sides of the border, with 27 schools already using it in England and another 35 or so in the pipeline.

The Court of Appeal, in *Bridges v the Chief Constable of South Wales Police*, the case brought by Liberal Democrat councillor Ed Bridges in south Wales, noted that:

“Biometric data enables the unique identification of individuals with some accuracy. It is this which distinguishes it from many other forms of data.”

The supplier in question, CRB Cunninghams, attempted to reassure on the basis that

“this is not a normal live facial recognition system”

and:

“It’s not recording all the time. And the operator at the till point has to physically touch the screen.”

According to North Ayrshire Council’s published data impact assessment, the source of the data for facial recognition is a faceprint template. The facial recognition software used mathematically maps an individual’s facial features, such as the length and width of the nose, the distance between the eyes and the shape of the cheekbones, and it stores this data as a faceprint template. That is the description of the technology. Its use has been temporarily paused by North Ayrshire Council, after objections from privacy campaigners and an intervention from the Information Commissioner’s Office. But it is extraordinary to use children’s biometric data for this purpose, when there are so many alternatives available for cashless payment.

From the surveys and evidence given to the Ada Lovelace Institute, which has the ongoing Ryder review of the governance of biometric data, it is clear that the public already have strong concerns about the use of this technology. Yet we seem to be conditioning society to accept biometric and surveillance technologies in areas that have nothing to do with national security or crime prevention and detection. In Scotland, there is a new biometrics commissioner, who will oversee a biometrics code of practice. In England, we have the Biometrics and Surveillance Camera Commissioner, who oversees the surveillance camera code, which is being revised, subject to consultation. However, neither code applies in schools.

It seems that the Department for Education issued guidance in 2018 on the provisions of the Protection of Freedoms Act, which include the

“Protection of biometric information of children in schools” and the rights of parents and children as regards participation, but that the DfE has no data on the use of biometrics in schools. It seems that there are no compliance mechanisms to ensure that schools observe the Act or, indeed, the guidance that the department has put out.

There is also the broader question about whether, under GDPR and data protection law, biometrics can be used at all, given the age groups involved—because of what is called the “power imbalance”, which makes it hard to refuse, whether or not pupils’ or parents’ consent had been obtained. But how was their consent actually obtained? What information was given to

[LORD CLEMENT-JONES]
 them when obtaining it? What other functions might be applied in the school—attendance records, for instance? Pippa King, who made the original freedom of information request to North Ayrshire Council and published the “Biometrics in Schools” blog, understands that children as young as 14 may have been asked for their consent.

It is not enough for the schools in question to carry out a data impact assessment. The DPIA carried out by North Ayrshire Council was clearly inadequate. The Scottish First Minister, despite saying that

“Facial recognition technology in schools does not appear to be proportionate or necessary”,

went on to say that schools should

“carry out a privacy impact assessment ... and consult pupils and parents.”

But this does not go far enough; we should firmly draw a line against it. It is totally disproportionate and unnecessary. Many of us think that this is the short cut to a widespread surveillance state. In some jurisdictions—New York, France and Sweden—its use in schools has already been banned or severely limited.

Of course, I acknowledge that other forms of AI have benefits for some educational purposes. I had the privilege to chair the advisory committee of the Institute for Ethical AI in Education, founded by Sir Anthony Seldon, Professor Rosemary Luckin and Priya Lakhani. In March this year, it produced the *Ethical Framework for AI in Education*, which has been signed up to by a number of edtech companies. It provides exactly the kind of framework to assess the adherence to principles of the AI applications procured and applied in education settings.

However, this is a particularly worrying example of the way that public authorities are combining the use of biometric data with AI systems, without proper regard for ethical principles. Despite the Bridges case, the Home Office and the police have driven ahead with the adoption of live facial recognition technology, and the College of Policing has been commissioned to deliver guidance on its use in policing—but there is no legislation.

As the Ada Lovelace Institute and Big Brother Watch have urged, and as the Commons Science and Technology Committee recommended in 2019, there should be a voluntary pause on the sale and use of live facial recognition technology to allow public engagement and consultation to take place. I introduced a Private Member’s Bill last year along the same lines. In their massively late response this year to the Select Committee’s call, the Government insisted that the introduction of LFR would proceed. In follow-up correspondence, they claimed there is already a comprehensive legal framework, which they were taking measures to improve. When we are faced with this kind of biometric data capture from young people, and given the increasing danger of damage to public trust, will the Government rethink their very complacent response? As it is, in the proposed EU AI law, live facial recognition technology is regarded as high risk and subject to specific limitations. Will the Government’s expected White Paper on AI governance at least take the same approach?

I return to the use of live facial recognition in schools, which is a highly sensitive area. We should not be using children as guinea pigs. I understand that an ICO report is under way. I hope that it will be completed as a matter of urgency, but we must already conclude that we urgently need to tighten our data protection laws to ensure that children under the age of 18 are much more comprehensively protected from facial recognition technology. I look forward to the Minister’s response.

2.46 pm

Lord Vaizey of Didcot (Con): My Lords, I congratulate my friend the noble Lord, Lord Clement-Jones—he is a friend—on calling this important debate. I salute his stamina in having participated in the previous debate and seamlessly moved on to lead this debate today. It is a mark of his global influence that, only yesterday, Facebook announced that it was withdrawing all of its facial recognition technology from its site. That technology has been around for some 10 years, and a billion people have consented to have Facebook use it on them, but the minute the noble Lord put down this debate, his colleague Nick Clegg clearly thought, “This is an issue I need to look into”. Who knows why Facebook really made this decision? One could take a noble view that it did so because it thinks that it is intrusive and unnecessary, or a cynical view: it is not making the company any money, so why put itself in harm’s way by continuing to use it? This is an important point.

I will talk more widely about the regulation of facial recognition technology, which is the issue that the noble Lord has put in front of us, with a particular focus on schools. It is a classic example of where technology has outpaced, as it were, the ability of regulators and policymakers to keep up to date. In many respects, facial recognition technology can have benign uses. I suspect that quite a lot of people in this Chamber open their phones using facial ID. We have our faces scanned when we move through the electronic gates at airports, when they are working. We can use facial recognition technology to organise our photos on our phones. More and more airlines are introducing facial recognition technology to allow you to check in seamlessly. So as a customer service to which you voluntary opt in, it is a good thing.

However, as the noble Lord pointed out, there are of course the inevitable and justifiable concerns about the creation of a big brother society—one that is made worse by the deployment of this technology while it is still in its relative infancy. It is one thing to debate its use in the UK but quite another to see how it is being used in a country such as China, where I gather that it is now an offence to leave your home without your phone. It was a reason why so many Hong Kong demonstrators wore masks.

One of the big problems with deploying facial recognition technology, apart from it being a bit of a word sandwich, is that it is in its infancy. We know it can be subject to bias. Frankly, it works more accurately for white men and white women. Amazon’s facial recognition tool incorrectly identified 28 Members of Congress as people who had been arrested, according to a test conducted by the American Civil Liberties Union. According to a paper published by the Massachusetts

Institute of Technology and Stanford University, the technology struggles to identify people of colour and women. It has some rate of error even when operated in an unbiased way.

This has led to a decline in public support, which has dropped from about 50% to just over 40% in recent polls conducted in the USA. As my noble friend quite rightly highlighted, the debate is well under way. It is happening not just in this country but in the US, where the House Committee on Oversight and Reform has hosted hearings, and in individual US cities; for example, San Francisco's Board of Supervisors passed a measure to ban the use of this software by law enforcement.

It is not just policymakers. Quite rightly, some significant companies—including Microsoft and Amazon, for example—have sought to get ahead of this debate and call on policymakers to regulate facial recognition. IBM published an important paper on facial recognition technology, which says that it should be used only where you have the ability to be given notice that it is being used and to consent. It called for export controls on facial recognition technology where it might be used for law enforcement or military purposes and said that law enforcement authorities should be mandated to disclose facial recognition technology and publish regular transparency reports. As my noble friend points out, the Information Commissioner's Office has, as I understand it, been closely monitoring facial recognition technology trials, particularly those carried out by the British police, and is reviewing the regulations surrounding it.

It is important that this debate highlights that there remains a gap in how facial recognition technology is regulated and uncertainty over whether it falls in the regulations that apply to surveillance cameras and CCTV, and that we need a clear direction from the Government as to which bodies are responsible for overseeing the use of facial recognition technology—whether it is the ICO because it is a data protection issue, or the education authorities focusing on it as an education issue. It is also important that clear guidance is put out, so that people wanting to use facial recognition technology—as I say, there are many benign and quite convenient use cases for it—are aware of the basic principles they should adopt when they deploy this technology.

2.52 pm

Baroness Falkner of Margravine (CB): My Lords, although I chair the Equality and Human Rights Commission, I emphasise that I am speaking in a personal capacity today. Not only that—I am speaking as a new entrant to this area, so I am particularly grateful to the noble Lord, Lord Clement-Jones, for securing this debate and spelling out the risks so clearly to a lay person such as me.

The one point where I will interject the EHRC into this discussion is to tell the House that in our new strategic plan, which commences in 2022 and runs until 2025, we have decided that one of our workstreams should focus on AI and associated technologies. We took this decision earlier this year, for several reasons. The regulatory space is very fragmented and inadequate, in our view. While developments in technology are transforming people's lives for the better, the impacts

are not yet well understood and, where they are, we are starting to see the harmful impact that some technologies have on individuals' equality and human rights.

As the regulator of the public sector equality duty, as well as human rights law, the EHRC is taking an active interest in the discriminatory and potentially biased outcomes that some of these technologies have for the legal protections afforded to people, particularly on the basis of race and sex. We are seeing increasing numbers of cases involving race and technology, where it is alleged that facial recognition technology has failed—not least in the Uber cases supported by the EHRC, in which two drivers are taking the company to court on the basis that they have lost their jobs because the technology failed to recognise them as a form of ID when they were signing on to work. For women, we know that it is more inaccurate when you add being female to having darker skin. Therefore, the potential for inaccuracy increases. The danger of discrimination against these groups is very much on our radar.

On today's topic, I share many of the concerns already voiced. I therefore join others in welcoming the belated climbdown from Facebook, which is deleting 1 billion facial recognition templates and shutting down the features that automatically recognise people in photos. Like the noble Lord, Lord Vaizey, I wondered what brought it to time this announcement so carefully in the light of the noble Lord, Lord Clement-Jones, securing this debate. I fear it was Mammon rather than good intention that took it to this point.

Of course, the fact that Facebook is doing this is not sufficient. It will keep to itself the power to use the technology when it sees fit—verifying identities or unlocking hacked phones, it tells us. Troublingly, according to the *Financial Times*, the algorithm behind the technology, DeepFace, which has been trained using the data of 1 billion scans, will remain extant, to be deployed elsewhere for future products, most likely in the metaverse—so very similar, in my mind, to Covid and the whack-a-mole strategy. What we know from that was that Covid kept popping up in different variants in different times and places. Watch this space with DeepFace.

I note too the broader question as to why we have arrived at a situation in which it is left to private companies to decide when their technology is too harmful, or perceived to be, and autonomously decide to limit its use. Where in the regulatory space will it be decided that DeepFace's algorithm can and should use the data still held?

On the exploitation of children, we have suspected for years that the social media firms do not have the safety of children uppermost in their minds, and this has been palpably brought home in Frances Haugen's testimony in the past few weeks. What is worrying in the decision in Scotland to allow the use of FRT in nine schools is that it was to be deployed merely as a post-Covid efficiency measure. I do not think I am alone in this House in thinking that we will spend years undoing moves introduced during Covid that are allowed to remain on the statute book until we find that they are being used in a wholly disproportionate manner in terms of equality and human rights. In plain

[BARONESS FALKNER OF MARGRAVINE]

English, schools would have been better advised to improve the take-up of the vaccine among their children as a post-Covid measure if they really wanted children to mingle more safely while waiting for meals. I welcome the Information Commissioner's intervention in this matter. There appear to be different approaches to solving the problem that may well be more proportionate than holding the biometric data of children who will almost certainly not be aware of the implications of their consent for privacy at this point in time.

I will end with a few words on the broader importance of being vigilant to emerging technologies. For the very first time, we are in a position in which decisions that affect all aspects of our lives are being taken in the absence of an accountable and identifiable human in the frame. Our legal systems around the world still rest on the assumptions that we can identify a decision-maker and hold them accountable. They are not designed to hold machines accountable, especially where the originator of the learning—so to speak—is well removed from its usage. We are increasingly entering a world in which finding the human behind the decision is impossible for ordinary people seeking redress.

I end by asking the Minister whether she agrees that what is needed is to strengthen existing protections for this AI-driven world that offer clear legal remedies for people wronged that go beyond data privacy and allow us to know as a matter of right who holds what data on us, how it is being used and, importantly, how much is being transferred, at what profit, to others without our knowledge. Will the Government put in place legal protections that make it clear when an algorithm is being used to take decisions about us and what data lies behind those decisions? Most importantly, will senior managers need to be made accountable for flawed decisions by their systems and organisations, with clear remedies available for those on the losing end of those decisions?

I fear that the Government will respond with platitudes about their new determination to regulate in this space. I think we are past the point of determination and now need to find evidence of a readiness to confront this challenge.

2.59 pm

Lord Scriven (LD): My Lords, I thank my noble friend Lord Clement-Jones for instigating this very important and in fact fundamental debate about the use of biometric technology in schools. I also thank Pippa King from Biometrics in Schools, Jen Persson of Defend Digital Me, and Dr Stephanie Hare, for discussing with me some of the fundamental issues.

As a society, we are putting the cart before the horse if we talk about the technology and how it should be deployed in schools as an automatic assumption. The marketing departments of these companies are leading the debate, not the legislators, if we start from that assumption. To put it in its simplest and most understandable way, we are having this debate to ask whether it is acceptable for us as a society to use a child's face as a proxy purse or wallet to pay for a bag of chips or a slice of pizza in a state school, to solve a problem that does not exist, namely reducing queuing

times by five seconds. This debate is not about technology; it is about the use of a child in terms of the autonomy of that child's body.

This debate is very fundamental. It is a debate about where we, as a society, draw the line in the use of technology—not about what we do once it is deployed but what the limitations of it are before we start talking about how it is regulated. Where do we draw the line? This cannot be left to individual schools or councils. It is for this Parliament to legislate and to decide where we draw that line. As a nation we need to see where the limitations of its use are and where it should not be deployed, and then to regulate in areas where we feel that it is unacceptable.

If we leave it to individual schools, the unintended consequences and problems that will arise will be not just technical but deeply ethical and societal. There must be a balanced debate within this Parliament and legislation must be brought forward. We have seen the unintended consequences in live facial recognition use by the police when the marketing teams and the technology gets ahead of the legislation. We talk then about the lack of regulation, rather than first talking about where it is acceptable and unacceptable and we start seeing that, as the technology leads, people's rights are trampled on and we try to play catch-up.

The Department for Education has no idea what the current situation is. An FOI request from the campaigning work by Pippa King of Biometrics in Schools highlights this. On 28 July, the DfE replied to an FOI request:

"The DfE does not hold any information on standards or specifications of any hardware or software in biometric technology used in UK schools ... The DfE does not hold any information about suppliers that provide biometric technology to schools ... The DfE does not hold any information about the types of biometrics that are used in schools, i.e. fingerprints, facial recognition, palm, vein or iris scanning."

What is the point of giving out guidance if the department has no idea what is going on in schools? The guidance is not worth the paper it is written on if the DfE is not policing what is going on.

Current advice to schools, issued by the Department for Education on the use of biometric technology, is out of date. As my noble friend Lord Clement-Jones said, it dates from March 2018. It still cites the Data Protection Act 1998, not the GDPR or the Data Protection Act 2018, and its contents focus on the Protection of Freedoms Act 2012 and the processing of fingerprints. It says absolutely nothing about facial recognition technology.

Can I ask the Minister, whom I admire for stepping in at the last moment, why the 2018 guidance is out of date? What has it not been updated and why is there no guidance whatever on facial recognition in schools? On such an important issue, why does the Department for Education not have some form of monitoring what is happening? Where do the Government draw the line on what is an acceptable use of this technology in schools and on young people below the age of 18?

It does not have to be like this. There are places around the world which have legislated. In 2014, Florida drew the line. It has a law saying that it is illegal in any school to:

“Collect, obtain, or retain information on the political affiliation, voting history, religious affiliation, or biometric information of a student, a parent or sibling of the student. For purposes of this subsection, the term ‘biometric information’ means information collected from the electronic measurement or evaluation of any physical or behavioral characteristics that are attributable to a single person, including fingerprint characteristics, hand characteristics, eye characteristics, vocal characteristics, and any other physical characteristics used for the purpose of electronically identifying that person with a high degree of certainty. Examples of biometric information include, but are not limited to, a fingerprint or hand scan, a retina or iris scan, a voice print, or a facial geometry scan.”

The educational achievement of children in Florida has not been hampered by that and the schools there continue, so it does not have to be like this. We can step back from allowing technology to lead the debate. We can step back from children being normalised into their bodies being used to access school services, and we can move forward with asking where we, as a country, draw the line, and bring forward legislation to show that there is a line. I suggest that the line is the use of biometric technology in schools on young people.

3.07 pm

Lord Strasburger (LD) [V]: My Lords, I thank my noble friend Lord Clement-Jones for securing this important debate on a topic that has shocked the public and caused widespread concern and alarm. I also declare my interest as chair of Big Brother Watch.

It is hard to know where to start on the use of facial recognition technology to administer something as mundane as payment for school meals. Deploying airport-style security methods to ensure that a hungry child is paying for their lunch is such obvious overkill that it would be funny—if the implications were not so serious. As Fraser Sampson, the biometrics commissioner for England and Wales, said, just because schools can use the technology does not mean that they should. There are plenty of less intrusive and less risky ways to do the same task that are already in use in many schools.

Introducing facial recognition technology brings schools into the realm of data protection law, under which any processing must be lawful, transparent and fair. This means that a school would need to consider, in a structured analysis, whether the use of such technology is a proportionate measure to achieve the aims it seeks to achieve, or whether the interference with the child’s rights is of a level that renders the use of the technology unacceptable. I can only assume that, in the cases of the schools that have adopted this technology, this analysis was not done, or was not done properly, because the answer is so obviously that it is not proportionate.

That is particularly the case when we remember that the GDPR stresses that children merit special protection when it comes to their data. By law, children do have the right to refuse to participate in the use of intrusive technologies, and their wishes override those of their parents. In that case, the school must put in place reasonable alternatives which would presumably negate the claimed efficiency benefits of the new system.

I should also point out that the facial recognition systems being installed in schools reportedly cost £12,000 and then £3,000 a year. Would that money not be better spent on free school meals in the holidays, which the Government seem to have so much trouble funding?

I also have a wider concern. The use of biometric systems to police something as trivial as payment for school meals is training our children to accept that their private data is not theirs to be kept private and protected. As Silkie Carlo, director of Big Brother Watch, says:

“We are supposed to live in a democracy, not a security state. This is highly sensitive, personal data that children should be taught to protect, not to give away on a whim ... there are some red flags here for us.”

The data protection principles that my noble friend Lord Clement-Jones has spoken of—consent, proportionality and safeguards around data storage and sharing—all derive from the GDPR, which is broadly incorporated into UK law through the Data Protection Act 2018. Now that we have left the EU, the Government are seeking to overhaul our data protection framework and water down citizens’ rights, encouraging institutions and businesses to use AI tools such as facial recognition and personal data such as facial images, with substandard protections compared with those of our neighbours. They even want to do away with the Biometrics and Surveillance Camera Commissioner, who oversees the uses of this technology. So my first question to the Minister is: would it be easier or harder for schools or data-gathering companies to take children’s sensitive biometric data out of the Government’s forthcoming attack on UK GDPR?

My noble friend Lord Clement-Jones also referenced the police’s use of live facial recognition, which has been going on for five years now with Home Office funding and the Mayor of London’s blessing, despite there being no explicit legal basis and no parliamentary scrutiny. In addition, there has been a judgment in the challenge brought by the Liberal Democrat councillor Dr Ed Bridges, finding that South Wales Police’s use of live facial recognition had been unlawful because appropriate safeguards were not in place. Another factor was the well-documented problems with the technology’s race and sex bias, which has not been appropriately explored and mitigated.

Here is another area where the Government’s reckless attitude to new technologies, rights and liberties has impacted on the rights of children. Civil liberties group Big Brother Watch, which I chair, observed a Metropolitan Police trial of live facial recognition that resulted in an innocent 14 year-old black schoolboy walking home in his school uniform being accosted by four plain-clothes police officers. He was pulled into a side street, held up against a wall and asked for his ID, fingerprints and phone. Of course it was another case of mistaken identity, as is the case in 93% of all facial recognition so-called matches generated by the Metropolitan Police. This unforgivable incident could easily traumatise a child.

This dangerously authoritarian technology diminishes trust in the police and other public authorities at a time when it is already very low, and it makes Britain less of a free country to live in. So my second and final question to the Minister is: will the Government bring forward legislation to impose an urgent moratorium on public authorities’ use of live facial recognition technology in order to give Parliament an opportunity to properly assess it before any further harm is done?

3.14 pm

Lord Watson of Invergowrie (Lab): My Lords, we should all be grateful to the noble Lord, Lord Clement-Jones, for introducing this important subject for debate. It is certainly timely but, although I share many of the concerns expressed by the noble Lord and others in this debate, I do not quite subscribe to his fears that this could be a step towards a surveillance state.

With schools beginning to investigate the possible use of biometric recognition technology, it is important that the Government make their position clear. This is not an area with which the Government are unfamiliar; the Department for Education issued 12 pages of advice as long ago as March 2018. Prior to this debate I was not aware of that, so it has not been given much publicity. I note that the document is termed “advice” rather than “guidance”. I do not know what the difference is but it seems to be a downgrade from guidance, and I think it is appropriate to ask the Minister to explain what she understands the difference between the two to be, if indeed there is one.

Publicity has been attracted to the introduction by a small number of schools in Ayrshire of facial recognition technology. Last week, it was announced that they had paused their use of it following concerns expressed by the Information Commissioner’s Office. At the same time, I understand that a school in Greater Manchester has decided to abandon its planned rollout of a facial recognition system. It is not difficult to understand the rationale advanced by the company that supplied and installed systems in schools in Ayrshire: that facial recognition technology can speed up the delivery of school lunches. However, it might have been thought that simply staggering lunch-breaks could have been equally effective, if that was the main aim.

The National Education Union says no concerns have been brought to its notice thus far but that the overview of biometric facial recognition is the same as that concerning the use of fingerprint technology in schools, which is primarily around consultation and consent. However, I suspect that one difference is that children are now familiar with using fingerprint technology to access their smartphones so it is not perceived as being intrusive in the way that facial recognition often is.

There is also the issue of the security of information once it has been taken and is then stored. As noble Lords may have seen in recent news reports, we in the Labour Party have received a painful reminder in the past week that sensitive information can be illegally accessed by malign forces even when it is assumed to be held securely. So wider worries in that regard over biometric data need to be addressed.

There is general acceptance of the growing and practical uses to which biometric technology may be put, but further concerns exist over what that technology actually involves. It is important to differentiate between facial recognition technology, which appears to be what was trialled in the schools in Scotland, and live facial recognition, to which the noble Lord, Lord Clement-Jones, referred, which is altogether more sinister. Whereas facial recognition technology involves a single process where the individual concerned is aware of the process and has consented to it, or consent has been

given on the person’s behalf, live facial recognition is typically directed surreptitiously towards groups of people to identify individuals indiscriminately. We understand that the latter sort of system has been used against protesters in Hong Kong, and it is possible that widespread deployment should be a matter of grave concern.

Fortunately, that is not what we are talking about today. It is a matter for each school governing body to determine whether facial recognition technology should be used in their school, although I suspect that the recent experiences mean that we do not get many more schools seeking to push that boat out at the moment, at least until the Information Commissioner’s Office has issued further pronouncements. However, the DfE’s 2018 advice notes quite rightly that:

“There are no circumstances in which a school or college can lawfully process a pupil’s biometric data without having notified each parent of a child and received the necessary consent.”

For the most part, the advice appears reassuring to pupils and parents, but one issue that may not meet the latter criterion concerns the section headed, “The pupil’s right to refuse”. This makes the legal position clear, stating that:

“A pupil’s objection or refusal overrides any parental consent to the processing.”

This is an issue that has arisen recently in another context, regarding the offer of Covid vaccinations to children aged 12 and above. However, the difference between Covid vaccination and the use of biometric data is that the current minimum age for the former is 12 but there appears to be no minimum age for the latter in the advice issued in 2018, which suggests, at least in theory, that biometric data could be applied to children as young as four in reception year. I do not believe for one moment that that would happen, but there is no lower limit. I hope the Minister is able to clarify the position because I am sure I would not be alone in my concern that there may be no age at which a child would be deemed to be too young. That age should not be lower than 12, which was mentioned earlier in relation to Covid vaccinations.

The guidance also has a section, under the heading “Notification and parental consent”, concerning looked-after children. It would be helpful to have clarity from the Minister on the position of a child’s carer, whether or not it is a local authority. Would a birth parent have the right to object while their child had looked-after status?

Finally, the advice document states that it will be kept under review and updated as necessary. I feel sure that the Minister will agree that the speed at which artificial intelligence advances requires such an update, approaching four years after the advice was issued.

It is unrealistic to believe that biometric recognition technology can be delayed for long, but it must surely be subject to assurances that individual privacy will not be undermined and that consent in all circumstances must be received before it is introduced. I suspect that this is just one stage on a journey towards artificial intelligence assuming functions that have hitherto relied on human intelligence and consequent actions. That is a journey that in many ways is rather scary to contemplate, but it must be subject to the checks and balances that I have referred to. We know that the Government are

planning a White Paper on AI governance, and I hope that the Minister will be able to say when it is likely to appear, as it will be necessary to begin to allay the fears that noble Lords have rightly outlined in this debate.

3.20 pm

Baroness Chisholm of Owlpen (Con): My Lords, I am grateful to the noble Lord, Lord Clement-Jones, for bringing to the House's attention the important matter of facial and other biometric recognition technologies in schools. He says that I am versatile, but I think that he is versatile. I have been a Whip in many departments and I always seem to be answering his questions, whatever department I am in, so I think we are both the same in that regard. I also thank noble Lords who have given me notice of what they were going to bring up today; I cannot tell you how helpful that is.

There are differing views regarding use of this technology in schools and indeed across all aspects of society. The Government recognise the need for care and for checks and balances in a system where personal and sensitive information is used to enable pupils and, indeed, any citizen to undertake everyday activities, such as children paying for lunch or accessing the library. Therefore, the Government recognise—and the noble Lord, Lord Clement-Jones, mentioned—that this is a complex and challenging policy area.

My noble friend Lord Vaizey and the noble Baroness, Lady Falkner of Margravine, said that live facial recognition has quite a lot of inaccuracies. Certainly, the accuracy of any technique will depend on the technology and how it is used. Based on LFR trials, at worst there is a one in 1,000 chance of a false alert, and around a 70% chance of a true alert, if someone on a watchlist passes a camera. However, there can still be false alerts, which is why a human being always takes the final decision to engage with an individual match via the technology.

The Department for Education sets out in its non-statutory guidance, titled *Protection of Biometric Information of Children in Schools and Colleges*, information for schools and colleges if they wish to use personal information about pupils for the purposes of using automated biometric recognition systems. This guidance covers legal duties under the Protection of Freedoms Act 2012 in relation to the processing of biometric information in schools. It also covers the data protection regime. This debate has highlighted that the Department for Education's guidance needs to be updated, and will be updated imminently, to refer to the most current UK data protection legislation, which is now the UK general data protection regulation or UK GDPR, and the Data Protection Act 2018.

The decision to use biometric technology rests entirely with individual schools, which are legally responsible, as per the GDPR, the Protection of Freedoms Act and Data Protection Act, for any data they gather and use. As such, the department believes that, if a school wishes to introduce biometric technology, it is rightly a decision for an individual school to make, based on its own operational needs and in consultation with its staff, pupils, parents and carers—and, importantly, having regard to among other things the relevant data protection law. We do not intend changing this fundamental principle of school autonomy on this matter.

Schools wishing to introduce biometric technology for pupils to access services, such as the purchase of school meals, must follow their legal responsibilities. This will include the recognition that processing biometric data for uniquely identifying a natural person is classed as a special category of personal data. This means that any school—the data controller—wishing to adopt biometric technology must ensure that their data protection impact assessment demonstrates that the processing of any personal data is lawful and meets the conditions for special categories. As stated in Article 9 of the UK GDPR, together with Schedule 1 to the Data Protection Act, the rules around sensitive processing as part of the DPA 2018 would still apply when facial images are used as biometrics—that is, they have been used in an identification process, such as via automated facial recognition.

The departmental guidelines highlight the requirement to obtain the appropriate consent from parents of children under 18, and set out the individual right of a parent and/or child to refuse consent to using biometric technology. Except in certain limited circumstances, a school or college can lawfully process a pupil's biometric data only if it has notified each parent of a child of the intention to do so and received the necessary consent. There are exceptions to when a parent needs to consent and, in those cases, a person who cares for the child, or another body such as a local authority, needs to provide consent instead. The child themselves can object to the use of their biometric information and, if that happens, the information must not be processed even if a parent has consented.

The noble Lord, Lord Watson, asked about the age limit of children giving consent. Under Sections 26 and 27 of the Protection of Freedoms Act, there is no reference to a lower age limit in terms of a child's right to refuse to participate in sharing their biometric data. Under the legislation, we are unable to remove or limit the right of any child to refuse consent to sharing their biometric data. On the question of who can give consent if it is not the parent, and what legal autonomy they have, I say that when a child is looked after and is subject to a care order in favour of the local authority, or the local authority provides accommodation for the child within the definition of Section 22 of the Children Act 1989, a school would not be required to notify or seek consent from the parents. I hope that covers the noble Lord's questions.

Schools must find a reasonable alternative means for any pupils who opt out of using an automated biometric recognition system to access services. This is an especially important point: pupils should not be disadvantaged or receive access to fewer or different services because the school introduces biometrics. Several noble Lords asked whether it was a waste of time if schools are using two different systems. I think that we have seen that in several schools, which have stopped using this system because they find that they have to do a risk analysis, which has to be consent-based, and having the two systems can be difficult—because, if you are using facial recognition and some pupils do not want to use it, they still have to use the old system. As noble Lords pointed out, why in that case do not they just use the old system in the first place? There is still a long way to go here.

[BARONESS CHISHOLM OF OWLPEN]

Schools—the data controller—must make sure that any biometric data is stored securely, is not kept longer than needed, is used only for the purpose for which it is obtained, and is not unlawfully disclosed to a third party. Any failure in meeting these requirements could result in referral to the Information Commissioner's Office, which will take steps to understand any data breach, work with schools to address any failures and agree measures to help them to meet their legal requirements. In serious cases, enforcement notices may include an absolute ban on the processing of personal data. The Department for Education will continue to remind schools of their legal position in terms of the law and their duties within it, and provide an update to the published advice.

In deciding to implement this technology, each school should monitor and review the biometric technology's effectiveness against its original purpose. Clearly, it is right that this must be a matter for individual schools. This action will ensure that the technology continues to be used for the reason it was intended and that it meets the legal duties, requirements and responsibilities under the Data Protection Act, UK GDPR and the Protection of Freedoms Act. As this is a decision for each school, the department would have no purpose to collect or store data related to a school's use of biometric technology. There is no intention for this approach to change. One of the primary drivers for the department not intervening in this space is the broader legal framework and the checks and balances already in place.

The Information Commissioner's Office is now one of the most important regulators in the UK, as noble Lords are aware, responsible for supervising and enforcing the application of data protection legislation across almost every organisation in the country. With the adoption of new systems comes the responsibility to make sure that data protection obligations are fulfilled and customers' privacy rights addressed alongside any organisational benefit.

The Information Commissioner's Office also recently provided, in June, its opinion on the use of live facial recognition technology in public places, with recommendations and next steps for data controllers. The department's guidance for schools, when updated, will reflect the latest advice from the Information Commissioner's Office on this important matter. The department is confident that schools have the support needed from the Information Commissioner's Office to ensure they meet data protection standards, especially as schools adopt biometric technology for pupils to access services.

In line with any changes as a consequence of the ongoing Department for Digital, Culture, Media and Sport consultation on data protection reform, which ends on 19 November, the Department for Education will update its current non-statutory guidance for schools. It will also update it to reflect any changes to the legal frameworks. The reform seeks to create a new, ambitious, pro-growth and innovation-friendly data protection regime that underpins the trustworthy use of data for a better UK data rights regime—sorry, that sounds a bit like an advertisement.

I am sure the consideration of legislative changes will have been discussed, but at present there is no specific intention to introduce general legislation for use of biometric data in schools or society in general.

However, as has been shown today by all noble Lords, this is such a fast-moving area; I cannot believe it will not be discussed at great length as far as legislation is concerned. All the concerns brought up today are very live and important and need a great deal of thought. I will take this back to the Department for Education, but it is the Department for Digital, Culture, Media and Sport which really needs to get involved in this. I think everyone is almost wondering what is coming next.

I hope I have given some answers to noble Lords' concerns and thank them for all their helpful contributions to this debate. I look forward to working with noble Lords towards the Government's aim to deliver data reforms in the future that will be forward-thinking and innovative and seek to maintain public trust and confidence in the responsible use of all data, including biometrics.

Leaseholders: Safety Remediation Costs

Motion to Take Note

3.34 pm

Moved by Lord Stunell

That this House takes note of the situation of leaseholders who are facing substantial bills for fire and building safety remediation work; and of the need for safe, green and affordable housing.

Lord Stunell (LD): My Lords, I start by reminding the House that I am a member of your Lordships' Built Environment Select Committee and an honorary fellow of the Institution of Civil Engineers, and served for two years as Minister with responsibility for building regulations, between 2010 and 2012.

I make no apology for bringing back to your Lordships' House the unfinished business arising from the dreadful tragedy of the Grenfell Tower fire, which killed 72 men, women and children and ruined the lives of many others. Consequent upon that, fire inspections have been held at thousands of buildings in the UK to check whether they are compliant with all relevant fire safety rules. In the event, many have been found not to be compliant. One estimate is that up to 1.5 million households may be living in a home that has fire safety deficiencies. It is not just combustible cladding that must be taken down and replaced; other literally vital, life-saving features such as cavity barriers, fire stops and fire doors have been wrongly installed. All must be replaced or repaired.

We know that the cost will be huge, and that the burden falls unfairly. I, my noble friends and other noble Lords will today challenge the Minister and the Government on how that burden falls. However, this debate, held while COP 26 is meeting in Glasgow, is also about another, even wider issue: ensuring that all our homes, both existing ones and those still to be built, are safe, sustainable and affordable. That also requires massive investment and a new approach to design and construction, including cutting heating bills with better insulation and decarbonising heating systems, while ensuring that neither affordability nor safety is compromised. Towards the end of my remarks

I will say something about the challenges faced in achieving that, and give some words of advice to the Minister on how to make a good start.

These two seemingly separate imperatives—fire safety and climate resilience—are closely linked. Both require strong government leadership to set the long-term regulatory and investment climate. Both require new skills and expertise to deliver. Both will require strong oversight and evaluation to guarantee successful outcomes. I want the Minister to join the dots and undertake to learn the lessons that we painfully learned from the Grenfell Tower crisis to deliver on the climate change crisis successfully. I also want him to acknowledge that his Government have much more to do on both fire safety and climate resilience before they can begin to claim to be delivering safe, green, affordable homes for all.

The inquiry into the Grenfell Tower disaster exposed many shocking failures of design, manufacture, testing, installation, supervision, inspection and regulation. There have been failures by clients, developers, suppliers, contractors, subcontractors and inspectors. There is a very long list of people who made mistakes or, worse, deliberately cut corners to save time, money or face. The residents and leaseholders of Grenfell Tower paid a high price indeed for those multiple failures, for which they bore no blame; indeed, they did their best to prevent them.

In the aftermath, many hoped that it was simply some horrible combination of rogue circumstances that could be never repeated. Sadly, that is not true. We now know that thousands of homes in hundreds of high and medium-rise blocks have many of the same deficiencies in their construction. Again, it is about not just combustible cladding but missing cavity barriers, fire stops and fire doors. One estimate, by the British Woodworking Federation, is that 600,000 fire doors need remediation.

There will be long lists of people and organisations to blame in each and every failure, but on none of them will the names of the leasehold residents who live there appear. Yet, in every one of those defective blocks, it is the leaseholders who are expected to foot the bill. The remediation costs being passed on to leaseholders are typically multiple thousands of pounds each. The magazine *Inside Housing* ran a survey of leaseholders. They reported huge bills. Some 60% of those who replied to that survey faced a bill more than £30,000, with the top 15% facing bills of more than £100,000. On top of that come the huge service charges for waking watch provision and massive rises in insurance premiums. With sometimes a nil valuation on their property, leaseholders cannot raise mortgage funds to cover the cost; nor can they sell up and leave.

The Government's response, after a wobbly start, has been to move forward with the Fire Safety Act and now the Building Safety Bill. They have tabled plans for some financial assistance, but those plans are not only manifestly well short of what is needed, they are themselves moving at a snail's pace on delivery. For instance, four years after the fire, only £79 million of the £200 million set aside to help private leaseholders has been spent. There are still no details published on how to apply for the loan scheme for leaseholders trapped in low and mid-rise blocks, announced by the Minister with great fanfare nine months ago.

The Government have repeatedly sent out confused messages that have made the situation facing leaseholders worse. The initial EWS1 scheme was intended for use only on high-rise blocks, those over 18 metres. It provided a way for mortgage providers to underwrite transactions on those properties. It was a struggle to do so because there were far too few fire risk assessors to cover the 1,700 buildings in scope, so there were long delays. But the Government's January 2020 consolidated advice note, stating that combustible cladding on any height of building posed a fire risk, immediately led to EWS1 certificates being demanded of every building, increasing the demand for fire risk assessments from 1,700 to several tens of thousands. That created an enormous backlog of EWS1 assessments.

As a palliative, a year ago the Government set up a training scheme with RICS to train an additional 250 fire assessors. A year later, today, I want to hear from the Minister how many trained fire assessors there are and what the department's estimate is of the backlog of assessments still to be done. The Minister may reply that, back in July this year, he announced that the EWS1 was to be withdrawn and replaced by PAS 9980 and that a new code of practice would be established with a sound, risk-based assessment procedure. However, neither the code nor the publicly accessible standard has arrived yet. Will the Minister give an assurance today from the Dispatch Box that both of those will be published before the Christmas Recess?

The procedural dithering by the department is making the position of leaseholders, already under intense financial pressure, worse with each passing day. A study by Sheffield University, funded by the ESRC, reported that for most leaseholders the financial pressures were at least as much responsible for their stressed mental state as fears for their safety in case of fire. Leaseholders have understood the brutal reality that they are more likely to face foreclosure than fire death. The Government have a clear duty to respond urgently to reassure them.

Of course, above and beyond all the administrative fumbling by the department is the overriding question of funding. Other noble Lords will have plenty to say on this, and I will listen particularly carefully to what the noble Earl, Lord Lytton, has to say about drawing on the polluter pays principle to recompense leaseholders. All I will say is that, should the Government not come forward with an equitable scheme beforehand, the Minister can expect a difficult time when the Building Safety Bill reaches your Lordships' House. It remains a central responsibility of this Government to ensure that the blameless victims of this terrible episode are not left swinging in the wind, exposed both to fire risk and financial calamity.

A central theme of that Building Safety Bill is to establish a golden thread of responsibility for due process and good construction, overseen by a tough regulator. That is a principle I strongly endorse: indeed, I can claim to have prefigured it in the Sustainable and Secure Buildings Act that I successfully brought forward in the other place as a Private Member's Bill 15 years ago. Of course, the Building Safety Bill rightly focuses on fire safety and the immediately presenting and very pressing issue of fire prevention in high-rise blocks, but that golden thread principle should be a fundamental

[LORD STUNELL]

part of the regulatory system for the whole construction industry. It can help to ensure that new and retrofitted homes are actually built to the standards specified, that people doing the work have the skills and capability for the task, and that when something goes wrong there is a clear audit trail.

By way of illustration, six years ago a fire broke out in the wall of a modern block of three-storey town houses in my former constituency and spread vertically to the roof. The fire spread through the roof space, and three homes were gutted. Missing fire stops and cavity barriers were the facilitators of the fire spread. It happened 10 years and one month after construction—important from the warrantee angle at the time. Of course, there was no paper trail, or digital trail, on who did what or why during construction. According to the Greater Manchester Fire and Rescue Service, which attended that fire, this absence of cavity barriers is a very common fault to find in the timber-framed house fires it attends. At the time, it told me it supposed that it would be a national problem. When I inquired, the then Minister said that a study was being commissioned by the department. Can the Minister here today tell us whether that happened and what it reported? He might find it interesting—or maybe not—but it could well provide long-term evidence of a long-term problem.

Less dramatically, there have been multiple reports of people moving into new homes and finding the roof insulation still rolled up in the loft, and the level of basic faults in newly completed homes remains unacceptably high. We are going to see the wholesale introduction of modern methods of construction—prefabricated and timber-frame construction—aimed at high levels of home insulation. We are targeting a complete revolution in the technology used to heat our homes. All these and much more are on the menu as zero-carbon homes are seen as the gold standard to achieve in the coming decades. All will need higher skills and closer supervision than they are currently getting if there is not to be disappointment at best, or catastrophic failure at worst, in achieving the ambitious numerical and sustainable housing targets that the Government espouse.

Grenfell Tower had many contributing causes but the absence of clear regulatory oversight of the sort now proposed in the Building Safety Bill was, sadly, an enabler of the failures that happened. So too was the absence of trained and qualified staff and workers. So, my final ask of the Minister is that he should keep clearly in focus the case for learning from this horrible episode the need to ensure that the golden thread principle is not just seen as a one-off response to a wholly exceptional problem, but as a vital necessity for delivering safe, green and affordable homes in the future. I beg to move.

3.48 pm

Lord Young of Cookham (Con): My Lords, I thank the noble Lord, Lord Stunell, for his choice of subject for this debate, which I hope will come up with some helpful suggestions for resolving the crisis facing leaseholders, resolving the current impasse and enabling Michael Gove to respond to the rumoured injunction from the Prime Minister to “sort out the cladding crisis”.

I begin by thanking my noble friend the Minister for his tireless work behind the scenes to get a better deal for leaseholders caught up in the post-Grenfell cladding scandal. The steps the Government have taken so far to help leaseholders, which I welcome, have been in part due to his interventions in the intergovernmental discussions that have taken place. These started with the Treasury taking the view that there was no role for taxpayer funding in finding a solution, so we are making some progress.

My concern is that the combination of government help, freeholder support and voluntary action by developers still leaves a very substantial shortfall and, unless further steps are taken, we are likely to see bankruptcies, repossessions and evictions of people who took every reasonable precaution to protect their interests. As the noble Lord has just said, some 1.5 million householders are potentially caught up in this crisis, which is likely to come to a head next April when the bills fall due and land on leaseholders’ mats.

I agree with the unanimous recommendation of the Select Committee in another place, which it repeated in its report earlier this year:

“It has consistently been this Committee’s position that leaseholders should not have to contribute towards any of the costs for a problem they played no part in creating.”

Indeed, I believe that was also the Government’s initial position, though not the Treasury’s. The Select Committee’s proposal was that there should be a comprehensive building safety fund, fully funded by government and industry, and the Government should establish clear principles regarding how the costs should be split between the two. Total contributions should not be capped. I regret that the Government have not accepted the recommendation and have instead come up with a capped contribution from themselves and an inadequate contribution from industry.

There is a precedent for more generous intervention than the Government have offered so far. I refer to the Housing Defects Act 1984, which I put on the statue book 37 years ago. That provided for a 90% grant towards the cost of repairing the defect of a property, subject to an expenditure limit, or repurchase of the property at 95% of the defect-free value. That legislation covered Airey houses, built after the war, that were discovered to be defective in the 1980s. The background is similar in many ways to the problems confronting today’s leaseholders.

Under that legislation, properties were designated if they were defective by reason of their design or construction and if their value had been reduced substantially because the defects had become generally known. Designation was reserved for serious inherent defects that owners, councils or professional advisers could not have known about on survey, sale or purchase—a close parallel to today’s problems for leaseholders. Compensation was provided by the Government on the terms I have outlined.

So I pose the question: if it was right for the Government—a Conservative Government—to intervene generously then to protect innocent home owners, is there not a case for more generous intervention now? In this case, I am not suggesting the Government should pay 95% and I make no apology for repeating a

suggestion I have made on earlier occasions, supported by the right reverend Prelate the Bishop of Durham and my noble friend Lord Blencathra, namely that there should be a retrospective levy on the developers who initially sold the defective flats—the “polluter pays” principle referred to by the noble Lord, Lord Stunell.

Instead, the Government have announced a prospective levy of a 4% tax on profits over £25 million on future residential development, to raise just over £1 billion in five years. There are three problems with that solution. First, it does not produce enough money. We are looking at a shortfall of some £10 billion between the cost of remediation at about £15 billion and the £5 billion now on offer. The levy falls well short. Secondly, the buildings on which the levy is payable will not be defective but built under the new higher building regulations. Thirdly, the levy will not fall exclusively on those who benefited from the sale of defective property. Many future developers who had no part to play at all in the Grenfell tragedy will pay, potentially passing the cost on to future purchasers.

So my suggestion to Michael Gove is that he meets the £10 billion gap with a £5 billion retrospective levy on the developers of the offending flats, most of whom are still around and have substantial reserves, and a further £5 billion from the Treasury, belatedly delivering the recommendation of the Select Committee that costs should not fall on leaseholders. I believe a solution along those lines would enable us to begin to draw a line under this problem and relieve thousands of leaseholders of the nightmares they now suffer from.

3.54 pm

The Lord Bishop of London: My Lords, I, too, thank the noble Lord, Lord Stunell, for securing this debate, and I thank the noble Lord who will speak after me. It has been four years, four months and 20 days since the Grenfell Tower fire. On the 14th day of every month, Grenfell survivors and their loved ones walk around the remains of Grenfell Tower to signal that they are yet to receive justice for what has happened.

Many in the other place allowed the Fire Safety Bill to pass on the promise that the issues relating to the remediation of unsafe buildings would be dealt with comprehensively and thoroughly in the Building Safety Bill. However, the Bill has just completed Committee in the other place and the Government have yet to set out how they intend to deal with the unaffordable costs faced by leaseholders for interim safety measures and the remediation of unsafe buildings.

The Government’s reannouncement of £5 billion for the removal of unsafe cladding only raised concerns for those affected. The Red Book notes that £3 billion will be spent over the spending review period up to the end of March 2025. Can the Minister tell the House when he expects all dangerous cladding will have been removed?

The residential property developer tax provides little comfort for leaseholders. Rather than helping those struggling to pay for interim safety measures and non-cladding remedial costs, the Government have chosen to use the £2 billion as a funding source for the building safety fund. As we have heard already in this debate, unless more funding is found, leaseholders will

be forced to pay bills running into tens of thousands, if not hundreds of thousands, of pounds for non-cladding remedial costs. In many cases leaseholders cannot raise these sorts of sums and will therefore lose their homes and be forced into bankruptcy. Of course, this is already impacting on their health and well-being through no fault of their own and will continue to do so.

I understand the Government’s reluctance to commit additional taxpayer funding to resolve this crisis. The taxpayer should not be required to pay for the failures of an industry that has paid out billions in dividends over the past decade. I am also aware that there are multiple efforts to develop a feasible solution to this, but the issues around housing and inequality in this country are a state of emergency. As it stands, the only comprehensive solution I am aware of is the “polluter pays” amendment, already mentioned by the noble Lord, Lord Young. As he said, it would require developers and builders who constructed blocks of flats that did not comply with building regulations in force at the time of construction to pay for their remediation. This amendment is supported by a range of UK stakeholders and has also attracted international attention. Ted Baillieu, the former Premier of Victoria, Australia, and co-chair of the Victoria cladding task force, sees it as a way of ensuring that those responsible for the crisis pay, and as an opportunity to restore trust. It would be an opportunity to serve as a model for other jurisdictions across the world. Other noble Lords will be better qualified than I am to comment on this.

If the Government are not satisfied that the polluter pays Bill represents a solution, I know that many in this House will be eager-eared to hear the Government’s own solution that will deliver us from this crisis. I know that the Minister is entirely well intentioned and that he is committed to navigating a way out of this issue, but it is true that Members of your Lordships’ House are becoming impatient at the lack of action, and I hope that next time this matter is discussed in the House, the Minister will have something new to present.

We are gathered here today on 4 November 2021. In the next 10 days, Grenfell survivors, sympathisers and their loved ones will walk again. Let us find a response that is sufficient enough to not be complicit in the prolonged injustice and eyesore that this issue and housing standards in this country have become.

3.59 pm

Lord Shipley (LD): My Lords, I agree with the right reverend Prelate the Bishop of London that those responsible for the cladding crisis should pay for the remediation. I found the proposal made by the noble Lord, Lord Young of Cookham, for an extra levy and a Treasury grant to be particularly convincing, and I hope it will command broad support in your Lordships’ House.

I congratulate my noble friend Lord Stunell on his wide-ranging and forensic examination of the key issues in relation to the cladding crisis, the need for fire and building safety remediation, and the desperate position of so many leaseholders who are being asked to pay large sums of money, when they were not

[LORD SHIPLEY]

responsible, for cladding on their properties having to be replaced or for other essential fire safety work. I subscribe to all that he has said.

But in my contribution today, I want to look at government housing policy more generally in the context of the second part of the Motion, which refers to the need for safe, green and affordable housing. When I say affordable, I mean housing that is affordable to those on average incomes, rather than housing that is priced at 80% of the market rate.

I look forward to hearing from the Minister when he replies. He has a new departmental title, of course, in that he represents the Department for Levelling Up, Housing and Communities. Very recently, the department was the Ministry for Housing, Communities and Local Government, and just before that it was the Department for Communities and Local Government. These constant name changes cannot disguise the failure of the Government to build enough homes. Low-paid workers have been priced out of buying a home in many parts of the country. Over recent years, property prices have risen well ahead of earnings, and the Government have been obsessed with encouraging demand to the detriment of increasing supply. Are the Government still committed to reaching 300,000 new homes a year by 2025? If so, how will they do that when a handful of developers control the timing of so much of our supply, which has led to their substantially higher profits? Do the Government have a plan?

On plans, what are the Government's plans for the planning system? Over 40,000 responses were sent in as part of the recent consultation on the planning system. What is happening to all those replies? What lessons have the Government learned about subsidising demand through Help to Buy and stamp duty holidays? Both seem to have led to higher prices for buyers and higher profits for builders. Indeed, the stamp duty holiday has apparently cost just under £5 billion in lost revenue to the public purse.

As the noble Lord, Lord Barwell, who was Housing Minister from 2016 to 2017, wrote in a letter to the *Times* on 15 May this year:

“Demand-side interventions such as Help to Buy and stamp duty holidays, while helping some, fuel house price inflation, making it harder for others to get on the ladder.”

I agree with him, and I also agree with his later statement that we need more homes for rent which are affordable. What is the Government's plan to meet the lengthening waiting lists for social housing, estimated by the Local Government Association—of which I am a vice-president—to be over 2 million households?

The affordability crisis has impacted on very many people. This has proved particularly acute recently in rural areas, where prices have risen by 14% over the year May 2020 to May 2021. I conclude that the Government need a clear strategy to deal with the shortage of homes. Again, I hope the Minister will confirm that there is to be no watering down of the commitment to 300,000 new homes a year.

The Budget announced some more investment in housing and specific funding for affordable homes on brownfield sites. That is all welcome. But what is the Government's thinking on the need for more supported

housing units? The National Housing Federation forecast earlier this year a shortfall of around 47,000 supported housing units by 2025. Why did the Chancellor refuse to proceed with an increase in the stamp duty surcharge for the purchase of second homes, as suggested by the Office for Budget Responsibility? It seems to have been seriously considered.

Are the Government still committed to ending rough sleeping by 2024, and is the plan for doing so sufficiently robust?

On greening our housing stock, is the sum of money announced in the Government's *Heat and Buildings Strategy* sufficient to deliver all the changes needed for decarbonisation and retrofitting of buildings? Many experts claim that it is nothing like enough and that prices will not drop over the coming years as the Government hope they will.

I return to cladding. It was reported in the *Times* on Friday 29 October that Robert Jenrick, the then Secretary of State, had fought the Treasury for more money for two years to deal with the cladding crisis but that no extra funding was forthcoming. I do not know what Governments are for if they are not there to solve problems like this. A large number of leaseholders, through no fault of their own, have been landed with huge bills when owners and developers should be responsible. More than the £5 billion pledged so far will be needed, as the noble Lord, Lord Young, reminded us, so why are the Government raising developer contributions with only a 4% levy on company profits over £25 million and why is it seen as a contribution towards the £5 billion already announced as opposed to being an extra sum that would then generate £7 billion?

As all speakers have said today, the cladding crisis needs resolution.

4.07 pm

The Earl of Lytton (CB): My Lords, I am delighted that the noble Lord, Lord Stunell, has secured this debate. His party, with cross-party support, has spear-headed the cause of those caught up as blameless home owners in the wake of fire safety measures following the Grenfell tragedy. Like him, I am a member of your Lordships' Built Environment Select Committee. I declare my professional involvement with property and construction. My focus is particularly on property economics, leasehold issues and the sheer level of collateral damage being inflicted on an entire home ownership sector.

So I am glad to have this opportunity to speak on the matter once again, because the problems have not gone away, nor has the ruination of people's lives and finances due to failures to construct buildings to a standard of safety and competence we should expect. It is not as if the required standards of the past 40 years have gone away, or that overarching principles of safe construction have been abandoned; rather, there has been attrition in the oversight of those charged with the solemn duty to comply with them together with what is termed “value engineering”.

You could not get away with constructing a car to unsafe standards, so why permit a building constructor to plead the principle of caveat emptor on a far more important element in people's lives? Unsafe buildings

cause deaths. The Motion in the name of the noble Lord, Lord Stunell, refers to safe housing. Yes, indeed, one's home should be a place of sanctuary, of occupation on one's own terms, of security, and is often the embodiment of the owner's entire capital asset. Destroy the safety, security, comfort, predictability and confidence that this embodies and you do much more than create some remediable, physical or financial loss. It results in trauma of impossible and inescapable proportions for individuals and households, and a loss of faith in the sector and in what the Government are doing about it.

As we have heard, this has gone far beyond the cladding issue alone. Investigations have revealed a raft of omissions and defects in construction that, had they been known about at the time, would not have passed the regulatory material suitability or code of practice standards when a building project was approved and subsequently implemented. It is a fundamental truth that those home owners now faced with unsaleable properties, eye-watering service charges and remediation costs purchased in good faith and had no part in the creation of those defective buildings. It is also the case that the identity of those responsible for construction deficiency is, in most cases, known.

So, while I advocated the Government getting ahead of the curve and leading the way on this very complex issue, with many economically powerful players, I did not mean to suggest that the taxpayer should bail out the home owners. Of course, there is a role for a compensatory fund and a levy, and the Government are acting on this but only for the limited capacity of the most at-risk buildings. That leaves a gap between the scope of what the Government set out to do and the extent of the problems, as we now know them.

I believe that the Government should be the instigator and driver of a more encompassing framework. Here I pay tribute to the comments of the noble Lord, Lord Young of Cookham, because much of what I say will dovetail with them. The framework should ensure that those responsible are indeed held to account, that home owners are thereby accorded relief from their resultant woes and that confidence is restored.

In the last five months, I have had many discussions with Steve Day, an inspirational campaigner who is well known to the Minister and who was faced with a huge remediation bill on an east London flat. Due in large part to his persistence, a group colloquially termed the "polluter pays" movement has grown up and garnered very considerable support. I wish to address the principles behind it this afternoon. It borrows from the principles in the Environmental Protection Act, seeking to make the polluter—or, in this case, the developer or constructor and his team responsible for the works—liable for the consequences of their failures. It differs from the EPA in that it would not try to apportion individual responsibility in some proportional manner but would provide joint and several liability on the developer or builder and leave those who are responsible to sort it out among themselves, after the Government have recovered the money.

It would make the first point of recourse for appeals to the First-tier Tribunal to keep things out of the mainstream courts as far as possible, thus discouraging economic might from bullying much weaker parties.

It would attach parent company liability by a device customarily used by the Competition and Markets Authority, when treating a company and its subsidiaries as a single liable entity. It would remove the protection of special purpose vehicles, which developers have often used to try to ring-fence, if not actually escape, liability.

The polluter pays principle asks the Government to employ industry experts to check whether builders built to the required standards, including manufacturers' instructions. If not, it then places the burden of proof on constructors to evidence that their installations met building regulations in force at the time of construction. If they do not have the evidence or they broke the building regulations in force at the time, they would need to put their hands in their pockets. As we have seen all over the media and in professional reports, there has been widespread non-compliance with construction standards, despite the fact that there is a very profitable housebuilding sector—so I believe that a large recovery potential is in fact there.

The polluter pays principle would also provide a way forward for proportionality in risk assessment, providing for the full range of property types, building heights, defect categories, and so on. It would draw on a vastly greater resource than the Government currently propose under their levy, and it would not impose a blanket levy on the many good and conscientious builders and their development teams. But it needs government to get ahead of the current freefall in risk-averse reactions and broker a pan-sector approach.

As a consequence, if this was taken forward, it would in fact set in place a legacy that would restore confidence and counter the perversity of the race to the bottom in construction standards and the culture of getting away with things if you can, rather than doing a good job and going that little bit further.

I fervently hope that, given the information, background, purposes and mechanics, the Government will see fit to incorporate this into the Building Safety Bill as an amendment of their own. If so, I will strongly support it; if not, I shall argue for one to be incorporated notwithstanding. I put it to the Minister that, in all justice and morality, this demands action. The problems of damage to market confidence, sector economics, social fabric, and personal health, well-being and life chances simply cannot be allowed to persist. This is a systemic failure that must not be allowed to persist. I know he has listened to the polluter pays argument, but I now ask him to take it forward.

4.15 pm

Baroness Brinton (LD) [V]: My Lords, I declare an interest as vice-chair of the All-Party Group on Fire Safety and Rescue and as a vice-president of the LGA. I congratulate my noble friend Lord Stunell on securing this important debate.

I start by agreeing with him and my noble friend Lord Shipley about the need for affordable, safe and green housing. Homes built for lifetime occupation also need to be part of it, ones which can easily and cheaply be adapted for disabled and elderly residents. It says much about the current large property companies that they regularly refuse to build to these standards,

[BARONESS BRINTON]

although Habinteg tells us that average new-build costs are just a handful of thousands of pounds, whereas adaptations in later life can cost 10 times that amount, as well as the costs of people having to leave their beloved homes and move into care homes. This also says much about who is currently in the driving seat on standards and regulations: it is not the Government or local government, but the builders. There is now evidence of the system being abused, as outlined by the noble Earl, Lord Lytton.

The Grenfell Tower fire happened in June 2017. As we know, 72 people lost their lives. The very moving “Grenfell: The Untold Story” documentary on Channel 4 took us step by step through the concerns of residents during the obviously mismanaged updating works, the night of the fire, and the problems they have had since in other accommodation. For those who have never been present at a fire, it was pretty terrifying. I speak as someone who has been; as part of my job as a stage manager, I had to get an entire audience out of a theatre that caught fire. It is pretty frightening as the smoke rolls towards you.

Far too many blocks are excluded from government assistance, as outlined by a number of noble Lords, including my noble friend Lord Stunell, despite the Government offering some billions of pounds to “end the cladding scandal”. Sitting behind the large growth in flats recently has been the need to increase the number of homes, especially in the greater south-east and around our larger cities and conurbations across the UK. Large numbers of flats and apartments, many high-rise, have been built over the last decade, which are essential. Many more are needed. But the financial structures, as outlined by noble Lords, have also exacerbated the problems of leaseholders facing large bills for cladding.

This Government’s obsession with home ownership has meant that, for many young people, finding that deposit and part ownership have enabled them to get on to the property ladder. But neither they nor their funders understood that these homes were being built to unsafe standards, signed off by a less than independent inspection process, which has now resulted in them facing extraordinarily large bills for remediation and, prior to remediation, the cost of 24-hour walking warden services.

I will spend a short time on the liabilities of the construction sector. The major builders say that, for those buildings completed after the standard 10-year structural defect warranty, they and their insurers can wash their hands of any liability. However, most structural defect warranties assume that the contractors have built to building standards and complied with the building inspection rules of the day. It is now evident, way beyond the chilling evidence at the Grenfell inquiry, that the short cuts that too many of these companies, and their contractors and suppliers, took have resulted in unsafe buildings with dangerous cladding never designed for these blocks, which act, in effect, as installed firefighters.

As a member of the All-Party Group for Fire Safety and Rescue, I have watched the evidence given by cladding manufacturers at the Grenfell inquiry. Managers of cladding firms, granted immunity under

the terms of the inquiry, explained how they deliberately used the wrong cladding—and cladding certificates—for these buildings. Clerks of works at the site, at best, took their words at face value; in the worst cases, some inspectors clearly turned blind eyes. That immunity was a high price to pay but at least we are now getting to the real root of the problem: a broken building and inspection system.

Three years ago, the APPG even heard of one tower block, not in London, where all the non-fire-compliant front doors to the flats were removed and replaced with compliant doors for one week, to the utter bemusement of the residents. After the building was inspected, the old doors went up again. Whistleblowers have been saying for the past few years that many bad practices had already started since the relaxation of the inspection regime.

In any other industry, local government, the Government, construction and financial services industry bodies, and their insurers would have got together to talk through how to manage this crisis. Banks, building societies and housing associations will also need support if they are to find the resources to help them round their rules, so that they can help people who have mortgages or leases with them in these buildings with cladding.

In any other industry, freeholders would have sued the building companies and their insurers to protect the leaseholders. Instead, too many freeholders have turned to leaseholders to pay. Other noble Lords have talked about the “polluter pays” principle. I agree with the noble Lord, Lord Young of Cookham, that there will also need to be other structures for payment. I like the idea, as others have said, of an extra levy to provide for the £10-billion and £5-billion holes in the system.

In any other industry, those who falsified construction certificates, especially if relating to cladding, would have been interviewed by the police. Falsifying cladding safety certificates, and inspection works in this instance, have put hundreds of thousands of leaseholders and their families at high risk of fire, of damage to their properties and of their injury or death.

However, this is not any other industry. In 2019, property tycoons gave the Conservatives more than £11 million. There were questions about cash for access and a dinner at which the then Housing Secretary, Robert Jenrick, was sat next to a large potential donor. I know that he left, but the point is that it was very uncomfortable. Despite the Select Committee in the other place recommending that the Government do all they can to protect leaseholders from these costs, instead, the reality is that leaseholders are facing bills so large that some are higher than the value of the property they have bought. They cannot sell with that liability. Their mortgagors are equally stuck because their rules are also strict.

There are 500,000 homes facing a tornado of problems. It is time that the Government led a proper round of emergency discussions with all the parties and not just for high-rise buildings of over 12 metres. This arbitrary height definition has no place when cladding remains dangerous. However, what needs to happen first is that the building sector, especially large construction companies, must agree its share of the immediate

payment of remediation costs. I hear the Minister saying, “But we’ve told freeholders not to pass charges on to leaseholders”. Until the Government own this issue and start to strong-arm the various bodies to take responsibility, this will not change; it should, but will not. If there is no change, will the Minister agree that a class action of leaseholders against the constructors should be funded by the public purse? In the meantime, will the Government take other actions to help resolve these issues?

4.23 pm

Lord Thurlow (CB): I add my voice to the thanks to the noble Lord, Lord Stunell, for tabling this debate. I want to make the House aware of my interests in the register. I have been involved in the property market for 40 years, and a member of the RICS for most of that time. I own two buy-to-let flats in London but, mercifully, I do not believe that either is affected by the cladding problems. In my comments, I wish to address the first of this debate’s two sections: the situation of leaseholders affected by the need for remedial work.

First, I repeat that the £5 billion made available by the Government is not enough and inadequate. It is not nearly enough for remediation. The noble Lord, Lord Young, and others have mentioned this. The impact on residents’ lives applies equally to those in the 11 to 18 metre-high buildings—the noble Lord, Lord Stunell, mentioned this in his introductory remarks—and, indeed, those in the four-storey buildings below 11 metres. There are some tragic stories and huge costs there, too. There is help from government in other ways, but the costs are enough to bankrupt thousands of the home owners we have just heard about.

This will not go away. The long-term political fallout from it is likely to be severe. It is nothing to do with which party is in power. There is simply widespread outrage, nationwide, that the Government have failed to provide remedy. This is of course unreasonable but it reflects a wider and deeper difficulty: the entitled society. We should be extremely proud—indeed, we are—that we provide a roof over everyone’s head, free education and healthcare, a minimum wage and unemployment benefit, but removing personal responsibility, which is a risk, can have corrosive side-effects. This nanny state is creating an entitled population, looking to apportion blame at the feet of government for any misfortune. I do not propose to abandon the welfare state, but perhaps some reflection is worth while to restore personal responsibility and some common sense.

I fear that this cladding misfortune will rest with government, rather than the fault lying with the manufacturers of the faulty materials or those responsible for faulty construction or supervision. The Government are expected to step up. I believe the right way forward is for the Government to establish the structures to enable the compensation system to work in protecting individuals from huge costs. They should not write the cheques themselves unless their own supervisory systems have failed the taxpayer.

Manufacturers of faulty materials are generally large corporations. Individuals cannot afford to sue them. Companies and their insurers spend millions of pounds every year in legal fees protecting shareholder

returns. It is their job. The Government should create a structure that gives leaseholders a voice and recourse to law, without ruinous financial consequences.

There is an escape route for government. We have heard it several times already: the “polluter pays” principle. The French manufacturer Saint-Gobain, a huge PLC, sells its dangerous cladding in the UK through its subsidiaries. Even after withdrawing it from sale in France, having discovered that it was unsafe, it went on selling it here. Where is the moral compass in that? It should have been sued, yet curiously the Government have not done this. It should have funded a large part of the compensation, reducing the taxpayer burden. With this in mind, the increase from six to 15 years in the statute of limitations period proposed for claims in the Building Safety Bill is an excellent start—but the problems stemming from faulty materials will not go away. Manufacturers must be held responsible, not taxpayers.

Finally, will the Minister please explain why the Government do not appear to be bringing legal action against the manufacturers of faulty, combustible materials used at Grenfell and other developments—cladding that has to be removed at great expense? It was in use throughout the country. Instead, Her Majesty’s Government are spending hundreds of millions of pounds of taxpayers’ money, and the taxpayers’ bill is bound to keep rising. The Government are the only entity capable of taking on the funded firepower of legal action against multinational corporations. I believe this is where taxpayers’ money should be spent—not on financial remedies, which are the province of corporations and their insurers.

4.29 pm

Baroness Pincock (LD): My Lords, I draw the attention of the House to my relevant interests as a vice-president of the Local Government Association and as a member of Kirklees Council.

I thank all noble Lords who have contributed to the debate, and, in so doing, making many constructive proposals for the Government to consider in seeking a solution to the appalling situation people find themselves in. I particularly thank my noble friend Lord Stunell for the clarity of his analysis of the issues we are addressing, and Peter Apps of *Inside Housing* for his very helpful briefing to those of us contributing to the debate.

I make no apology for concentrating my comments on the cladding crisis. This debate is, at its heart, about people—people as leaseholders, shared owners and tenants. A very large number of people are affected. It is estimated that as many as one in 10 of all households in England has been drawn into this building safety crisis. The Government’s own figures estimate that 8,000 buildings over 18 metres, involving 460,000 households, are affected. For those in buildings between 11 and 18 metres, the figures are 34,000 buildings and 700,000 households. There are also buildings below 11 metres that have flammable cladding that need to be considered, as the noble Lord, Lord Thurlow, has just said, especially if they are, for example, residential care homes. As my noble friend Lord Stunell said, this is not a niche issue that is wrecking the lives of just a few people in very high-rise blocks. This is adversely impacting the lives of at least 3 million of our fellow citizens.

[BARONESS PINNOCK]

Following the awful tragedy of Grenfell, the Government have put blanket expectations on buildings over 11 metres for the removal of flammable cladding and everything else that is combustible. The questions that follow that Government decision are: who is to pay for the remediation, and who is responsible?

Early estimates of the total cost for just removing and replacing the cladding were £16 billion. The spending review last week—cynically, in my view—included a restatement of the funding available, which, as we have heard from several noble Lords, is £3 billion from the taxpayer and a further £2 billion raised by a levy on developers over the next 10 years. I thank the noble Lord, Lord Young of Cookham, for his comment about there being a precedent, when dealing with the Airey homes, for the taxpayer contributing far more towards remediation, rather than this capped and inadequate £3 billion currently in place from the Government.

I remind noble Lords that that government contribution is only for the replacement of flammable cladding, and only for buildings over 18 metres. Worse follows because, as cladding is removed, so are building safety defects revealed, as we have heard—a big one being the lack of fire breaks. These, too, must be put right, but there is no government grant for these serious building errors.

Leaseholders, who do not own a single part of the building, are being expected to pay for the failings of the construction industry. Leaseholders should not be paying a penny piece towards putting right the absolute failures of developers, materials manufacturers and government regulation. That view has been supported by many noble Lords, including the noble Lord, Lord Young of Cookham, and the noble Earl, Lord Lytton. Leaseholders are receiving bills for non-cladding work of over £100,000. As my noble friend Lord Stunell stated, *Inside Housing* has estimated that the majority of leaseholders have been billed for over £30,000. This is—I repeat—for putting right a building that belongs not to them but to the freeholder.

Even worse follows, because the fire risk has resulted in “waking watch” costs and enormous hikes in insurance. I have previously quoted in this House a leaseholder whose average service charge was £700 per quarter but which then jumped to an unaffordable £3,000 a quarter. For some, that alone has been enough to push them over the financial cliff edge: an elderly gentleman who I met at a campaign rally said to me, through tears, “I just can’t pay—what am I to do?”

The consequences for leaseholders are catastrophic. They have a flat that literally has no value, they have no recourse to effective legal action and they are being forced into totally unpalatable choices: bankruptcy, repossession or eviction, or putting their flat into an auction. This is so unjust. Leaseholders have done everything right and nothing wrong, and their lives are being wrecked by the inability of government to produce effective solutions. There are solutions that the Government should and must consider, so that leaseholders are not seen as collateral damage in this awful crisis.

As the noble Earl, Lord Lytton, has explained, the “polluter pays” approach has much to recommend it. This well-developed proposal has also been supported by several other noble Lords, including the noble Lord, Lord Young of Cookham, my noble friend Lord Stunell

and the right reverend Prelate the Bishop of London. I too add my support to their plea for the Minister to respond positively to this proposal.

The Government should also consider a more risk-based assessment of flammable cladding and building defects. Will the Minister agree to provide information on the conclusions that the Government have reached on such risk assessments? Will he also tell the House whether alternatives to cladding remediation have been considered and assessed, and remedies sought, such as the ones that my noble friend Lady Brinton suggested? These are actions that the Government can, and should, take to put an end to the suffering of millions of our fellow citizens.

Those in shared ownership, for example, forfeit their equity if they are unable to pay hugely inflated service charges. Is that right and just, when none of it is their responsibility? Leaseholders have already been driven to the edge of despair. Some have already chosen bankruptcy, despite the consequences, simply to escape the mental torment of living under such constant pressure. Next April is the deadline for bills for remediation that cannot be paid and will, therefore, see many more driven to bankruptcy.

Leaseholders tell me that there are already institutions lining up to benefit from their misery, as they seek to buy up property, cheaply, vacated by leaseholders through bankruptcy or in other ways. That is simply not acceptable. Leaseholders, as I will constantly say, have done everything right and nothing wrong. They must not pay the price for others’ failures, and I for one will continue to speak up for them until the Government effectively address all their issues. I look forward to hearing full and constructive answers from the Minister to the many proposals suggested today.

4.40 pm

Baroness Blake of Leeds (Lab): My Lords, I refer to my interest as a vice-president of the Local Government Association. I also add my sincere thanks to the noble Lord, Lord Stunell, for achieving this debate today—it is such an important debate, and one that has been occurring in this place for many months. I pay tribute to all the thoughtful, well-informed contributions that we have heard this afternoon. I am sure the Minister will recognise that many of these contributions can be taken away to form the basis of a really constructive way forward that will achieve the support of many across this House.

I fully recognise the importance of debating the need for safe, green and affordable housing, but, as others have stated, given the gravity of the situation facing leaseholders currently, I will focus my comments on the urgent need for action to address the frankly desperate situation facing so many thousands of innocent people.

Four years on from the tragedy at Grenfell Tower, the Government’s response to building safety is still characterised by delay after delay. Make no mistake: this is a crisis. Despite promises by the Government, hundreds of thousands of people still live in unsafe homes. Surely it is a basic human right for people to have a safe home to live in. As we have heard in the debate today, the problems become ever more complex as more and more layers of the situation unfold.

As we have heard, this failure to make buildings safe and protect leaseholders has left innocent families trapped in dangerous homes and forced, potentially, to pay enormous bills for repair works and more. Put simply, this is an example of the Government's proposed legislation completely missing the mark, and therefore missing the opportunities to make the necessary differences.

The Building Safety Bill, for example, makes a few welcome changes, with a new regulator and accountability, but, frankly, this is only tinkering around the edges. What we really need is urgent action and leadership to protect the hundreds of thousands of people already trapped. Estimates suggest that the actual figure of all those affected, as the noble Baroness, Lady Pinnock, said, could be between 3 million and 5 million—one in 10 of the population of the country.

On top of this, the funding mentioned in last week's Budget is only a drop in the ocean of what is needed. The reference to £5 billion to deal with cladding was simply reannouncing a previous policy, whereas the other £2 billion from a developers tax will make no difference, given that the estimated costs could be, based on some estimates, up to as much as £50 billion. Indeed, I understand that the £2 billion figure is actually included in the sum of £5 billion.

We all probably know at least one person or family affected by this crisis. To them, our being here talking on the scale of billions of pounds does not mean a great deal, especially as we cannot yet agree on what the total cost is going to be. We have to focus on each individual circumstance and break down the costs accordingly to understand the full picture. We need also to look at this problem through the eyes of those who are caught up in it. We have heard some heart-rending stories today, but also in the media. We know that the circumstances affecting people are developing by the day. It is not just the cost of remediation but, as we have heard, the costs of waking watch and insurance, which seem to be growing every minute of the day.

There are still outstanding issues with the Building Safety Fund's scope and timeframe, as well as questions of liability and insurance costs, which are contributing to yet another breakdown in confidence. As we have heard, the overwhelming issue is of course to establish responsibility and the means to achieve redress. We have heard contributions on the "polluter pays" principle, but I would add a cautionary note from the experience of those who have tried to develop that principle with other polluters in other fields. I am afraid that some of them simply disappear off the face of the earth, and they will be difficult to pin down. So, what can we do collectively for those who cannot rely on that as a course of action?

That is why we on these Benches have consistently called for a new building works agency, which we recognise will be just a starting point, to get a grip on this crisis and put an end to the spiralling costs. It would pull together a team of building safety experts to evaluate the buildings and identify works, as we have heard today, in order to enable a way forward for homes to be finally fixed and made both safe and sellable; and, most importantly, it would ensure that this situation could never happen again.

As we have heard, the emotional and financial toll on the people affected is off the scale. We are talking about blameless victims who should not bear the responsibility or the costs for working this out. We know that safety is paramount and that the properties were bought in good faith.

So, what do we say to those facing bankruptcy? What do we say to the couple I know in Leeds who purchased their property with a view to it being a stepping-stone to a family house and starting a family, and who have heart-breaking stories about being unable even to contemplate going down that path, with no end in sight to their problems? As we heard from the right reverend Prelate the Bishop of London, housing inequality in this country is in a state of emergency, so let us make sure that the principle of fairness runs through everything we do from here on in.

We have learned today from the many experts who have contributed to this debate that there is no shortage of ideas or will to move this forward. I think we are all hoping that the Minister can give us a clear statement of the Government's intention to restore confidence and hope to the families who have lost everything and who are caught up in this terrifying nightmare.

4.49 pm

The Minister of State, Home Office and Department for Levelling Up, Housing & Communities (Lord Greenhalgh) (Con): I thank the noble Lord for bringing this debate forward. It is obviously an important issue to discuss, and I am sure we will discuss it many times in the coming months.

The Government are determined to make housing greener and more affordable and to make sure people feel safe in their homes. As noble Lords have commented, the Government have committed an unprecedented £5.1 billion investment to building safety. In fact, the estimates are that this is already three times the amount, in today's money, that was invested by the Government in the 1980s through the Housing Defects Act which my noble friend Lord Young mentioned. This commitment is three times greater than the sums spent at that time, so we should recognise that this is a substantial amount of money.

This investment is obviously focused on high-rise residential buildings 18 metres and above. It is right that we prioritise action and funding on the higher-rise buildings, where risk to multiple households is greater when fire spreads. The fire risk is lower in buildings under 18 metres, and costly remediation work is usually not needed. Where fire risks are identified, they should always be managed proportionately.

This Government remain committed to protecting leaseholders from unaffordable costs, and the new Secretary of State is looking very closely at this issue to make sure everything is being done to support leaseholders. It is important to remember that government funding does not absolve building owners of their responsibility to make sure that their buildings are safe. They should consider all routes to meet costs, protecting leaseholders where they can.

In order to unlock the mortgage and housing market for leaseholders in blocks of flats, the Government commissioned experts, including Dame Judith Hackitt,

[LORD GREENHALGH]
to advise on a risk-proportionate approach. They concluded that there has been an overreaction from some areas of the market and that EWS1 forms are not required for buildings below 18 metres. The Government support this and have a clear expectation that lenders will respond with further proportionality when lending on flats in such blocks.

It is fundamental that those who will gain from the restoration of confidence in the housing market help fund the significant costs associated with fixing buildings when they are unsafe. That is why the Government are introducing a new building safety levy on developers and a new residential property developer tax, which will contribute towards fixing historical fire safety defects. My noble friend Lord Young cited the sum of £1 billion, but in fact it will raise £2 billion. This tax will be levied on developers with profits over £25 million at a rate of an additional 4% on their corporation tax.

The Government are also establishing the biggest reforms of building and fire safety in nearly 40 years through the Building Safety Bill. The legislative changes we are making through the Bill will help to rectify the problems identified with the current building and fire safety regime and make homes safe. It will adopt the golden thread principle that the noble Lord, Lord Stunell, believes is so essential to see a better built environment.

Leaseholders and residents are at the heart of these reforms. Legislation within the Bill requires building owners to explore alternative ways to meet the costs of remediation works before passing these on to leaseholders, along with evidence that this has been done. If this does not happen, leaseholders will be able to challenge these costs in the courts.

Those responsible for high-rise residential buildings when they are occupied will be required to actively manage building safety risks, evidencing this through a “safety case” regime. The new building safety regulator will also have new powers to make sure that those who are responsible for the safety of high-rise residential and other in-scope buildings are held to account if they fail to do the right thing. A principal accountable person and accountable persons will be identified in each high-rise residential building, with responsibility for ensuring that their buildings are safe. Residents will have an established route, via the accountable person, to raise safety concerns about their building, with a further right to escalate complaints to the building safety regulator.

The Building Safety Bill will also create a stronger and clearer construction products regulatory regime that will require all products on the market to be safe, accurately labelled and traceable, and introduce more stringent requirements for safety-critical products. The national regulator for construction products will oversee this more effective construction products regulatory regime, so that people can be confident that construction products, including those used to construct our homes, are safe and perform as they should.

Legislation will also require developers of new-build homes to belong to the new homes ombudsman, which will have powers to investigate complaints and to enforce its determinations, which could include requiring compensation to be paid or even to expel a developer

from the scheme if necessary. I continue to engage with leaseholders on these subjects. I have met very frequently with them, and recently the Secretary of State and I met with leaseholders and cladding groups, heard their views and discussed what the Government will do to protect them from unaffordable costs.

The noble Lord, Lord Stunell, commented on the importance of climate resilience. We are committed to improving the energy performance of all our properties, not only to reduce emissions and fuel poverty but because warm homes are healthier homes. The Government recently announced that £800 million has been committed for the social housing decarbonisation fund, and £950 million of additional funding for the home upgrade grant over the next three financial years, supporting retrofit for social housing residents and low-income households. We will also support households to install low-carbon heating, such as heat pumps, through our new £450 million boiler upgrade scheme. From 2025, homes built to the future homes standard will be expected to have at least 75% lower carbon emissions and be zero-carbon ready without the need for expensive retrofitting.

By improving standards, such as strengthening energy efficiency requirements and supporting those least able to pay through our targeted grant schemes, the housing sector can support higher standards of living and create new jobs, helping us to unite and level-up every region of our country. This is not an easy task, but it is vital that we keep up the momentum. The department has taken the lead on many aspects of this work, but the responsibility is a shared one. It lies with product designers, developers, building owners and managers, and local authorities, as well as with central government, to ensure that homes and buildings are safer, greener and more decent, in every part of our country.

I thank all noble Lords for their contributions and will now respond to the points raised. The noble Lord, Lord Stunell, and the noble Baroness, Lady Pinnock, raised the issue of interim measures, particularly the costs of waking watch. We have committed an additional £5 million, so now have £35 million in our waking watch relief fund. The published data shows that 281 buildings and 22,000 leasehold dwellings are already benefiting or will benefit from the fund, and £24.1 million has already been provided.

The noble Lord, Lord Stunell, wanted an update on the finance scheme that we have raised for medium-rise buildings. I mentioned that the fire risk is lower. We have a new Secretary of State who is looking closely at this issue to ensure that everything is being done to support leaseholders. This will be informed by new data from further survey work to understand the prevalence of unsafe cladding in medium-rise buildings between 11 and 18 metres. With this new data, the Government will have a stronger evidence base to support building owners in making their buildings safe without passing unaffordable costs on to leaseholders. An announcement will be made relatively shortly.

The noble Lord, Lord Stunell, also raised the issue of non-cladding building defects, poor compartmentation, cavity barriers, firestops and fire doors. Clearly, those non-cladding defects are designed to stop fire. They do not accelerate the spread of fires that we see with

our external wall systems, as tragically happened at Grenfell. We are focusing our funding on remediating unsafe cladding. However, this also includes all those works which are integral to the safe removal and replacement of the unsafe cladding system, which can include fire cavity barriers where they are integral to the system.

The noble Lords, Lord Stunell and Lord Thurlow, want to see leaseholders protected, and many noble Lords have mentioned this. This will be improved through the Building Safety Bill, and I have stated very clearly why.

One measure that I think is most important is the extension of the Defective Premises Act 1972 from six years, which is a woefully short limitation period, to 15 years retrospectively. That is an important measure to enable us to secure redress from those who built these buildings very shoddily.

The right reverend Prelate the Bishop of London wanted to know when all non-ACM cladding would be removed. The Government acknowledges that the remediation of unsafe cladding is complex. We still expect remedial works to progress at pace and for building owners to take seriously their responsibilities for making their buildings safe. That is not exactly giving noble Lords a timeframe, but we have already committed through the building safety fund to 689 buildings that are eligible for funding, and to what equates to about £2.7 billion of funding. That will take some years, and probably go beyond the spending review period. We will make considerable progress in the next two to three years, but we should have an expectation that it could take longer, just because of the sheer number of buildings involved. But already, with those 689 registrations that are eligible for funding, we are talking about 65,000 homes and properties in high-rises, which will have their cladding remediation funded. That is in addition to the 16,500 homes that have been funded to remove the very same cladding—the ACM—that Grenfell Tower had.

We are seeing considerable progress. I do not think it is happening at a snail's pace, if you are going through a pandemic, to have nearly 5,000 homes clad in ACM remediated in the last year—4,700 in the last year alone, which is up to 16,500 homes, with an expectation that around 95% of high-rises with ACM cladding will be already remediated or having work under way by the end of this year.

I credit Steve Day for his tireless efforts to promote the polluter pays amendment, and I thank the right reverend Prelate the Bishop of London, the noble Earl, Lord Lytton, the noble Lord, Lord Thurlow, and my noble friend Lord Young for discussing that issue. We are well aware of it—in fact, I am almost in touch with Steve Day in real time. Our officials in the department are working closely to see whether we can work with the principle that he has worked up. We are looking for all ideas that can bring about a strengthening of redress and ensure that the polluter does pay.

The noble Lord, Lord Stunell, put in a quick request to know how many of our EWS1 assessors had been trained as a result of the RICS scheme to date. The first cohort of 50 have finished their training; the funding was £700,000 for 2,000 EWS1 assessors, so

50 is not a huge number, but there are now over 950 candidates on the course, so we are going to see that number increase in the coming months.

The noble Lord, Lord Stunell, and the noble Baroness, Lady Pinnock, asked about what is actually the publicly available specification, not the standard, from the British Standards Institute. They wanted to know when the PAS 9980 would be available, and my answer is that this will happen shortly. That is a very ministerial answer these days. I would love to give noble Lords the exact date. It is designed to be the very risk-based assessment that she requested, because it takes external wall systems and grades the risk into high, medium and low. Therefore, you can then get the consistency to know those buildings that are at high risk, those at medium risk and those at low risk. It is important that at that stage we are comfortable—and we have committed to withdraw the consolidated advice note at that point.

In addition, under the new Fire Safety Act that passed through this House—I have the scars to remember that experience by—the updated fire risk assessment on buildings will look in the round at what needs to be done to make a building as safe as it needs to be. Very often, that will not need to be costly remediation but will be mitigation measures. So, it is a package of things: it is the new PAS 9980 and an updated fire risk assessment that will help drive greater proportionality.

The noble Lord, Lord Stunell, mentioned timber-framed housing. We recognise that timber-framed construction can reduce carbon emissions where it is safe to do so, but we are clear that buildings must be well designed to meet building regulations and resist fire spread, and to make sure this happens, we are committed to creating a stronger and more effective regulatory regime.

Now we get to where the noble Lord, Lord Shipley, expertly widened the scope of the debate beyond building safety and wanted to know whether the Government were committed to the 300,000 housing target. I can state categorically that the Government remain committed to delivering 300,000 homes a year. That is why we saw an additional £1.8 billion for housing supply, unlocking more than 1 million new homes, in the recent Budget. That means that we will see, overall, a £10 billion investment in housing supply, unlocking those 1 million homes. That is a considerable amount of money, I am sure the noble Lord will agree.

The noble Lord also raised homelessness and rough sleeping. The spending review saw resource funding for homelessness and rough sleeping increase to £639 million per year by 2024-25, which is an 85% cash increase compared with 2019-20. You can always spend more money, but there is no doubt that there is a real ambition in this Government, recognising that rough sleeping has dropped by 43% in recent years. There is a real commitment to end rough sleeping: there is always more you can do, but we have made significant strides and put in further commitment to ensure that the progress continues.

I note that there is a strong agreement that leaseholders need to be protected and housing kept safe and affordable, and I look forward to continuing the work with this House so we can continue to deliver building safety reforms and do all we can to protect leaseholders, who I accept are victims in this crisis.

5.07 pm

Lord Stunell (LD): My Lords, I thank all those who have participated in the debate, particularly for the new ideas that have been brought—and pushed—forward. I say simply that I am looking forward to the debate with the Minister in the coming months to make sure that we get the answers, and I would not mind a letter

explaining the difference between “relatively shortly” for the loan rules being produced and “shortly” for PAS 9980 being produced. On that note, I thank all noble Lords.

Motion agreed.

House adjourned at 5.08 pm.

