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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
UUP	Ulster Unionist Party

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House of Lords

Thursday 15 December 2022

11 am

Prayers—read by the Lord Bishop of Chelmsford.

A minute's silence was observed to mark 80 years since Parliament was informed of the Holocaust.

Death of a Member: Lord Ramsbotham

Announcement

11.07 am

The Lord Speaker (Lord McFall of Alcluith): My Lords, I regret to inform the House of the death of the noble Lord, Lord Ramsbotham, on 13 December. On behalf of the House, I extend our condolences to the noble Lord's family and friends.

Retailers: Cash

Question

11.08 am

Asked by *Lord Hodgson of Astley Abbotts*

To ask His Majesty's Government what discussions they have had with retailers and other outlets concerning their acceptance of cash as legal tender.

Lord Harlech (Con): My Lords, Ministers and officials have meetings with a variety of organisations in the public and private sectors, including on access to cash and related issues. Details of ministerial meetings are published on a quarterly basis. Regarding cash acceptance, it should remain the choice of organisations whether to accept or decline any form of payment. The Government's legislation in the Financial Services and Markets Bill intends to support cash acceptance by ensuring that businesses have reasonable access to deposit facilities.

Lord Hodgson of Astley Abbotts (Con): My Lords, I am very grateful to my noble friend, in particular for standing in at short notice when the noble Baroness, Lady Penn, was delayed. I think that this is the first time that he has answered a Question; can I be the first to congratulate him? However, are the Government aware of the scale of the problem faced? Some 5 million people—some of the most vulnerable in our society—depend on cash. Forcing such people to use plastic cannot be a good idea. Some 20 million of us use cash more than twice a week, and on average three cash machines are taken out of service every day. If my noble friend and his officials think that I am exaggerating, they might care to read the article in the *Financial Times* last week about offering lifelines to people struggling in a cashless society.

Lord Harlech (Con): The Government want to ensure that people have appropriate access to financial products and services, which includes bank accounts, payment services and cash. LINK, the operator of the UK's largest ATM network, has established a number of initiatives to protect the broad geographic spread of

free-to-use ATMs. LINK has committed to protecting free-to-use ATMs more than a kilometre away from the nearest free ATM or post office, and is held to account against this commitment by the Payment Systems Regulator.

Baroness Kramer (LD): My Lords, I also welcome the Minister to his role. Thanks to the excellent work of the Access to Cash Action Group and LINK, new banking hubs are planned where a community is bereft of bank branches, which will permit the kind of deposits that the noble Lord named in his Question. Since the scheme is vital for access to cash, should the banks be permitted to veto approval of a hub in an area that meets the criteria?

Lord Harlech (Con): Following the Government's commitment to legislate, industry is working together to develop new initiatives to provide shared access to cash services. This includes a process for LINK to access a community's cash needs in the event of a closure of a core cash service or a request from a local community. In circumstances where LINK considers that a community requires additional cash services, industry will ensure a suitable shared solution in that community.

Baroness Bryan of Partick (Lab): My Lords, the *Cash Census* report published earlier this year warned:

"While a cashless society would feel like progress for some ... for millions it would lead to anxiety, economic exclusion, isolation, exploitation, debt"

and "rising costs". Does the Minister accept that cash is still the major means of spending for a substantial proportion of our society, and that retailers should be required to accept legal currency?

Lord Harlech (Con): The definition of "legal tender" is quite narrow. However, the ongoing trend in payments in the UK has been away from cash and towards card payments and other digital transactions. However, cash continues to be used by millions of people across the UK, including those in vulnerable groups. The Government are legislating to ensure reasonable provision of cash withdrawal and deposit facilities.

Lord Sandhurst (Con): Following that answer, I say that there is a real problem with the non-acceptance of cash. We all find it at different times. It is not a problem for me, but it is for those who do not have bank accounts, debit cards and credit cards. Will the Government consider having a proper review to address this, so that small businesses that find cash a nuisance can manage and that everyday people can use cash when they want to?

Lord Harlech (Con): As my noble friend will know, technology and consumer behaviour are changing and it remains the choice of individual organisations whether to accept or decline any form of payment, including cash or card, based on a consideration of factors, such as customer preference and cost. However, the Government consider that their legislation in the Financial Services and Markets Bill will support organisations, including local businesses, to continue accepting cash by ensuring that they have reasonable access to deposit facilities. As I said, legal tender has a narrow technical

[LORD HARLECH]

meaning: it means that if you offer to fully pay off a debt to someone in legal tender, they cannot sue you for failing to repay.

The Lord Bishop of St Albans: My Lords, this is a problem that particularly affects rural areas, where there are far fewer cash-dispensing machines. Also, there are many parts of rural areas where there is no internet, so even if you want to pay by BACS or direct transfer, you just cannot do it. Will the Minister assure us that the Government will properly rural-proof this discussion so that we are able to ensure that rural areas can still function effectively?

Lord Harlech (Con): As someone who comes from a rural community, I know only too well the trials and tribulations of getting a good connection. The Government recognise that digital inclusion needs to be promoted alongside financial inclusion. That is why we are committed to ensuring that everyone has access to digital infrastructure and the skills necessary to participate fully in society, and that very much includes rural areas. In 2021, the Government launched Project Gigabit, which committed a landmark £5 billion to support the rollout of gigabit connectivity in the hardest-to-reach areas.

Lord Tunnicliffe (Lab): I too welcome the Minister to his place. I remember in similar circumstances when I was on that Front Bench explaining to the civil servants that Question Time is a blood sport—and you, my friend, are the fox. When a shop opts not to accept cash, in most cases customers are able to go elsewhere. However, when it comes to services such as car parks, there is often no alternative available. Many are happy to pay for parking on apps or over the phone, but a sizeable number are not. What does the Minister suggest that those people do when they arrive and find, without any consultation, that the pay machines have been decommissioned?

Lord Harlech (Con): I have suffered that situation myself. A customer intending to park who has not been warned that payment has moved from a cash or coin system to digital-only should take that up immediately with the council or whoever is administering that parking space on behalf of the local council.

Baroness Butler-Sloss (CB): My Lords, there is another problem. Because so many banks are closing their branches, one of the shopkeepers in my part of east Devon says that he cannot accept cash because he has to go seven or eight miles to the bank and cannot get there because his shop is open until six in the evening. Could the Minister look at the issue of bank branch closures set beside the question of cash?

Lord Harlech (Con): Since 2019, the Government have chaired the Financial Inclusion Policy Forum, bringing together the financial services industry, consumer groups, the regulator and the third sector. We have also published an annual report on the Government's work on financial inclusion. The most recent report was published in December 2021. Since 2019, the Government have allocated £100 million of funding from dormant assets towards financial inclusion.

Lord Pickles (Con): My Lords, I too congratulate my noble friend on his first appearance at the Dispatch Box, and I assure the House that he is also an excellent Whip. I served on the House's Select Committee on post-Covid recovery. We received evidence on this from retailers and individuals. The substantive point is that, if you do not have a bank account, you are excluded from shops and cafes that you have visited for many years. You are forced to go into other shops where the choice is not as great. What happens is a very strange and unusual piece of social exclusion in which you find yourself paying more for less choice. What discussions has my noble friend had with the banking industry to increase the availability of accounts for people who do not have them? Will he give us his best estimate of the number of households that do not have a single bank account?

Lord Harlech (Con): My noble friend makes an excellent point that, to be fully included in society, a working bank account is essential. I will certainly take that back to the department to ensure that the Treasury communicates with the banking and financial services sector to make the opening of a bank account as easy and accessible as possible. I will try to write to him on the number of households which do not currently have a bank account.

Tax-free Shopping Question

11.19 am

Asked by **Lord Vaizey of Didcot**

To ask His Majesty's Government what is their assessment of the impact on the United Kingdom economy of the abolition of tax-free shopping.

Viscount Younger of Leckie (Con): My Lords, as part of the reversal of almost all the tax measures set out in the growth plan, the Government are not proceeding with plans to introduce a new VAT-free shopping scheme. The Office for Budget Responsibility's assessment of the withdrawal of the previous VAT-free shopping schemes showed that this would raise a significant amount of revenue and have a small and limited behavioural effect on tourists' decisions to visit the UK.

Lord Vaizey of Didcot (Con): My Lords, is my noble friend the Minister aware that, far from costing the Treasury £2 billion a year, reintroducing tax-free shopping would net the Treasury some £350 million a year? Tax-free shopping supports many important industries in our country, such as Harris tweed—as so brilliantly sported by my noble friend Lord Pickles in support of my Question. The introduction of tax-free shopping is supported by the left-wing Mayor of London and the left-wing SNP. In this country we are lucky to have numerous new Governments; whether it is levelling up, growth or economic stability, tax-free shopping supports all three. Will the Minister reconsider the Treasury's nonsensical decision to abolish it?

Viscount Younger of Leckie (Con): Well, what I can say is that, on 28 November, HMRC and HMT officials held a round table with industry stakeholders to collate

feedback on the Chancellor's decision to withdraw the introduction. As I indicated in my initial Answer, evidence from VisitBritain continues to show that the key motivators for tourists visiting the UK are our rich history and heritage and vibrant towns and cities, and less so shopping.

The Earl of Clancarty (CB): My Lords, international tourists used to make up half of Mulberry's trade in London; now it is almost none. Does not that immediately tell the Government something about the significant effect this is now having on the tourist trade? European cities will be the winners and we will be the losers unless the Government change their mind.

Viscount Younger of Leckie (Con): I do not agree with the noble Earl. Introducing VAT-free shopping would come at a significant fiscal cost because it would subsidise a large amount of tourist spending that already occurs without any relief in place. This is supported by OBR estimates which found that the withdrawal of the previous schemes would reduce visitor numbers by only 0.07%.

Lord Watts (Lab): My Lords, do the Government understand that it may not affect the number of tourists who come to the UK, but they will stop spending in the shops and that will be lost revenue? Will the Minister not reconsider this matter?

Viscount Younger of Leckie (Con): Well, it has been considered—as I say, we had a round table in November—and the benefit is pretty marginal. As far as I can tell from walking around London, the visitors are still flooding into Britain. We also need to look to next year, when we have the Coronation, and remember that we must look after the visitors who come here. But, as I pointed out, the actual benefits are marginal.

Baroness Kramer (LD): My Lords, will the Government consider doing a proper cost-benefit analysis of this, which they have never done? Small shops are very much reporting that the actual spend has dropped very significantly. At a time when retail is under so much pressure, that additional loss will drive people out of business.

Viscount Younger of Leckie (Con): We do not have any plans to analyse this further. As I have said before, fewer than one in 10 non-EU visitors used the previous VAT-free shopping scheme, indicating that it is really not a pull factor for tourists. Canada and New Zealand also do not offer this type of tax-free shopping on the high street, and the USA does not have a countrywide system, yet all these countries are popular tourist destinations.

Lord Hannan of Kingsclere (Con): My Lords, the Treasury has a long history of downplaying the secondary effects of tax reductions. It has done it on corporation tax and the IR35. Oxford Economics tells us that 1.6 million visitors are attracted by VAT-free shopping. All those queues of people from China outside Harvey Nicks, Bicester Village and so on are bringing much-

needed revenue to our economy. Will my noble friend the Minister ask his friends in the Treasury to reconsider the dynamic effects of this and other tax cuts?

Viscount Younger of Leckie (Con): We have no plans to reconsider this. I know that about 80% of the effect of this is on retailers—for whom I have some sympathy, I should say—in London, and 10% in Bicester Village. It is very much focused on those areas and we do not have any plans to rethink it.

Baroness Meyer (Con): My Lords, is it not sending quite an unwelcoming message to our European and American friends if, when they come here, they do not get VAT back, but when we shop in America or any country in the European Union we get their VAT back?

Viscount Younger of Leckie (Con): Yes, but it comes back to the initial analysis by the OBR, which is very clear. As my noble friend will be aware, there was a judicial review in May 2021 and the judge ruled very much in the Government's favour. There was also a very clear vote in Parliament on the matter, so I too am very clear on it.

Lord Foulkes of Cumnock (Lab Co-op): Can the Minister tell us whether the effective devaluation of the pound against the euro and the dollar is a subtle way of attracting tourists?

Viscount Younger of Leckie (Con): The noble Lord is ingenious in what he brings up. It is fair to say that the value of the pound has helped in bringing tourists to London. I say again that London right now is full of people from abroad walking around—and also from the domestic side, despite the fact that the cost of living crisis is hitting the most vulnerable and we are very aware of that.

Lord Cormack (Con): My Lords, why does my noble friend not exercise a little imagination? He referred to the Coronation; people will flock to this country. Let us have a Coronation bonus period to see whether this really works. I am sure he will then be converted.

Viscount Younger of Leckie (Con): I take note of what my noble friend says but, as I say, we have no plans to change this policy.

Lord Forsyth of Drumlean (Con): My Lords, is my noble friend not immensely encouraged by the enthusiasm for tax cuts on the Opposition Benches?

Viscount Younger of Leckie (Con): My noble friend makes an excellent point.

Lord Londesborough (CB): My Lords, the arguments for tax-free shopping range from a £2 billion cost to the Treasury to a £4 billion benefit to the wider economy; I cite the recent survey from Oxford Economics. Whatever the truth, given the dire need for economic growth, surely it falls on the Treasury to at least review these important numbers.

Viscount Younger of Leckie (Con): I can go this far, which the House will take at face value: of course, all taxes remain under review. The estimated cost of introducing a new scheme was around £2 billion per year. Although this would have stimulated additional retail spending, which HMRC estimated to be around £2 billion to £2.5 billion, it is a substantial cost to UK taxpayers and the relief would subsidise a significant number of purchases that occur without any relief in place, as I mentioned earlier.

Lord Tunncliffe (Lab): My Lords, while it might not have been the primary driver of tourism into the UK, tax-free shopping certainly incentivised extra spending during people's stays. It was right to scrap the chaotic mini-Budget, but can the Minister understand the frustration of retailers who have argued for years for the scheme's return, only to have their reward taken away because the Conservative Party crashed the economy?

Viscount Younger of Leckie (Con): As I said earlier, on a serious note I have some sympathy for retailers—we admit that they will see some falling off of business—but I have made it quite clear that this is very much focused on London and Bicester Village. Having said all that, I live near Bicester Village and the queues going in on Sunday were enormous. Evidence from VisitBritain continues to show that the key motivators are still not to do with shopping and much to do with coming to see our excellent sights around the country.

Baroness Browning (Con): In my noble friend's Answer to our noble friend Lord Vaizey, he said this had been decided at a round-table meeting in the Treasury. Could we know who the people around this table are? Are they shoppers? For the record—please do not take offence at this—I would like to know the gender of this circular table.

Viscount Younger of Leckie (Con): Hopefully, I made it clear that the round table was for industry stakeholders to collate feedback on the Chancellor's decision. There were three main concerns, which I am not going to go through. It was really to show that the Government remain in listening mode and taxes remain under review—which is true—but we do not have any plans to change this policy.

Baroness Jones of Moulsecoomb (GP): Perhaps I can come in and defend the Minister for a moment. We should actually be thinking about shopping less. I am so sorry to say this to a bunch of such dedicated shoppers, but we should make do with less and understand that the climate crisis means we should perhaps want to possess less as well.

Viscount Younger of Leckie (Con): I am almost tempted to agree with the noble Baroness—but, no, we want to encourage people to shop. On the matter of tourism itself, I am pleased to say that inbound tourism bookings were at about 70% of 2019 levels for the first half of the year. Although I admit our recovery is slower than that of a number of our close international competitors, there is a bit of a nuanced picture because, as I alluded to earlier, domestic tourism has seen a

better recovery trajectory than inbound tourism levels. So watch this space; as I said, it is a slightly better picture than has been made out from certain quarters.

Housing: Cost of Living Question

11.31 am

Asked by *The Lord Bishop of Chelmsford*

To ask His Majesty's Government, given the increased cost of living, what actions they will take to ensure that housing is affordable in relation to household incomes in (1) the private rented sector, (2) the social housing sector, and (3) for homeowners with mortgages.

The Parliamentary Under-Secretary of State, Department for Levelling Up, Housing & Communities (Baroness Scott of Bybrook) (Con): My Lords, the Government recognise the cost of living pressures that people are facing across this country, particularly this winter. Local housing allowance rates have been maintained at their increased level following a boost in investment of nearly £1 billion in April 2020. The Government have also capped social housing rent increases for 2023-24 at 7% to protect social tenants from higher rent increases, and last week we published a mortgage support statement setting out the support available to mortgage holders.

The Lord Bishop of Chelmsford: My Lords, I thank the Minister for her Answer to what I know was quite a broad Question. However, this winter nearly 1 million private renters are at risk of being evicted, many social housing tenants struggle despite the Government's 7% social rent cap and home owners face high interest rates. If ever there were a need for a long-term cross-party housing strategy to address the lack of truly affordable housing, surely it is now. Will the Minister commit to developing such a strategy, as recommended by the Archbishops' housing commission report, *Coming Home*?

Baroness Scott of Bybrook (Con): I thank the right reverend Prelate for that question, and I think it is an extremely interesting opportunity. I would like to talk to her in further detail about that because I have read the report *Coming Home* and I think the idea of the five S's—sustainable, safe, stable, social and satisfying housing—is a wonderful thing to aspire to. I cannot offer her a long-term cross-party review at this time, but I would like to talk to her further and talk to my officials about that.

Lord Young of Cookham (Con): My Lords, 20% of families in England now rent privately and one-third of them rely on housing benefit. That is capped by the local housing allowance, which was fixed on rents in 2019 and has been frozen for five years, although rents are rising rapidly—by 12% in the last year. This means that a family with a two-bedroom house faces a shortfall of some £1,500 a year that they have to meet out of the rest of their benefit. Does my noble friend recognise the difficulties that this can cause? Is there a case for the Chancellor, in his forthcoming Budget, reviewing the decision to freeze the local housing allowance?

Baroness Scott of Bybrook (Con): I think my noble friend understands that I cannot offer anything on behalf of the Chancellor next spring, but I can say that it is something that we need to discuss. I shall be taking this issue back to officials to discuss it fully before we get anywhere near the Spring Statement.

Lord Sahota (Lab): My Lords, in 1980 some 30% of housing was available for rent as social housing; now that figure is down to 17%. Given that there are around 190,000 people on local authorities' waiting lists for houses, what are the Government going to do about the acute shortage of social housing?

Baroness Scott of Bybrook (Con): The noble Lord is right that it is a challenge for this country and this Government to provide more affordable homes. That is why we have an £11.5 billion affordable homes programme, which will deliver tens of thousands of affordable homes right across the country. It is important that we are delivering that, and we will continue to do so.

Baroness Manzoor (Con): My Lords, what are the Government doing in relation to SMEs working in the housing sector, particularly given inflation and rising finance costs?

Baroness Scott of Bybrook (Con): The Government have a number of schemes that we are using to support small and medium-sized house builders to help them to provide not only social housing but also private housing. I am happy to write to my noble friend with all that information.

Lord Best (CB): My Lords, the Affordable Housing Commission, which I had the honour of chairing, has recommended a national fund to enable social housing landlords to acquire and modernise the properties of those private landlords who now want to exit from the market. Does the Minister agree that that would produce an enormously good bang for the buck? Not only would we swiftly get more social housing that was secure for those who lived in it, but we would see the modernisation of properties that need to be decarbonised, thereby reducing fuel poverty at the same time.

Baroness Scott of Bybrook (Con): Yes, I agree with that. We are seeing some difficulties within the private rented sector because of the issues of the maintenance of these private properties, but also because of the expectations, as the noble Lord said, about the decarbonisation of those properties. That is why we are offering a number of funding streams to SMEs at the moment in order to do that.

Baroness Thornhill (LD): My Lords, given the Minister's earlier answer to the noble Lord, Lord Young, will she concede that the Government's refusal to unfreeze housing benefit and raise the local housing allowance is ignoring a rental crisis that is already unfolding, particularly in the private rented sector, and that consequently this winter homelessness and evictions will increase? Have the Government done an impact assessment of that decision? More importantly, will they now consider a temporary ban on no-fault evictions, as happened during the pandemic?

Baroness Scott of Bybrook (Con): As I think I have answered at this Dispatch Box, we are looking at Section 21 evictions, and we will certainly bring forward the private renters Bill in this Parliament. As for doing more to help people, we have done a huge amount as a Government. In the Autumn Statement, the Chancellor offered £26 billion more in support for people across this country, added to the energy price guarantee that was already there. Then there is the council tax rebate. The result is that 8 million more vulnerable people will receive support of at least £1,200 this year. I do not know of an impact assessment regarding the HCA, but I will certainly find out if we have done one. Of course we will keep it under review; that is what we would continue to do at any time.

Baroness Hayman of Ullock (Lab): My Lords, to follow up on the noble Baroness's question, we have heard that hard-pressed tenants are facing rent increases and people are really worried about affording their homes, particularly this winter. The Minister has mentioned the renters reform Bill. It is really important that we see that soon, so can she say when we are actually going to see it?

Baroness Scott of Bybrook (Con): I cannot say exactly when, but it remains the top priority for this Government, as I have mentioned many times before. We will bring forward that important legislation as soon as we can within this Parliament.

Baroness Altmann (Con): My Lords, looking to the longer term, it is clear that there is a shortage of housing across the economy, particularly social housing. We have trillions invested in pension funds. Rather than the leveraged LDI products, would it not be sensible for the Government to facilitate and encourage more investment by pension funds in social housing, which can deliver a reliable income as well as benefiting the housing supply over the longer term?

Baroness Scott of Bybrook (Con): My noble friend brings up a very interesting point. I have looked at that in the past from a local authority point of view. I will certainly take that point back and would like to talk to her more about it.

Baroness Pincock (LD): My Lords, leaseholders living in blocks that are under 11 metres are also at risk of losing their homes. They were excluded by the Building Safety Act from any grants for remediation for cladding and building safety works. The Minister has received from me a lot of emails from desperate leaseholders looking to the Government for support and help, to ensure that they do not have to fund the developers' problems that were caused. They are at risk of losing their homes because of the high costs of cladding removal. Can the Minister now tell us what she and the Government intend to do to help these desperate leaseholders?

Baroness Scott of Bybrook (Con): I am fully aware of the noble Baroness's concerns about this issue. I have a large group of documents from her and am working my way through those with officials. I will come back to her to discuss it fully, as soon as I possibly can in the new year.

Streptococcus A: Antibiotics

Question

11.41 am

Asked by **Baroness Taylor of Stevenage**

To ask His Majesty's Government what steps they are taking to address reported shortages of supplies of antibiotics, given the increase in cases of Streptococcus A.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Markham) (Con): We are working at pace with manufacturers and wholesalers to expedite deliveries, bring forward stock and boost supply. UKHSA and the NHS are co-ordinating communication to healthcare professionals, including advice on using alternative effective medicines as necessary to ease pressure on supply. Early treatment is vital, so in addition to bolstering supply we are providing information to parents to understand the trigger points for urgent referrals.

Baroness Taylor of Stevenage (Lab): I thank the noble Lord for his Answer, but despite Ministers saying that there is no problem—the Health Secretary has said that—worried parents across the country are going from pharmacy to pharmacy to seek the antibiotics their children need. Can the Minister update your Lordships' House on the improvements in availability since the Health Secretary said, as in the statement repeated this morning, that he was

“working urgently with manufacturers and wholesalers to explore what can be done to expedite deliveries”?

Further, are there any plans within DHSC to update the concessionary price for amoxycillin and penicillin, so that pharmacies do not have to foot the bill for the rapid increase in costs they are experiencing?

Lord Markham (Con): I thank the noble Baroness for bringing this important matter to us all. Yes, they are working very strongly; I had a series of meetings yesterday on this very subject to go through all they are doing on the supply front. Importantly, as we speak, they are putting out advice to medics about suitable alternative antibiotics that can also be used in this case. I am satisfied that they are doing everything they can towards this. Clearly, where there are price problems such as those the noble Baroness mentions, we will also act in that area.

Lord Sikka (Lab): My Lords, the cost of producing strep A antibiotics has not changed but the selling price has rocketed in recent weeks from 80 pence to £19 per packet, mainly because of profiteering by companies. Will the Minister launch a publicly owned company to manufacture generic drugs, which would provide jobs and exports, secure long-term supplies, protect the NHS budget and end the profiteering by drug companies? Does he have any objections to that?

Lord Markham (Con): My general thinking—this is a personal view—is that the market is normally very well placed to supply these things. There was the excellent example of the vaccines, whereby it acted incredibly quickly and got Covid vaccines out as necessary.

I think we are always better placed using the strength of the whole market and looking to international suppliers as well. They are always going to be able to provide the necessary medicine to a quicker timescale than our own company would.

Baroness Finlay of Llandaff (CB): My Lords, since the risk of invasive group A streptococcal infection is increased in the presence of other viral infections—any of them; it could even be chickenpox in children—what guidance are the Government giving to all schools on public health measures to decrease cross-infection between children and ensure parents are encouraged to keep those who might be unwell away from school, rather than sending them to school, as is the tendency, because of attendance registers?

Lord Markham (Con): The noble Baroness is correct; it is the coincidence of more than one condition, particularly respiratory conditions, which causes the more extreme cases. The advice is definitely to keep children away from school if there is any question on that at all, especially as we are about to enter a period of school holidays. It is very much the view of the experts that the school holidays should flatten the curve of infections. I should also say at this point that while we are all quite correctly concerned about this, and doing everything we can regarding supply, the current levels are still lower than those we saw in 2017-18, when March and April had the normal peaks of around 2,000 a week. We are currently at around 1,200 cases a week and, as I say, we expect that to flatten out a bit with the firebreak, so to speak, of the Christmas holidays.

The Lord Speaker (Lord McFall of Alcluith): My Lords, the noble Lord, Lord Campbell-Savours, is participating remotely.

Lord Campbell-Savours (Lab) [V]: My Lords, as someone on a six-day lockdown and on intermittent antibiotics to deal with a lung condition following surgery, can I suggest, on these shortages, that guidance on antibiotics such as amoxicillin should be updated to allow for greater flexibility of expiry dates? There is too much wastage, and with careful prescription advice and labelling, antibiotics can have a far longer shelf life before deteriorating. Rigid advice on packaging should be relaxed in favour of more flexible expiry dates, as current advice only serves the manufacturers, who sell more.

Lord Markham (Con): I thank the noble Lord and I agree. We are looking at every sensible measure we can to ensure we have the greatest flexibility of supply. Expiry dates are clearly one thing we can look at, and I will take that back to the department. I wish the noble Lord well and hope that he feels better soon.

Lord Allan of Hallam (LD): My Lords, community pharmacies in Northern Ireland were warning back in October of serious problems with the supply and pricing of a range of drugs. While it is welcome that there now appear to be investigations into the wholesale

supply chain for antibiotics, may I also urge the Minister to look at whether there were missed opportunities for earlier intervention?

Lord Markham (Con): Absolutely—clearly, we always need to learn in such circumstances, so we will be happy to do that.

Baroness McIntosh of Pickering (Con): My Lords, I remind the House of my interest with the Dispensing Doctors' Association. Can my noble friend give reassurance that dispensing doctors, pharmacists and others will be reimbursed for the full cost of the increased price of antibiotics?

Lord Markham (Con): My understanding is that there are measures in place to ensure that the people supplying in those circumstances are not losing out because of profiteering. The most essential message today is that that supply is available to anyone who needs it, so I will take that back.

Lord Turnberg (Lab): My Lords, is it the manufacturers in the pharmaceutical industry or the wholesalers—the middlemen—who are making the profits? What mechanisms are available to clamp down on them?

Lord Markham (Con): The key mechanisms always involve broadening the supply chain. I have given exactly that instruction to the department, which is very much taking it on board. It is looking at supply across a number of sources, not just from the UK but worldwide, as well as the substitution of antibiotics. Penicillin is currently the advised one, but a number of others are being advised right now which will also work well, so that there is as much choice as possible.

Baroness Manzoor (Con): My Lords, my noble friend will be aware that, while some people are making profits, 16 children under the age of 15 have died as a result of strep A. Exactly what advice is being given to GPs so that parents have direct access to them very quickly? Of course, there is also a concern about antibacterial resistance as a result of overprescribing antibiotics.

Lord Markham (Con): I thank my noble friend and will take this opportunity to offer that public health advice. A rash, which is often the first sign of a bacterial infection in this case, or a child being floppy, drowsy or dehydrated are all key signs that they should urgently seek medical help. People can call 111 or 999 and be guided through the triaging process to make sure that they get help quickly. At the same time, medics have been told to lower the barrier for prescribing, so to speak, so that they can make sure that people get it early. Although every death is a tragedy, we are clearly now seeing some reduction in the death rate, which is welcome.

Baroness Merron (Lab): My Lords, while many pharmacies are being forced to sell the antibiotics they can get their hands on at a considerable loss, as wholesale prices soar, the Government have been saying that no company should be using this as an opportunity to exploit the NHS. Can the Minister assure the

House that the Government have learned from previous mistakes with procurement and are taking measures to ensure that no company profits unduly from the increased demand for medication?

Lord Markham (Con): As I mentioned, no one wants to see profiteering in these sorts of situations. The absolute focus right now is on expanding supply, because that is clearly the first thing you need to do. But you then absolutely need to learn lessons and see that appropriate action is taken against companies doing that.

Business of the House

Motion on Standing Orders

11.52 am

Moved by Lord True

That Standing Order 44 (*No two stages of a Bill to be taken on one day*) be dispensed with on Tuesday 20 December to allow the Finance Bill to be taken through its remaining stages that day.

Motion agreed.

Liaison Committee

Motion to Agree

11.52 am

Moved by The Senior Deputy Speaker

That the Report from the Select Committee *New committee activity in 2023* (3rd Report, HL Paper 104) be agreed to.

The Senior Deputy Speaker (Lord Gardiner of Kimble): At the start of this year, the House appointed three special inquiry committees, on adult social care, land use in England, and the Fraud Act 2006 and digital fraud. A post-legislative scrutiny committee was also appointed to examine the Children and Families Act 2014. All of these committees have now published their reports, and I thank all Members who contributed to those inquiries and indeed to all of our committee work during the year. I also place on record my thanks to the staff who supported the work of your Lordships' Select Committees this year.

Turning to the proposed committees for next year, the Liaison Committee received 20 high-quality suggestions from noble Lords, illustrating the range of interest and expertise across the House. All of these proposals have been published on the committee's website. As ever, the Liaison Committee faced a difficult task. We assessed the proposals against our published criteria, which are that a committee should

“make best use of the knowledge and experience of Members”, “complement the work” of Commons committees, address areas of policy that “cross departmental boundaries” and be capable of being completed within a year. We also took into account wider factors, such as the overall balance of topics selected and work being undertaken by other Lords committees and within government.

[LORD GARDINER OF KIMBLE]

As our report sets out, we decided to propose four special inquiry committees: on the

“Integration of primary and community care”,

for which the lead proposer was the noble Lord, Lord Patel; on

“Education for 11-16 year olds”,

with reference to the skills necessary for the digital and green economy, for which the lead proposer was the noble Lord, Lord Baker of Dorking; on the “Horticultural sector”, for which the lead proposer was the noble Baroness, Lady Fookes; and on the

“Use of artificial intelligence in weapon systems”,

for which the lead proposer was the noble Lord, Lord Clement-Jones. I hope that noble Lords agree that the committee’s recommendations cover a wide range of subjects, will make excellent use of Members’ backgrounds, and will contribute to debate and policy-making in a range of topical and cross-cutting areas.

Because of the strength of the proposals for special inquiries this year, the committee has decided to recommend that the available allocation of four Select Committees should all be undertaken with special inquiries. This means that we have decided not to propose a post-legislative scrutiny committee for the coming year. The Liaison Committee has recommended this on occasions in the past. However, I reassure noble Lords that post-legislative scrutiny, an area where the House has established a strong reputation over the past decade, remains an important field of activity. With that said, I am pleased to recommend these four special inquiry committees to your Lordships. I beg to move.

Lord Foulkes of Cumnock (Lab Co-op): My Lords—

The Deputy Speaker (Lord Duncan of Springbank) (Con): I believe I first have to say, “The Question is that this Motion be agreed to”. Actually, the noble Lord is right—he should come in now.

Lord Foulkes of Cumnock (Lab Co-op): That is the first time that anyone has admitted that I am right. It is a red-letter day, and it could not have come from a better person than my friend the noble Lord, Lord Duncan.

As the Senior Deputy Speaker will know, I sometimes get concerned that there is a tendency to forget that this Parliament represents the whole of the United Kingdom, not just England. There could be a danger that, in two of these topics in particular, the consideration might cover just England. Can the Liaison Committee or the Senior Deputy Speaker give the House some assurance that advice will be given to the members of the Select Committees, to the clerks and to others, that they should take account of the situation in Northern Ireland, Wales and Scotland as well as England before making their reports? Otherwise, they will not reflect our responsibilities as part of the Parliament of the United Kingdom.

The Senior Deputy Speaker (Lord Gardiner of Kimble): The noble Lord makes a very important point. Obviously, these matters come under our consideration. If there are areas where there is devolved policy-making, we

are very keen that part of the consideration by the special inquiries is on what is happening in other parts of the United Kingdom. If there were a situation where a policy had a devolved arrangement for all of the Parliaments or a number of them, we would be keen—this is part of our suggestion and strong advice—for that always to be kept in mind. I can definitely reassure the noble Lord today, but it is useful for him to have put it like that, as a constant reminder that we are a United Kingdom and our discourse is on that basis. If there are no further questions—

Lord Hodgson of Astley Abbotts (Con): I understand that we will not have any post-legislative scrutiny committees this year. Learning from our mistakes is one of the most important things that we can do when things have not gone as well as we wished. Could my noble friend the Senior Deputy Speaker explain why we felt on this occasion that there were no lessons to be learned?

Lord Cormack (Con): I wish to add to that, because my noble friend has made a very important point, and one that I was going to seek to make anyway. Should it not be almost automatic that all major Bills of a highly contentious nature—we have had a number of them this year—should be subject to a degree of post-legislative scrutiny? I fear for many of these Bills and their impact. Your Lordships’ House has a wonderful record of post-legislative scrutiny, as my noble friend the Senior Deputy Speaker said in his opening remarks, and we should try to move to a situation where it is an automatic follow-through for all major Bills—not necessarily in the year after a Bill has been passed but within a cycle of five years, at the very outside.

Noon

Baroness McIntosh of Pickering (Con): My Lords, further to those last two interventions, can I say what a privilege it was to chair the post-legislative scrutiny committee on the Licensing Act 2003 and to have a follow-up inquiry as well? My noble friend the Senior Deputy Speaker is aware of the backlog for debating these. In recognising the importance that my noble friend Lord Hodgson of Astley Abbotts has specified, I think it is extremely important for the whole House to have the opportunity to debate these issues at an opportune moment.

Lord Brownlow of Shurlock Row (Con): My Lords, very briefly, I have sat on the Children and Families Act post-legislative scrutiny committee this year, and one of our findings was that the committee taking eight years to sit was rather too long. I concur with my noble friends that we should try as often as possible to have a post-legislative scrutiny committee every year.

Lord Gardiner of Kimble: Again, my Lords, that is very helpful feedback. As I say, the Liaison Committee did consider this matter—I want to say this categorically, because we usually have a post-legislative scrutiny committee, but on this occasion we thought we should suggest to the House these other four committees. Last year, we had not only post-legislative scrutiny in

its entirety but the post-legislative scrutiny of the Fraud Act 2006, alongside a very excellent special inquiry on fraud.

I am very grateful to all noble Lords who have spoken. I say to the noble Baroness, Lady McIntosh, that I am working extremely strongly with the Government Chief Whip and other offices to ensure that we get as many opportunities as possible for debates in the Chamber and Grand Committee. I am very pleased that we have five debates on Select Committee reports in *Forthcoming Business*. Obviously, I am looking for more, and I have the sympathy of the Government Chief Whip. I assure your Lordships that I place great importance on the consideration of these reports in either the Chamber or Grand Committee. With those considerations and very important points, I beg to move.

Motion agreed.

Official Development Assistance

Motion to Take Note

12.03 pm

Moved by Lord Bruce of Bennachie

That this House takes note of His Majesty's Government's approach to Official Development Assistance spending.

Lord Bruce of Bennachie (LD): My Lords, as noble Lords may know, this debate was tabled by my noble friend Lady Northover. Unfortunately, she has suffered a close family bereavement and is unable to be here. She has asked me to take over the debate, which I am honoured to do. I am sure noble Lords will want to join me in offering condolences to my noble friend. Before I start, I draw attention to my entry in the register as an adviser to DAI, chair of Water Unite, president of the Caribbean Council and mentor with the Westminster Foundation for Democracy.

Many noble Lords will know that between 2005 and 2015, I had the privilege and honour to chair the International Development Committee in the House of Commons. By 2005, since the creation of DfID by Labour in 1997 and the passing of the International Development Act 2002, which untied aid and focused on poverty reduction, prioritising the poorest people in the poorest countries, the UK had emerged as perhaps the world's leading donor—not totally in cash terms but in terms of focus and impact. Between 2005 and 2010, Ministers such as Hilary Benn and Douglas Alexander provided leadership among other donors, persuading them to step up to the plate as the UK moved, albeit a bit erratically, towards delivering 0.7% of GNI in official development assistance. Indeed, I remember being in my car one Friday when I got a message from Douglas Alexander. He was ringing me only to say how excited he was that he had persuaded the Italian Government to dramatically increase their contribution to the World Food Programme. That is just an example of our Ministers persuading others to do the right thing.

Throughout that time and, indeed, the whole time I was there, the International Development Committee engaged with the World Bank, regional development banks, United Nations agencies, the European Commission and other donors. The important point for noble Lords to note is that, in all cases, the UK was regarded with respect and admiration not only for the level of our development assistance but for its focus on what made a difference in reducing poverty and building capacity.

DfID did not just provide first aid and essential humanitarian relief; multilaterally and bilaterally, it advocated and supported programmes which made a difference. If poverty reduction was or is to be sustained, people need access to clean water and safe sanitation; health systems need to be established and sustained; girls and women need access to education and to reproductive health, including family planning, assistance during childbirth and safe abortion; and there needs to be an end to child marriage and female genital mutilation. DfID also supported effective cash transfer schemes, because the poorest people use the cash for essential items—namely, food, healthcare and education—something which, I regret to say, the *Daily Mail* never seemed to understand. Of course, all this is delivered with the consent of the Governments of the countries where the programmes are happening. Yes, we all know that poor governance and corruption are a challenge for development, but they cannot be a cover for not delivering to poor people, who, after all, are not to blame but are in need.

Our committee travelled all over Africa and south Asia to see for ourselves the impact of UK aid and development, and we were always looking for what worked, what could be scaled up and what could be transferred. We found some problems and identified some improvements but, overall, the committee was extremely proud of the UK's achievements and the communities' appreciation for its transformational impact. I was especially proud that during the coalition Government, the UK achieved official development assistance spending of 0.7% of GNI and that the Liberal Democrats, supported by the entire coalition Government, enshrined it in legislation which is still on the statute book and still applies.

Andrew Mitchell—who I had worked with throughout the 2005-10 Parliament, when he shadowed the department—proved a dynamic and reforming Minister when he came into the coalition Government as Secretary of State. He instituted three critical reviews of multilateral, bilateral and humanitarian aid. The latter was chaired by the late Lord Ashdown—Paddy. International agencies were uncomfortable with the questions DfID was asking them, but they respected the UK's leadership and they engaged. That is important: not every donor could have had that impact on agencies at that level.

Andrew Mitchell created the Independent Commission for Aid Impact. Interestingly, he set it up to ensure that it reported to and through the International Development Committee, not to Ministers. It was modelled—this was definitely his idea—in a similar way to the Public Accounts Committee. He also reformed the CDC, paving the way for it to become British Investment International. The committee engaged

[LORD BRUCE OF BENNACHIE]

positively with all these radical reforms, as well as pursuing our own priorities, such as ensuring that DfID built a disability focus into its work. That was followed through by my noble friend Lady Featherstone, who was an excellent junior Minister—as was her successor, my noble friend Lady Northover, who initiated this debate, as I have said, and is sad not to be here. This experience proved—this is an important point—that all the major parties could bring their strengths to bear to deliver a truly world-beating aid and development programme. Andrew Mitchell described the UK as a “development superpower”. It is not a term I would personally use, but I understand what he means. I can testify that we provided a role model to the world, respected by our donor peers and the beneficiaries.

Like many, I am shocked and appalled at how this reputation and capacity, built up by successive Governments of all parties, have been brought crashing down by an act of simple, crass vandalism. This has meant that people who might have lived have died. Those who have been lifted out of poverty have fallen back, and others who had the prospect of improved lives have seen their hopes dashed away. Sudden cuts on this scale have real and devastating consequences for ordinary people living on the brink. This, it transpired, is because of an unbudgeted surge in Home Office spending on refugees, chiefly Ukrainian and Afghan.

UK aid and development assistance has been the most visible manifestation of our soft power as a nation. But the British Council and the BBC World Service are essential to our positive impact, generating respect and engagement with the UK in cultural, political and economic terms, yet the ODA dimension of these is also being cut. The World Service is 75% funded by the licence fee, but the licence fee has been frozen. The impact of the World Service has increased, not diminished, in recent years, and is more important than ever in the wake of the war in Ukraine and an increasingly hawkish China. If this is to be maintained, these services will require at least ad hoc additional spending, not funded by cuts elsewhere.

I argue that the case for restoring 0.7%, with these pressures, is surely in the national interest now and not subject to the overall economy. Underfunding our soft power only further undermines our weakened international reputation.

So what has happened? We have seen the merger of DfID and the FCO, which was done in such a cack-handed way that years and years of capacity was lost; it dissipated or, in Andrew Mitchell’s words, it “vapourised”. The dysfunctionality meant that nobody really knew who was making decisions, nobody knew who they could turn to, decisions were not being made, offers were not being followed through and programmes were being cut.

As of now, we need to recognise that our capacity to deliver world-class aid and development does not exist in the way that it did prior to these decisions. We have to recognise that the consequences of the merger, of cutting from 0.7% to 0.5% and of uncontrolled spending outside the development budget on refugees have made our ability to deliver the kind of aid and development that people have expected in the UK almost impossible.

If we are going to rebuild our reputation—it will take time to do so—I hope that the disasters of the last few years have come to an end. The appointment of Andrew Mitchell as Minister for Development and attending Cabinet is surely welcome. He has made it clear that he wants to refocus aid spending. He points out that the UK’s reputation as a leader was achieved when we were spending 0.5% and so it is not as though we cannot do good things with the money that we have got—but we could do a lot better with more.

However, if we are to build back our leadership, it will take time, because it has been thrown away so ruthlessly. It will require rebuilding discrete development capacity within the FCDO—I think this is really important, and I will repeat this in a question to the Minister. Of course there can be cross-fertilisation between diplomacy and development—there is nothing wrong with that; it is a good thing and it should happen—but there needs to be recognition that they are different and require different skill sets. Aid spend is about the benefit of the recipients, not simply UK commercial or political interests.

The needs of refugees here at home of course qualify for ODA, and they must be met, but this surely cannot be open-ended in its impact on development spend. The Chancellor has gone some way to acknowledge this; he has allowed ODA to rise this year to 0.55% because of that call. If ODA were to rise immediately to 0.7%, maybe we could rebuild and deliver the refugee priorities, as well as restructure our capacity. But in its absence, the Government must set out what can be spent on development.

It was a shock in the summer to find that billions of pounds that nobody knew about had suddenly been siphoned away from development to support a refugee crisis. Nobody denies the refugees’ needs and nobody denies that they qualify for ODA, but a lot of people would ask how you can have any kind of coherent development spend if it can be siphoned off at short notice without anybody’s knowledge or control.

It surely cannot be right that the needs of refugees are funded at the expense of poor people in Africa and Asia who are facing climate change, conflict and disease. Other countries have recognised that and have raised their aid spend to meet refugee needs. We should do the same. I acknowledge that the Chancellor has done a bit, but it does not go far enough.

I have reminded the House previously that the Chancellor was of course a member of the International Development Committee in his first Parliament. I believe that he genuinely understands all this, and I understand his difficulties, but I hope that the team in place now not only understands but will work to deliver what it knows can be done.

It is important to understand that the UK model depends on working with development contractors. The department does not do it itself; it does it through partners. It provides the budget, framework and commissioning, but those partners help to deliver the programmes. Those partners have also had to take painful decisions, tell people that programmes no longer exist, and let people go and let people down. Such a model is cost-effective and flexible, but all partners

have seen contracts and programmes cut in mid-flow. Frankly, the uncertainty makes it pretty difficult to deliver any effective programmes.

Many experienced and talented people have left the sector—there is no use in denying this—whether within government or among the development partners. Our capacity to rebuild is compromised, and will be further, if we cannot provide predictability in delivery in the future. I am advised that partners are being asked to bid for programmes with smaller contracts, greater detail than ever before and more bureaucracy, and they are not being awarded anyway. That does not leave anybody with any confidence as to how we can deliver on the ground.

I have seen for myself, as many other noble Lords will have, how well-planned and sustained development programmes work on the ground and deliver long-term reductions in poverty and long-term changes to capacity within affected countries and communities. This is how sustainable, long-term development created the partnerships that can deliver the SDGs, lift people permanently out of poverty and be transformational. That is what the UK used to be great at. We used to be leaders, and we must aspire to be so again.

Others on these Benches and elsewhere will no doubt highlight the challenges facing different areas of development and different geographical concerns, relating to their own personal experience or knowledge. However, I hope that the era of damage and destruction to what was our offer is over. I used to be genuinely proud of the UK's standing and achievements on international development. I urge the Government to take the steps that can make me and millions of others proud again.

I ask the Minister: will the Government ensure that we rebuild discrete development delivery capacity and expertise within the FCDO? Will the Government ensure that a core part of development is identified and protected from short-term chops and changes, therefore allowing sustainable programmes that the delivery agencies, beneficiaries and partners can all have confidence in and can deliver?

In my view, we have been through a shameful trashing of a world-class achievement by this country. That has to end. We have a team in place now that has knowledge and understanding, and some credibility. I urge the Minister, as I believe other Members of the House will urge likewise, to pass on to that team that we expect that reputation to be rebuilt—starting now.

12.19 pm

Lord Hannan of Kingsclere (Con): My Lords, it is a huge privilege to follow the noble Lord, Lord Bruce of Bannachie. I first heard him speak more than 30 years ago, when he was president of the Scottish Liberal Democrats and I was an undergraduate. He was then, as now, detailed, good-humoured and generous to opponents, as he is in all his interventions.

I feel, looking at who is speaking after me, that it will probably fall to me to point out that there is an alternative case—a counterargument that was best expressed by the great American economist Thomas Sowell. Foreign aid, if badly done, can provide perverse incentives. You end up rewarding countries that are

doing the wrong thing and ceasing to reward countries that are doing the right thing. Foreign aid, if badly done, becomes an alternative revenue stream, so that a Government do not need to raise money through taxation, and this can lead to bad democratic as well as bad economic outcomes. There are numerous surveys comparing countries in receipt of aid and not, and the same country in times when it was and was not, that show that there can be these negative correlations.

None of this, however, is an argument against foreign aid: it is an argument against doing it wrongly, or without proper concentration on the outcomes. There is a general argument against feeling that you are doing the right thing if you put a fiver into every outstretched hat without thinking through exactly where it is going. To take the most uncontroversial aspects, I think we can all agree that Governments have an important role to play in disaster relief: the capacity of many countries is simply not up to dealing with extraordinary catastrophes that are not budgeted for normally. But Governments also have an important role to play in doing the things—the unsexy things, if you like—that charities will struggle to raise the money for. There is a lot to be said, for example, for improving infrastructure, but that is a much harder thing to raise money for from the general population than clinics, schools or whatever.

We, the UK, are doing quite a lot of good work in Africa. DfID is funding a lot of schemes on practically removing trade barriers at borders; dealing not with the treaties but with the actual implementation, so that we increase the flow of goods across borders, which is of course an incredibly important poverty alleviation mechanism but one that no charity is going to be able to make a big appeal out of. So let us all agree—the noble Lord, Lord Bruce, put it very well—that we have refocused on areas that are more important and where we get, if you like, more bang for our buck. There was a particular move, during the coalition years that he referred to, away from funding organisations that spent a lot of money on advocacy and trying to refocus them on spending money on getting actual product on the ground in the places where they were delivering. I think that was the right thing to do: there was a certain dishonesty involved with some organisations that would raise money, saying, “We are going to provide farm tools for a family in Zimbabwe”, or whatever, and then the bulk of their budget would go on lobbying operations in London.

So, we have already done a number of good things. We are becoming more focused and it is possible to get a great deal out of limited budgets. But where I have a problem—I am afraid I am going to make myself incredibly unpopular, not for the first time, as I say this—is with the idea of setting arbitrary budgetary targets, whether for overseas aid or for any other aspect of government spending. First, I think it is always a bad idea to judge one's policy in terms of cost rather than outcome. This is true whether it is a local council budget or a Whitehall department. There is a lamentable tendency, which carries on under this Conservative Government, to boast about the fact that we are spending £200 million on X or Y, rather than looking at what we are doing with it. That also creates perverse incentives.

[LORD HANNAN OF KINGSCLERE]

There is a deeper problem, and it is the democratic one. It may very well be desirable to spend 0.7% of GDP on international assistance; it may very well be desirable to spend 2% of GDP on defence, as the NATO alliance demands; but if those things are true, why is it not equally desirable to spend whatever arbitrary figure we come up with on education, on healthcare or on policing? At which point, what is the point of having general elections? Democracy is about the arbitration of competing goals. It is not our job in this Chamber, but I argue that it is the primary job of the other place. There are clashing interests, people who have perfectly good arguments for why they need more money, there is not a magic wand or a magic money tree, and it is the role of elected representatives to decide on the most equitable outcome. If all that is lifted out of the democratic process and set in stone in statute—or even, as Gordon Brown now suggests, in a constitutional settlement that would guarantee a certain amount of health spending, or whatever—there is precious little point in people voting at all.

We did, indeed, show leadership, whether or not we use the phrase “superpower in foreign aid”, but I think we also have historically shown leadership as a democracy. We have held up an example of a free, open society in which leaders are answerable to the wider population. We have shown that that model works and people around the world have chosen to mimic it. For that reason, if for no other, we should be very careful about abandoning the principle that taxes should not be raised except by elected representatives.

12.25 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I thank the noble Lord, Lord Bruce, for enabling us to focus on this important subject. In 2020, the Government decided to reduce our ODA spending to 0.5% of GNI, down from the hard-won UN target of 0.7%. This has had a hugely damaging impact on critical aid and development programmes. The outcry at the time was widespread and has not abated. The noble Lord set out the damage vividly. In my view—and I say this with great regret—the Government’s recent approach to international aid and development is shameful. The list of global humanitarian crises continues to grow. Russia’s invasion of Ukraine, the appalling flooding in Pakistan and the food crisis in the Horn of Africa have all added to existing challenges arising from conflict, climate change and Covid-19. Yet, as the humanitarian need grows, our approach is to cut our funding and take steps back from our global responsibilities—indeed, our global promise—to help the world’s most vulnerable people.

A reduction in our aid spending of £3 billion, 21%, in the space of a year from 2020 to 2021, undermines any aspirations the UK might have had to be a leader in global development. Yesterday, on the “Today” programme, David Miliband of the International Rescue Committee referred to the swingeing budget cuts and quoted Andrew Mitchell, Minister of State for International Development, saying that Britain is no longer an aid superpower, and the price is being paid by the poorest people in the world. Not only is supporting the world’s poorest the right thing to do, but our global standing is boosted by strong leadership

in this area. Cutting our aid budget does reputational damage to the UK, diminishes our international standing and, I believe, signals a retreat from the world stage.

In 2020, only Germany spent more than us on aid in both absolute and proportional terms. With the reduction to 0.5%, the UK slipped from sixth in the world in terms of aid as a percentage of GNI to ninth in 2021. It took long years of work to reach the target of 2013, which was proudly supported by the then Chancellor, George Osborne, who called it a historic achievement. But by 2020 our promise to the world’s poorest had been broken, and in 2021, hosting refugees in the UK had become the biggest sector for ODA spending, as the noble Lord, Lord Bruce, said. Last year, more than £1 billion, or 14% of the bilateral aid budget, went on UK refugee costs, in contrast to the £743 million going to humanitarian aid. I understand that using ODA in this way is accepted by the OECD Development Assistance Committee, but no other G7 country is using its aid budget for this purpose. The knock-on effect for other essential programmes funded by the reduced ODA budget is severe. We must, of course, support refugees, but, as Oxfam points out, surely not at the expense of life-saving humanitarian aid or development projects that reduce poverty and help prevent the very crises that can cause forced displacement.

How much further will we fall in our global responsibilities and international standing? I am fearful that this temporary reduction in ODA spending to 0.5% of GNI will become permanent. I am neither an economist nor a fiscal expert, so I have grappled with the detail of the two conditions set out earlier this year that have to be met before the UK will return to the 0.7% target. Can the Minister tell us how often those two conditions have been met in recent years? I fear that we are setting the bar so high that it makes the target impossible to achieve, but is this the intention? Will he expand on what the “sustainable basis” for these conditions might look like? This phrase is surely open to wide interpretation.

I briefly mentioned the impact of the ODA cuts to critical aid and development programmes. What has not been given as much attention is the direct damage the cuts will do to research institutions, scientists and researchers in DAC countries and to the people in low-income countries whom the ODA research funding is intended to benefit. The outcry over the ODA cuts from research institutions and scientific societies acknowledges the damage they will do to progressing life-saving and health-promoting programmes.

For the UK, our reputation as a global funder and major contributor to science and human development is at stake. I have a continued interest as the former CEO of Universities UK when we set up an international unit to help UK universities build sustainable relationships with international institutions, researchers, students and partners. While our universities recognise that ODA funding exists primarily to benefit other countries, ODA funding has become an integral part of university research and global or international strategies. It has helped drive universities’ commitments to meeting the UN sustainable development goals, by embedding them within institutional research strategies. The UUK International report last year said that ODA had

“contributed to the university ecosystem and global reputation, and changed the way international research is conducted.”

The Global Challenges Research Fund and the Newton Fund are both recipients of ODA money, and have enabled UK universities to, for example, play key roles in efforts to develop renewable energy and clean water technology; improve worldwide labour laws; and roll out 5G networks in lower- and middle-income countries. In 2021, ODA-funded projects enabled UK universities to support the national effort against Covid-19, through enhanced virus-detection technology. ODA funding has enabled UK universities to deliver projects that have improved the lives of millions around the world. UUKi has said that cuts to the ODA spend on the scale announced will “severely limit” UK universities’ ability to tackle global challenges and are likely to lead to

“the termination of existing and future research projects, damaging the sector’s international standing and reducing its capacity to drive economic growth and prosperity in the UK.”

In July 2020, the then FCDO Minister in the other place asserted that

“being a global force for good”

was

“at the heart of the UK’s foreign policy”.—[*Official Report*, Commons, 9/7/20; col. 1200.]

Given the direction of ODA spending, what assurance can the Minister give us that this is still the case?

12.32 pm

Baroness Suttie (LD): My Lords, I begin by congratulating my noble friend Lord Bruce of Bennachie on his excellent, thoughtful and comprehensive opening speech, and my noble friend Lady Northover on securing this timely and extremely important debate. I refer noble Lords to my register of interests, my development assistance work and my role in the Global TB Caucus.

As my noble friend Lord Bruce said so powerfully, it is greatly to be regretted that the cross-party consensus that existed for over a decade in achieving the UN target of 0.7% has broken down, for what I sincerely hope will be a short and temporary period only. I agree with Andrew Mitchell when he said that the UK has lost its reputation as a “development superpower”. As noble Lords have said, the cuts to the overseas aid budget have already had a deeply damaging impact in so many countries. I was extremely proud to work in 2015 with my noble friend Lord Purvis of Tweed on the Bill that enshrined the commitment to 0.7%, and to work closely with the noble Baronesses, Lady Jenkin and Lady Sugg, the noble Lords, Lord Collins and Lord McConnell, and various others, on ensuring a genuinely cross-party approach to development assistance.

In my remaining remarks today, I will concentrate on the importance of focusing on the long term—however difficult in our current economic circumstances—and learning lessons from Covid in terms of global public health. Effective international co-operation through Gavi, the Vaccine Alliance, has been one of the development assistance success stories, and the UK’s continuing positive role within Gavi is to be commended.

In the last three years, we have all learned that an airborne pathogen on the other side of the world can, very quickly, have severe consequences for all of us.

The first recorded cases of Covid-19 happened to be in China, a country with very strong surveillance systems, including on public health. However, at the outset of the Covid pandemic, only two countries in had the capacity to diagnose Covid-19. Where the next pandemic develops is just as important as what the next pandemic is. The only sure way to prevent the next pandemic is to make sure that there are at least basic healthcare systems to care for and prevent respiratory diseases in every part of the world.

The UK has been for decades an active participant in conversations around global health security, including the global response to antimicrobial resistance. What we have not done, however, is focus seriously on the airborne pathogen that is already killing more people than any other disease; namely, tuberculosis. Some 1.5 million people died of this curable disease in 2020. According to the WHO, Covid-19 has set back the fight against TB by as much as a decade. To quote from the WHO’s report:

“In 2020, more people died from TB, with far fewer people being diagnosed and treated or provided with TB preventive treatment compared with 2019, and overall spending on essential TB services falling ... In many countries, human, financial and other resources have been reallocated from tackling TB to the COVID-19 response, limiting the availability of essential services ... people have struggled to seek care in the context of lockdowns.”

Concentrating now on a stronger global TB response makes long-term sense. Measures include training more doctors, providing more diagnostic machines, assisting community groups doing outreach and awareness raising, and providing well-equipped respiratory wards, academics, and even oxygen. Can the Minister say whether the Government would support a comprehensive review into how enhanced investments in the global fight against TB could support the response to future pandemics?

In addition to the impact of Covid, one of the many tragic consequences of the truly awful war in Ukraine has been to set back the fight against multi-drug-resistant TB in Ukraine as well as in the wider region. Can the Minister say whether there are plans to give Ukraine additional support in the area of public health, and in particular in the fight against multi-drug-resistant TB?

Ebola is another prime example where a longer-term approach taken by Governments would make sense. When there is an outbreak of a disease, there is a race to find a vaccine, as we have seen with Covid, but then when the outbreak recedes, so does the urgency. This frequently reflects a desire by Governments to save money in the short term, which all too often results in paying more later. When a vaccine has been developed, as in the case of Ebola Zaire, it is often not seen as a priority to make sure that it is deployed. We know that an outbreak of Ebola Zaire could happen at any moment. When there was an outbreak in 2014, it cost west Africa \$50 billion, and yet countries still cannot access the vaccine that exists.

If Covid has taught us one thing, it is that we are not safe just because we are far away. It surely makes sense to make Ebola vaccines widely available now. Can the Minister say whether the Government will press the WHO to accelerate the development of its guidelines for deploying Ebola Zaire vaccines? Will

[BARONESS SUTTIE]

the Government outline their support for the development of an Ebola Sudan vaccine? There is a very real risk that without a global, publicly funded strategy, the market will fail to deliver vaccines to stop pandemics before they surge. I appreciate that these are quite technical questions, and if the Minister is unable to give a comprehensive reply in his closing remarks, I would be very happy to receive a letter after the debate.

To conclude, I stress again that I hope we return as soon as possible to the commitment to 0.7%. But it is not just about more aid, it is about better, more joined-up aid, and a more effective global approach. This issue is in our national interest, in our increasingly interconnected world, but, more importantly, it is also the right thing to do.

12.39 pm

Lord Fowler (CB): I very much agree with what the noble Baroness just said. To start, I will say something which I hope has the unanimous approval of the House: it is very good to see Andrew Mitchell back in the Government as Minister for Development. He did so much in the past, as the noble Lord, Lord Bruce, mentioned, and we look forward to what he will contribute in future. In all conscience, he has inherited a very difficult position.

I am sure that there will be an array of financial numbers of one kind or another in this debate. They are very important but, crucial as they are, I would like to concentrate on some of the casualties that the world is suffering from our failure to meet global health challenges. It is a measure that perhaps the noble Lord, Lord Hannan, might agree to. I declare my interest as an ambassador for UNAIDS but hasten to add that the views I express are very much my own.

I will concentrate on HIV/AIDS because it establishes so much of what is wrong at the moment. AIDS is one of the deadliest pandemics of our time. Some 36 million people have died so far from AIDS. Every minute a life is lost to AIDS. The fallout from Covid-19 and the war in Ukraine has hit the AIDS response worldwide, with the result that progress against the HIV pandemic has stalled. Risks have increased, but resources for the response have reduced. Worst of all, the aim of eliminating HIV as a public health risk by 2030 is very much in doubt. I was in Geneva a week or two ago, talking to the health organisations there, and I am bound to say that there was not much confidence that we would, on present policies, meet that target. One of the problems has been that domestic funding for the HIV response is low. It is low in low-income and middle-income countries and has fallen for two consecutive years. Progress in ensuring that all people living with HIV are accessing life-saving antiretroviral treatment has also stalled. The number of people on HIV treatment grew more slowly in 2021 than it has over a decade.

It is important to mention that there is an important difference between the position today and the position in, for example, the 1980s. In the 1980s we had no medicines and no way of combating HIV. It was, in effect, a death sentence. We obviously used advertising and every other means to warn people. Only yesterday,

a man came up to me in this House and thanked me on behalf of a whole range of other people for that advertising, which he said had saved his life. It probably saved many lives, but nothing like the number of lives that can be saved by antiretroviral drugs. The really sad thing is that, although antiretroviral drugs lead to a normal, useful, full life after treatment, we are not using their full potential. That is the real tragedy of the situation. It is so different from where we were before. Then we did not have the means. Now we have the means, but what do we do? We do not use them. That is something that this Government should address.

Another issue is that we have not seen the end, or even the beginning of the end, of the discrimination that has perpetuated this pandemic. Some 68 countries have criminal laws that punish consensual, same-sex relations. There is not a lot that this Government can do in the sense of taking action themselves—I seek to persuade people, when I speak outside this country, that Britain has done a great deal since the really serious days when we followed such policies—but we can take all action possible to combat the position.

One position I would like to raise is the change which has taken place as far as the victims of AIDS are concerned. It used to be the case, and it is still portrayed on television as being the case, that all victims are young men. It is certainly true that in the past the majority of victims were young men; it was tragic to see in the hospitals bed after bed occupied by young men who were going to die. But today we have a situation where women have progressively taken a bigger proportion of the victim total and, most tragically of all, so have small children—100,000 have died in the last 12 months. All those things need to be taken into account.

On current trends, we will miss the United Nations target of ending AIDS as a public health threat by 2030. Let us be clear that the result of that will be more AIDS-related deaths and more infection. The real tragedy is that we could face, combat and defeat that. We are a wealthy country; such countries need to remember what is at stake. What is at stake is thousands of deaths and new infections, all preventable. What is at stake is the end of the pandemic or a pandemic which goes on and on. Beating pandemics is ultimately a political challenge. We can end AIDS by 2030, but only if we are bold in our actions and investments. We need courageous political leadership and we need people worldwide to insist that their leaders be courageous.

12.48 pm

The Lord Bishop of St Albans: My Lords, I too thank the noble Lord, Lord Bruce of Bennachie, for his excellent introduction, which was informed and passionate. I would also like to highlight and underline my deep regret at His Majesty's Government's cuts to official development assistance spending.

I find myself in touch weekly with some of the poverty here in our own country as I visit food banks, debt advice centres, or the clubs that some of our churches now run to give breakfast to schoolchildren. I am acutely aware that we have real need here in our own country, but it is of a completely different order compared with what many other countries in the

world face. I agree with the noble Lord, Lord Hannan, that we need to spend our aid carefully. It is actually quite difficult to spend large amounts of money. We sometimes find it difficult in this country and sometimes people do not spend it well. Of course we need to work at that, but the answer is not to cut our aid but to make sure that we are using it in the most effective way.

This is not just about long-term development. We are cutting our spending at a time when we are seeing some of the most appalling famines facing our world since the 1980s. I refer in particular to the Horn of Africa, which is experiencing its worst drought in 40 years. Early on, that was compounded by terrible swarms of locusts, which simply devastated the crops, and it has been made even worse by the civil war going on in some of those countries. As a result, more than 50 million people across east Africa are now suffering from acute food insecurity.

This is made even worse because of other diseases. We just heard the noble Lord, Lord Fowler, expand the point about HIV/AIDS brilliantly. Of course, where there is real famine, that disease can be fatal. There are also the well-known—actually, they are not well-known—neglected tropical diseases such as leprosy, rabies, dengue fever and Guinea worm disease. Such diseases are treatable in this country but, in a context where people are suffering from famine, many malnourished people die from them.

In the past, the UK has stepped up to the table when we have faced similar situations. In 2017, the UK spearheaded action that helped avert a famine in east Africa, providing £700 million to the region. However, this year, despite the severe conditions, our commitment to the region has been reduced by £156 million. A few weeks ago, I tabled a series of Written Questions naming each of the main countries in the Horn of Africa and asking what our support in development aid has been over each of the past five years. The Answers made for salutary reading. There have been massive cuts not just to development programmes but to simple aid to save lives. Only 65% of the money allocated has been spent. We need greater certainty to get this money where it is needed. As the crisis is getting worse, we are providing less. We all acknowledge that the current crisis is a global crisis compounded by President Putin's war in Ukraine and the recovery from the Covid-19 pandemic. Yet, in the face of such challenges, some of our neighbouring countries, such as France, Italy and Germany, have increased their ODA commitments, while we reduce ours.

If we are not persuaded that increasing our spending is the right and moral thing to do when whole communities are starving, we just need to look at some of the practical issues around what happens when we withdraw from helping others. In the Central African Republic, Russia and China have been steadily intensifying their efforts across the region. Right now, a Russian Government-linked private military corporation, the Wagner Group, is conducting military operations in Mali—admittedly in west Africa—to secure uranium, gold and diamond contracts to fund the war in Ukraine. How much longer will it be before these and other countries move into east Africa as we withdraw? The catastrophe in Somalia has allowed the nation to

become a hotbed of terrorism. Al-Shabaab has been able to recruit more people from among those spurred on by hunger and dissatisfaction with the Government.

So, feeding people who are starving is not just a practical and moral issue. If we are not engaging, we are opening up places to much more unscrupulous Governments and regimes moving in and taking advantage. This is a vital part of our presence on the world scene. Across the world, many nations are jostling to establish themselves as global leaders. The danger is that we are simply withdrawing. Responding to issues at home is of course important—we all need to make cuts in doing so, and cope with the rising cost of energy together—but we cannot do it in a world where the challenges are so much greater. The 0.2% of our GNI is a drop in the ocean when compared with the Government's borrowing elsewhere. Of course we must be prudent here at home and look after our own poor, but this is neither the time nor the place to cut back on our commitments to the wider world when we face such terrible catastrophes right across the globe.

12.54 pm

Lord Herbert of South Downs (Con): My Lords, I remind the House of my declarations in the register of interests: I co-chair the All-Party Parliamentary Group on Global Tuberculosis and chair the Global TB Caucus. I will make some general remarks about AIDS and the ODA budget, then some specific ones about the need to tackle tuberculosis as an urgent priority.

First, on the general issue of aid, I am a long-standing supporter of a strong international development programme. I welcomed the increase in the aid budget, although I share some of my noble friend Lord Hannan of Kingsclere's scepticism about arbitrary targets. I recognise the power of aid to do good and, when properly deployed, as an effective instrument of soft power for the UK. I regret the necessity of having to cut back on the aid programme over the past couple of years, for the reasons noble Lords have set out.

However, we must have a note of realism. We have been confronted with two external shocks to our economy: first, the Covid crisis, and latterly, the oil price crisis. It has been necessary for the Government to respond to those with interventions that amount to hundreds of billions of pounds a year, with the consequence that the Government have been forced to increase taxation on people across the country and take very difficult decisions on the levels of domestic budgets going forward. We simply have to recognise that that is the fiscal context. Although it is regrettable that the aid budget has had to be reduced, it is still 0.5% of our GNI, which places us well above OECD countries' average and, proportionately, is considerably above the level spent by, for instance, the United States of America.

Within that resource, we also have the continuing power to do very great good, as evidenced by the Government's recent contribution to replenishing the Global Fund to Fight AIDS, Tuberculosis and Malaria. The level of replenishment the UK provided was not as much as many would have liked; nevertheless, it amounted to £1 billion over the next three years, making us one of the world's leading contributors.

[LORD HERBERT OF SOUTH DOWNS]

However, the scale of these multilateral programmes presents a problem for the overall aid budget, because the proportion of the budget they take is very high. One consequence of sharply reducing aid spending was that pressure fell on programmes that are not multilateral.

It has not been desirable—nobody could say it has—to see a sharp increase in spending on aid followed by a sharp decrease over the past 10 years. That does not result in money being spent well. In an ideal world, we would see more stable funding for international development. I hope we will be able to return to the previous levels of spending, but we must avoid the trap—again, this was well expressed by my noble friend Lord Hannan—of assuming, simply because we reach what is in the end a relatively arbitrary target, that all is well with the world and with the budget. It behoves us to look carefully at how money is being spent in any government programme, and that includes international aid.

It must also be pointed that there is no government department that is so scrutinised on the impact of spending. One of the important reforms that was introduced by the coalition Government was the introduction of the Independent Commission for Aid Impact, which undertakes a line-by-line scrutiny of international aid spending. It would be good if we had that across many other departments.

My final point on the overall level of spending on aid is that we need to be careful not to give up on making the case for aid. One of the consequences of locking in spending at the level of 0.7% of GNI was that a kind of assumption was built-in across the political parties that spending would just increase year on year, that it would continue at those very high levels and that it was not necessary to make a political and public case for what was being done. In that sense, the arguments against spending at the levels that were reached crept up on us and on many in the international development world. If we are to return spending to the levels that were previously seen, the case for that has to be made to a public that is looking at all sorts of other areas where they wish public money to be spent and where there are many other priorities. Nevertheless, there is a good case to be made.

I will draw attention to one final area by very strongly echoing what my friend the noble Baroness, Lady Suttie, said about tuberculosis. I am very proud to work with her globally in the fight against the disease; however, I will not repeat everything she said. Many people believe that there is a vaccine which will help to prevent tuberculosis, but there is not: there is no effective adult vaccine to combat TB. In just the same way that, as the noble Lord, Lord Fowler, mentioned, the UN sustainable development goal to beat HIV/AIDS in just eight years' time by 2030 will not be reached, the target to beat tuberculosis will not be reached either. In fact, on the current trajectory, we will not beat tuberculosis for a century. A million and half people die unnecessarily from a treatable and curable disease. That is a very good example of where greater resource that was marshalled carefully could yield very great results, and of where the UK has a very strong role to play in the area of global public health

on the research and development necessary to develop new tools and to produce the vaccine that is so desperately needed to combat the disease.

1.03 pm

Lord McConnell of Glenscorrodale (Lab): My Lords, I thank the noble Baroness, Lady Northover, in her absence, for securing this very important debate at what I always feel is an ideal time of year to reflect on those matters. I send my condolences to her; I am sure that she is very disappointed that she could not be here today, but she had a very able substitute in the noble Lord, Lord Bruce, who teed up the excellent and timely debate. I draw attention to my interests in the register.

First, I will perhaps surprise your Lordships by thanking and congratulating the Prime Minister—not necessarily on his record on international aid but on his appointment of Andrew Mitchell as the new Development Minister. Mr Mitchell and I have had our differences, and we will have more in future, but he understands and is passionate about the subject and was an excellent Secretary of State for International Development when he was previously in post. I sincerely hope that the Prime Minister will build on that initial decision and give both Mr Mitchell and the Foreign Secretary time to sort out the chaos they have inherited, at least until the next election, when perhaps there might be other changes in store.

Having said that, we should never forget the fact that we now have a Prime Minister of the United Kingdom who, at the height of a global pandemic, decided to cut our aid budget by 30%. That was a cruel and inhumane act, for which should never be forgotten. It was counterproductive to the interests of the country and to the international efforts to counter the pandemic. While I actually agree with both noble Lords, Lord Hannan and Lord Herbert, on the need to focus on where we spend aid, rather than how much we spend, it is undoubtedly the case that, moving away from a debate on what we spend to a debate on how much we spend, which is where we now are, is counterproductive to effective aid for the United Kingdom. So we need to start on that point. The pandemic, the war in Ukraine and the global migration escalation we have seen in recent years all show just how interdependent our world is today. The polarisation of global relations we have seen in recent years shows just important our soft power is as a country and the influence we are able to exert, not least through our support for official development assistance. That 30% cut, and the distortion of the expenditure by spending so much of the money in this country rather than in other countries around the world, have both showed up an inhumanity. We have damaged the UK's interests globally and diminished our security as well.

However, I want to concentrate most of my remarks on how we spend aid. I am just as angry at bad spend as I am at the examples of extreme poverty that many of us could share in the Chamber. It is vitally important, if we are going to attack extreme poverty and global injustice, that we are able to ensure that money is invested properly for the long term, sustainably making a real impact. I will briefly highlight four areas on that objective, the first of which is in relation to conflict.

When the new Development Minister, Andrew Mitchell, was Secretary of State a decade ago, he and the noble Lord, Lord Hague, set a target for the percentage of our ODA that would be spent on conflict prevention and stabilisation. That was subsequently increased by the Cameron Government in 2015, if I remember rightly, to 50% of the budget being targeted on those vitally important areas for the poorest people in the worst circumstances in the world. So I ask the Minister: what is the target today? Do the Government still have a target and, if they do, what is that target? Will we see a consistent application of expenditure on conflict prevention and stabilisation within our official development assistance?

The second area is climate. I have much sympathy for Alok Sharma in what must have been a terribly difficult job over the past 12 months as president of the climate COP; while all the chaos was happening here in the United Kingdom, he was striving to reach international agreements. Some agreements, however inadequate, have been reached at COP 26 and COP 27. I ask the Minister: how much of our official development assistance will go towards those agreements? How much will we contribute to those just transitions that are important not only to tackle the climate crisis but to ensure development and longer-term prosperity for those countries most affected by the transition that is required.

The third area is capacity. I believe very much in capacity building, rather than just charity, in these situations. The sustainable development goals give us, to use the former Prime Minister's words, an "oven-ready" deal that we could be using across the world in every country to ensure effective sustainable development. Again, we have all too often, in short-term programming and programming which is about collecting the numbers on how many people might be affected by a vaccine or the provision of school education, missed the fact that we need to build sustainable education and health systems, as well as economies—trade was mentioned earlier by the noble Lord, Lord Hannan. We need to build those systems and opportunities for the long-term development of sustainable finance and development in country across the global South.

In relation to the SDGs, I have one specific question for the Minister. It is now four or five years—in fact, it was Rory Stewart, four or five Development Secretaries back, who made the presentation—since the UK produced a voluntary national review on the sustainable development goals for presentation to the annual United Nations forum on this, which takes place every July. Can the Minister tell us whether we will do this next year? It is a straightforward question; it would be nice to get a straightforward answer.

My fourth and final point is about consistency. We cannot go on having programmes that are frozen, ended, suspended or cut back to one year when they were going to be three years, as we have seen over the past two or three years. It is deeply damaging to the organisations and the expertise of the staff involved in them, but it is even more damaging to the recipients and the beneficiaries of those development programmes. It is not sustainable development. I would welcome a commitment from the Minister today that we will see

a return to three-year-minimum programming, which would allow people to build up properly their development policies and programmes in the future.

I see my time is almost up, so I will finish on this point. A lot of words will be spoken about the messages that are sent to us at this time of year about caring for others and remembering that there are so many in need, at home and abroad. We cannot keep using just words. We must have action, consistently applied over many years, to end these global injustices and to ensure that people have the opportunities and the rights that we take for granted, even in these difficult times, and which others need and deserve as well.

1.11 pm

Lord Addington (LD): My Lords, I put my toe rather delicately into this overseas aid pool; it is not one that I usually go to. I do this primarily to give a little commercial for an organisation that I am a trustee of, the Atlas Foundation, a rugby-based charity with a worldwide reach, using rugby as a development tool. I will try to point out how this fits in with some of the wider aspects of the debate, and will make one big ask of the Government at the end that is not directly related to funding.

A sports-based project dealing generally with children is not unknown to people. If you get a gathering of children, usually from poorer backgrounds, and you say here is a sport structure—in this case an egg-shaped ball—and you get them to run around, you will get an easy buy-in. But what keeps them turning up, and often gets them more involved, is feeding programmes. You have people from poor backgrounds getting a structure, role models and feeding, and then we encourage them to go into education. There are so many variations because, although we never intended to be, we are worldwide. It is a fairly safe pattern. Many people from other organisations will have similar objectives. The arts has done it on several occasions, along with other sectors.

I emphasise that this is on the micro level, not the macro level, as my noble friend Lord Bruce talked about at the start. You are helping people to get education, confidence and good role models to survive in the world that they are in, and maybe to make small changes later on. This is not a big driver of change at the moment, not in the way that government funding can be, but by doing this you are making sure that people can get involved.

When I was sitting down and looking through our reports, worrying about how we are going to raise the money for next year and feeling quite pleased with the work that had been done in the past, something caught my eye which I do not think the rest of the board had realised. We get a much better bang for our buck out of the girls. It is with the girls where you really get the improvement. We get lower birth rates from the girls involved. We found from one of our projects in Memphis, Tennessee, that the attitudes of the boys involved towards girls were much better; they regarded them as equals, friends and people on the same terms.

When I looked around more, I found that this was a universal theme. In Kibera, in Kenya, and in Langa, in South Africa, the same things were occurring. The project that says it best is the Khelo project in West

[LORD ADDINGTON]

Bengal. Here we have managed to get not only lower birth rates but lower child marriage coming through, something that was not looked for down there. High school graduation has gone from 18% to 80%, ensuring that many families have a foundation in their mother—and it is the mother; the male of the species has a bit of catching-up to do.

This is from a sports-based charity. Of late, rugby union has proved itself not to have a male-dominated attitude, but a few years ago many would have looked at me and asked, “Really, you are doing that?” If we encourage girls and women to get involved in sport—I think rugby is the best one but others will disagree—then we will get a good bang for our buck.

What do I want from the Government? I would like more money, but that is a universal theme. A 30% cut will take some clawing back over time. I would like better advice for small charities on how to operate abroad. We have had our successes, but one big success almost became a disaster for us. Atlas has a lovely project, created in Kenya; a mobile classroom with computers on board, and we call it the DigiBus. It is a rugby-based charity and Covid rather scuppered it initially, but what if we take it to South Africa for the Lions tour and it gets damaged in transit? Who do we speak to? How do we replace it? What is the insurance regime? What are the regulatory regimes between Kenya and South Africa? We could give lectures on that now, because we have got the experience. We can also show the bills and the delays.

Will the Government ensure that there is better advice available for those of us in the smaller charity sector who operate around the world? We deal with children, but we do not find out whether there is a universal approach to childcare in these environments. How will we do it? We cannot deliver successfully if we do not get support. I remember once asking some advice from the Foreign Office a few years ago. I was told to telephone somebody in Northern Ireland. After three hours of chasing, I was back to the desk next to them, and they still did not have an answer. We do not know. We are prepared to do our little bit, but we need more guidance.

Referring back to the support for women and girls in the Khelo project, another organisation called SKRUM—it is pronounced “scrum” but spelled differently, but do not ask a dyslexic to describe the difference—helps to get sanitary products to the girls. We talk about period poverty over here but period phobia is very real for some of these groups. We can give examples, if you will let us tell the rest of the world. Word of mouth will do some of it, but if the Government says that they have examples of what not to do, then we are prepared to help. But we need help as well. Unless the Government can take on this small thing, using their embassies and consulates, they will waste the efforts of their own charity sector, to a greater or lesser degree, and make life more difficult.

These are small organisations keeping their staff down and being run by volunteers. If you want to keep repeating mistakes, then carry on keeping these people in ignorance. The Government have the capacity to do something about this. Please can they give us some idea of when they will start?

1.19 pm

Baroness Sugg (Con): My Lords, I am grateful to the noble Lord, Lord Bruce, for introducing the debate and to the noble Baroness, Lady Northover, for getting this issue on the Order Paper.

Our activities through official development assistance have given us many successes over the years and many reasons to be proud of the UK’s role in the world. In the times we find ourselves in, there are multiple areas on which we must continue to work, many of which we have heard about today. I have limited myself to two areas that I believe we must remain focused on, the first of which is malaria. I declare my interest as the chair of the board of trustees of the charity Malaria No More UK. We recently saw the seventh replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and we have heard very powerful cases made for this by the noble Lord, Lord Fowler, my noble friend Lord Herbert and the noble Baroness, Lady Suttie. I will focus on the third—malaria.

Last week, the WHO published its *World Malaria Report*, which showed that, tragically, 619,000 people died from malaria in 2021. Africa continues to experience 96% of those deaths, and a child still dies every minute from malaria. In just the time it will take for this debate, 180 children will die from a preventable and treatable disease. This year, we have seen some exciting innovations, many from here in the UK. Developments in vaccines and new insecticide bed nets could be real game-changers in the malaria fight. On replenishment, despite the difficult economic and political circumstances in the UK, we made a significant pledge towards the \$15.7 billion raised, for which I thank our new Minister for Development, Andrew Mitchell, who is a great champion for malaria, among other things.

Like many aspects of global health, progress has stalled since the Covid-19 pandemic, but it is not too late to turn the tide and get us back on track. For us to succeed, the UK needs to play its part in investing in global health. We need a thriving R&D pipeline with enough funding to accelerate next-generation tool development; and we need to ensure increased funding to create resilient health systems, so that life-saving tools can reach the communities which need them, including through the Global Fund, GAVI, the Vaccine Alliance and our bilateral programmes. The UK has the diplomatic, scientific and financial muscle, still, that we need to get the fight back on track. I hope my noble friend the Minister can reassure me that we will continue our funding and show strong political leadership to help get us back on track.

As with many development issues, women and girls—particularly teenage girls and pregnant women—are disproportionately impacted by malaria, and they can be a key part of the solution in accelerating positive health outcomes. I believe we must look at malaria and all development issues through a gender lens—including our rugby programming, it appears.

We are living in a world of multiple crises, armed conflict, economic turmoil, the Covid-19 pandemic and climate change. All those things and their interaction impact the most vulnerable in society, particularly women and girls. We are seeing rape and other forms of sexual violence against women and girls, and we are

seeing disruption to the provision of sexual and reproductive health and rights services. I support my noble friend Lady Hodgson's Private Member's Bill on women, peace and security, and I hope to hear more on that later.

On climate, according to yesterday's report, the *2023 Emergency Watchlist* published by the International Rescue Committee, an estimated 80% of people displaced by climate change are women and girls. The economic effects of extreme weather events can contribute to girls dropping out of school, push girls to early and forced marriage, and divert funding away from reproductive and sexual health services. All of this undermines their long-term opportunities and our hopes for truly sustainable development.

I look forward to the Government's forthcoming women and girls strategy, and I hope my noble friend the Minister can reassure me that it will support ActionAid's call to resource the women and girl-led organisations that provide life-saving services and help hold their Governments to account; to meaningfully partner with women and girls; and to provide long-term, flexible funding for women's and girls' rights organisations for their own priorities. I add to that a plea to re-establish the UK as a major player in sexual and reproductive health and rights. We know that such services lead to improvements in education, gender equality, political stability, economic development and environmental sustainability.

In my remaining time, I want to address the state of development here in the UK. I have spoken many times in this Chamber on the distressing outcomes that the cuts to UK aid have had on millions of people around the world. We have heard a lot more on that today from many noble Lords. This year, it has been exacerbated by the reported £3 billion that will be taken from the FCDO ODA budget because of the domestic costs of refugees.

Sadly, there has been very little transparency or accountability on these costs, despite my best efforts and those of many noble Lords. We find ourselves in the exceptional situation of not knowing what the FCDO budget is—and this is two weeks before the end of the ODA accounting year. That is hardly sound management of public money. Can my noble friend the Minister shed any light on how much of these domestic costs will be charged to ODA this year, in two weeks' time? If not, will he commit to writing to me with an estimate?

Sadly, this is the latest in successive rounds of cuts that have been exacerbated by the merger between the FCO and DfID into the FCDO. Despite reassurances at the time, development has not been at the heart of this new department. I agree with my noble friend Lord Hannan that international development must be done well, not badly, but the merger has not helped this, and nor has it helped on accountability or evaluation.

It is not just the impact of these cuts but the way they have been done. A few weeks ago, at an international conference, I shared a panel with an African parliamentarian. She publicly criticised our actions, explaining how they were told that funding to provide women with contraception would be stopped, immediately, leaving them no time to find alternative resources. These are our partners and our allies who we have let

down. As we heard from the right reverend Prelate, it impacts not only on our international development reputation and relationships with these partners but on our trading relationships, security partnerships and political relationships. This is at a time when we are seeing other actors leverage their investments and relationships for political gain. It is something I regret to see. I hope we can rebuild our relationships with our partners to ensure that they support us in our international aims and that we do the same.

I will end on a positive note. All is not lost; we have the opportunity to recover our international standing. I commend to noble Lords, the FCDO and the Treasury a recent article by Ranil Dissanayake and Stefan Dercon for the Center for Global Development, which sets out clearly the challenges and offers some effective solutions. It calls on us to articulate a vision and strategy for UK development policy, to establish controls to promote strategic and effective spending, and to rebuild and reverse the loss of development and expertise from the FCDO.

I am grateful that the Government once again have a seat for development at the Cabinet table, and that we have such a champion for development in Andrew Mitchell. With his work, and with political will from the Foreign Secretary, Chancellor and Prime Minister, we can take measures to ensure that our activity overseas through official development assistance gives us reason to be proud of our role in the world.

1.27 pm

Lord Hannay of Chiswick (CB): My Lords, I am delighted to follow the noble Baroness, Lady Sugg, whose principled decision to resign from the Government on this issue was a subject of admiration.

I made my maiden speech in your Lordships' House in the summer of 2001, at the Second Reading of the Bill on international development. That Bill was a step along a road that made Britain a genuinely world-leading force in development policy—a process that was completed over the next decade or so, as our aid spending reached the UN target of 0.7% GNI. That annual commitment was then consolidated in our domestic law. Today's debate is being held in very different circumstances, among the smoking ruins of that world-leading role.

It is high time we had a proper discussion of how that self-inflicted trashing of one of the main pillars of Britain's soft power worldwide came about and what can and should be done in the future. For that opportunity, I am deeply grateful to the noble Baroness, Lady Northover, and to the noble Lord, Lord Bruce, for introducing the debate on her behalf. The noble Baroness played an important and positive role during the coalition Government and we should be very grateful for that.

The debacle came in two main stages, for both of which the principal responsibility rests with the right honourable Boris Johnson, whose solipsistic and sloppy policy-making led first to the swallowing-up of DfID in the FCO—a department with no working experience of implementing a multibillion-pound expenditure programme—and then, during the Covid pandemic, to the arbitrary reduction of the 0.7% annual commitment to 0.5%.

[LORD HANNAY OF CHISWICK]

That drastic cut in resources, now being extended for a further lengthy period, was both unnecessary and disproportionate. Why do I say that? Because the terms of the 0.7% GNI commitment ensured that there would have been a proportionate reduction in our aid spending anyway, during the Covid pandemic, the Covid-related period of economic contraction and the current recession, however long it lasts.

These cuts too are being inflicted on a world whose needs have never been greater, as the impact of Covid and the Ukraine war are being felt worldwide. Hard though the Government try to conceal their impact on individual countries and on multi-annual programmes, their true extent is becoming daily more evident: in Somalia, suffering from an unprecedented drought; in Yemen, whose humanitarian crisis is as bad as ever; in programmes needed to combat climate change and mitigate its consequences; and in conflict prevention spending. That is without counting the substantial chunk of our aid budget which is going to the cost of Ukrainian refugees in this country. That payment is of course a worthy cause, without doubt, and it meets DAC rules, at least for one year, but it is hardly a core objective of our aid policy.

We really should hang down our heads in shame, even if other developed countries spend less on ODA than us; they should do so too. I have heard a recently retired senior UN official describe our aid policy now as making us a laughing stock in New York. What is to be done, as Lenin once wrote? Well, we can hope that the recent and very welcome appointment of the right honourable Andrew Mitchell as Minister for Development, with a seat in Cabinet, will remedy some of the damage inflicted by the balkanisation of DfID. Can we not also now create a critical path towards restoring our aid spending to 0.7% of GNI—that remains a commitment in our domestic law, I remind the House—and avoid simply postponing that outcome to the Greek calends, which is what current government policy actually adds up to?

Then there is the challenge of climate change. What contribution are we planning to make to the loss and damage fund which it was agreed at COP 27 should be set up? Will climate change spending be separate from the 0.5% cap—as it should be, as it is for the common good and not simply for the good of developing countries? Will we be prepared to champion a new global programme of debt forgiveness, not just the rephrasing of debt, to help those developing countries most affected by Covid and the surge of inflation? Will we ensure that there is no reduction in WHO and other global health programmes, to which many other noble Lords have referred, which are designed to guard against future pandemics and long-standing diseases such as malaria?

The answers to those questions matter, not just for ethical and humanitarian reasons, but because they affect Britain's soft power in an era when we will need it more than ever, as we face the rivalry of authoritarian states, which will be a continuing feature of the world in which we live.

At the beginning of this week, I listened to the Foreign Secretary's first major speech since he took office. It was very well crafted and its main contention

that we need to strengthen our relations, in particular with the countries of Asia, Africa and Latin America, was surely well taken. But just how compelling will that message be when it is accompanied by drastic cuts in our contributions to those same countries' own development priorities? Not very compelling, I suggest. I fear that the gap between rhetoric and reality is just too wide.

1.34 pm

Baroness Hodgson of Abinger (Con): My Lords, it is a pleasure to follow the noble Lord, Lord Hannay. I too thank the noble Baroness, Lady Northover, for securing this debate and congratulate the noble Lord, Lord Bruce, on so ably introducing it. I draw attention to my registered interests, particularly around women, peace and security, the Preventing Sexual Violence in Conflict Initiative, and Afghanistan.

UK aid and development work helps to address disasters and extreme poverty. It encourages human rights and promotes democratic and peaceful societies. Much good has been achieved over the years, and it is an area where there is a lot of cross-party consensus. My noble friend Lord Hannan talked about measuring impact. Some ODA is measurable—disaster relief, schools and hospitals built, and children educated and vaccinated—but quite a lot of it is not. The empowerment and democracy programmes are a long-term investment.

As the noble Lord, Lord Bruce, and others already said, prior to the pandemic the UK was at the global forefront on international development. It was the first of the G7 countries to declare 0.7% for ODA, and international development was a leading pillar of our soft power. Since then we seem to have retracted, with ODA reduced to 0.5% and not all of it reaching fragile countries. At this moment, a number of questions need asking. DfID had a worldwide reputation; has the effect of the DfID/FCO merger harmed this? Is the aid for trade approach detrimental? Are we throwing away all the good will and irrevocably damaging our soft power at a time, in the aftermath of Brexit, when we need it most?

I ask my noble friend the Minister to clearly lay out the situation. Before the pandemic, the ODA spend was around £14 billion. I understand that it has reduced to £10 billion. How much of that is going to help overseas and what proportion is being diverted to refugees in the UK? Of course we need to help those fleeing conflict, most recently all the refugees from Afghanistan and Ukraine. However, I understand that most countries do not fund domestic help for refugees out of ODA, and in February this year the price for this was standing at £4.7 million daily. Why is the UK funding refugee costs in this way?

Identifying efficient and effective programmes is key. Other noble Lords already raised the issue of funding. Is channelling so much funding in large tranches through the UN and multilateral agencies good value for money, as they often take an enormous top slice? Surely, in terms of impact, there is a good case for more funds being given directly to grass-roots projects. Our embassies are excellent conduits for identifying local, effective, trustworthy projects. However, too often the funding for these comes in too late, needs to be spent in a short timeframe, and, as has been raised,

lasts for only a year, with small charities worrying about survival and then having to deal with onerous reporting.

It was clear from sessions at the Preventing Sexual Violence in Conflict Initiative conference that there needs to be more input from the grass roots in designing projects so that they appropriately address specific and unique needs. I urge the FCDO to consider how it could achieve a new approach on this, as funding at the grass roots with comparatively small grants can yield transformative results.

The rights of women and girls have been significantly rolled back on all fronts globally. The Covid pandemic hugely increased violence against women and the increase of conflict has fuelled abuse and sexual violence, as we so graphically heard at the PSVI conference two weeks ago. At the moment, the humanitarian response to GBV and SRHR is very underfunded. To achieve gender equality, women and girls need control over their own lives and bodies. Access to contraception is key. I am also concerned that the focus on maternal mortality has been lost.

Equally important is access to safe abortion. No woman should have to bear a child through rape. Safe abortion care saves lives, as every year, through lack of access to abortion, there are some 35 million dangerous backstreet abortions, resulting in the death of at least 23,000 women, with millions more left with injuries and disabilities. At a time when we face an emboldened anti-rights movement, can the Minister undertake to look at UK funding to ensure that we redouble our efforts on rights-based access to family planning and delivering universal health coverage? We look forward to the international women and girls strategy next year, with its three Es of education, empowerment and ending violence, as the UK's core agenda of promoting freedom and democracy cannot happen without freedom for women.

Poverty fuels conflict, and war zones are poor zones. In the past decade there has been an increase in violent conflict globally, so why is there a focus on conflict resolution rather than conflict prevention? We should not forget that just \$1 of peacebuilding can lead to a \$16 reduction in the cost of armed conflict. Surely, we would rather spend money on aid than arms. How effective has the new FCDO conflict centre been so far, given that, as I understand it, its budget has been cut?

Conflict disproportionately affects women. The UK has led the way on the women, peace and security agenda. We hold the pen for this at the UN and were one of the first countries to support UN Security Council Resolution 1325. However, in the introduction to the Government's latest report, *UK National Action Plan on Women, Peace and Security 2018 to 2022*, the FCDO and MoD Secretaries of State recognise that there have been real challenges to this agenda and that the progress of the last 20 years is under threat. The situation has been clearly highlighted by what has happened in Afghanistan, with every woman in a public position having to flee for her life; and we have heard horrific reports of the use in Ukraine of rape as a weapon of war.

Some noble Lords here today supported the Second Reading of my Private Member's Bill, the Women, Peace and Security Bill. I hope that the discussion

today has highlighted how this Bill will help future-proof our commitment to systematic gender consideration and responsiveness in UK foreign and defence policy, and to ensuring that the Preventing Sexual Violence in Conflict Initiative continues. I very much hope that the Minister will commit this afternoon to supporting the Bill.

This is indeed a timely debate, taking place right after Human Rights Day and the 16 days of activism to prevent violence against women, and at a time when progress on the SDGs appears to be falling behind. Surely, we must view foreign aid as an investment, not an expense, and its ultimate goal must be to make countries self-sufficient and economically prosperous, and to prevent poverty, bring peace and help empower all.

1.43 pm

Baroness Sheehan (LD): My Lords, it is a pleasure to follow the noble Baroness, Lady Hodgson of Abinger. I agree wholeheartedly with every word she said. I thank my noble friend Lady Northover for initiating this debate and regret the circumstances which prevented her moving the Motion herself. I commend my noble friend Lord Bruce of Bennachie for the way in which he introduced the debate, and for giving us the benefit of his breadth and depth of knowledge in this area.

Let me start by taking, like so many others have in this House, a moment of pride in the country in which we live. I refer of course to the moment in 2015 when the International Development (Official Development Assistance Target) Act put into law the long-standing call by the UN for donor countries to spend 0.7% of their GNI on official development assistance. However, in November 2020, despite a commitment in the Conservative Party manifesto—at this point, I just say that I welcome the contribution to the debate of the noble Lord, Lord Hannan. He talked about the democratic process being undermined. A manifesto commitment being cast aside helps make my point that the democratic process is certainly not undermined and that Governments giving commitments should stick very much within them.

The commitment to 0.7% in the manifesto was cast aside and reduced to 0.5%. This happened at a time when the Covid crisis had increased the need for our support for and commitment to the world's poorest. It has been compounded by the hardship caused by the war in Ukraine in the immediate impact of the food shortages, not least in east Africa, and in other ways that I will come on to later.

While this cut was agreed by the Commons in July 2021, it had in fact started with immediate effect the previous November, in a chaotic and one might say callous manner, which I think the noble Baroness, Lady Sugg, referred to and which the then FCDO Secretary of State did so little to mitigate. With very little warning, aid programmes including study grants were terminated midstream. This, at least, with some foresight, thought and compassion, could have been done differently. So much for Conservative compassion.

At this point I will give a little example from my own experience. I am a trustee of the Malaria Consortium and very much agree with all the comments made by the noble Baroness, Lady Sugg. The Malaria Consortium had a programme in Nigeria, SuNMaP 2, which was

[BARONESS SHEEHAN]

terminated immediately on the announcement. This completely undermined about a decade's work that had put in place, together with the local, regional and central Governments in Nigeria, systems that were really beginning to bear fruit and embed processes in that country. This was all lost at a stroke. It is such a tragedy.

It is welcome that we now have a Minister in charge of development who is respected by the development community. However, unless the fundamentals of aid delivery are recognised and until such a time as openness, transparency and accountability again become core elements of the aid budget, he will be in place but not in control.

This Government's record of letting down the poorest in the world remains deplorable. Just last month the FCDO announced that the ODA budget had been reduced to £7.6 billion for 2022-23, a £1.7 billion cut compared with the budget the Government started the financial year with. This depletion of the already-reduced aid budget is a direct result of the UK Government increasingly seeking to meet the cost of hosting refugees domestically from the ODA budget. Here, I register my involvement in the Homes for Ukraine scheme, under which I am sponsoring a family. While earmarking ODA to meet the costs of hosting refugees domestically is permitted under the OECD DAC rules, the UK is the only G7 country to fund all the costs of hosting Ukrainian refugees from the aid budget.

To put this in context, in 2021 more than £1 billion, which represents the largest proportion of the bilateral aid budget at 14%, was diverted to the Home Office to meet UK refugee costs. Over the same period, £743 million was lost on humanitarian aid, which dropped by a whopping 51% compared with 2020. While the Government recently committed an additional £2.5 billion over two years to cover the costs of hosting refugees, taking the UK's ODA budget up to 0.55% of GNI, this will not be enough to cover the shortfall.

Diverting money from the aid budget to in-country refugee spending is morally wrong. The Government are effectively providing a blank cheque to the Home Office in the form of the ODA budget, asking the world's most vulnerable communities to foot the bill for the UK's international legal obligation to refugees.

I am going to finish on loss and damage. The UK provides climate financing in the form of grants, which are crucial to ensure that countries such as those in east Africa do not go into debt in putting in place adaptation measures to prevent climate devastation. It is important that this future-proofing continues, not least because it will help to stem refugee flows from those regions.

I welcome the major achievement of COP 27 in establishing for the first time a fund for loss and damage. That is an historic achievement, and it is crucial that it is urgently operationalised so that countries on the front line of the climate crisis can quickly access fair and automatic financial assistance and support in the wake of both immediate climate impacts and slow-onset impacts such as sea-level rise.

I have two questions for the Minister. First, what work have the Government done on how a loss and damage finance facility should function and how

contributions should be calculated? Secondly, will the Government consider a debt-swap arrangement such as the one advocated by the Maldives, where the debt of vulnerable countries is cancelled in exchange for commitments to invest in high-quality decarbonisation projects? They would dearly like to do both but cannot afford to. Loss and damage is really important. After all—

Baroness Bloomfield of Hinton Waldrist (Con): My Lords, I remind the noble Baroness of the time limit.

Baroness Sheehan (LD): I am just about to finish. The polluter pays principle is well established. Why should it not apply equally to the developing world, which after all did nothing to cause the climate devastation that we see with increasing frequency?

1.52 pm

Lord Londesborough (CB): My Lords, I thank the noble Baroness, Lady Northover, for securing this timely and critical debate. I am sorry that she is not able to be with us today, and I thank the noble Lord, Lord Bruce, for leading it instead.

The debate is timely because, as we all know, there is huge demand and need for aid and assistance overseas following the pandemic, war in Ukraine, Afghanistan and multiple other humanitarian crises, and it is critical because our ODA budget appears to be suffering death by a thousand cuts. As Andrew Mitchell, the new Minister of State, admitted to the International Development Committee last week, the UK has lost its "development superpower" status as domestic issues increasingly marginalise overseas aid.

Rather than simply wringing my hands, I want to suggest to the Minister a strategy that is gaining support across both Houses. To that end, I should declare that I am vice-chair of the newly formed APPG on Aid Match, which includes 19 parliamentarians across all party groups. I shall say more on that later.

I want to focus on the ODA budget itself and seek some transparency on the key numbers. Many of us here have spoken out against the Government's appalling decision to cut overseas aid by 30%, from 0.7% of GNI to 0.5%. I will not rehearse the arguments now as it is clear that the measure will not be reversed by this Government, even though both Andrew Mitchell and the Chancellor, Jeremy Hunt, spoke out and voted against the cuts two years ago.

However, I ask the Minister to confirm the Treasury's view on when the UK economy will meet the two fiscal tests—notably, that underlying government debt as a percentage of GDP is falling—to restore the 0.7%. We have been told "fiscal 2025" but also that the new Prime Minister is considering extending the freeze at 0.5% for two years beyond that. I ask because many of the projects that we support are necessarily long-term and structural, as the noble Lord, Lord McConnell, pointed out, such as education, healthcare and sanitation. Our aid partners have an increasingly impossible job to plan and execute if their budgets are being reduced by 50% or more, as they are in many cases, especially for bilateral aid.

What should we make of the startling fact that in 2021 we cut our bilateral aid to lower-income countries by 40%, compared to a 17% reduction to middle-income

countries? Can the Minister advise on when we will see the full impact reports of these cuts? We need greater transparency on the casualties of these costs, as the noble Lord, Lord Fowler, highlighted.

The problem is exacerbated by some 30% of this diminished ODA budget now being siphoned off to the Home Office to finance the burgeoning costs of housing refugees and asylum seekers in the UK, notably from Ukraine. In real terms, I believe this has reduced our overseas aid budget—I stress “overseas”—to close to 0.3% and not 0.5% of GNI. That is less than it was in 1997. I appreciate that international rules allow for this cost, which I believe is some £3 billion, to be taken from the ODA budget, as the noble Baroness, Lady Sheehan, has just pointed out. However, we are the only G7 country doing this in practice, rather than taking it from Treasury reserves. Can the Minister please confirm what proportion of ODA is expected to fund the cost of refugees in the UK in 2023? Given that many of these refugees become economically active in this country within their first 12 months here, which is very welcome given our shrinking workforce, it seems entirely wrong that the ODA shoulders the whole burden.

I too am delighted to see Andrew Mitchell back as Minister of State for Development. I read with interest his comments in front of the International Development Committee last week. He spoke a lot of sense, especially about the quality and quantity of spend. In particular, he raised a point about squeezing

“a quart out of a pint pot”

in looking for collaborative and innovative ways to bolster overseas aid spending. In search of such a multiplier, I refer the Minister to the concept of using the Government’s ODA to match-fund, and therefore attract substantial private donations. This model, pioneered by the Fortune Forum charity, was adopted by DfID in 2011; it led to the formation of the private sector department and its design of UK Aid Match. This resulted in delivering effective aid through over 100 blue-chip NGOs in more than 50 countries, impacting some 100 million lives.

Yet, impressive though those numbers are, the £377 million in matching funds through the various rounds between 2011 and today represents just 0.2% of the UK’s ODA. It should and could be so much more. Raising it to just 2% of ODA would represent real progress, unlocking hundreds of millions of pounds of private donations for front-line NGOs, without draining further funds from the taxpayer. Can I therefore ask the Minister to look into this initiative and raise it with the Secretary of State at the earliest opportunity?

1.58 pm

Baroness Jenkin of Kennington (Con): My Lords, the key focus for UK international development policy and aid spend should be tackling poverty, accelerating sustainable development in developing countries and tackling inequalities. This is not only the right thing to do but in our national interest, and we should be clear about that in making the case. It is outcomes which matter.

I welcome the Government’s commitment to not leave anyone behind, which means that ODA spending needs to reach the world’s poorest and most marginalised,

and most especially women and girls. We are experiencing ongoing and protracted global crises. Covid, and now the economic crisis, has deepened inequalities and rolled back progress on gender equality by a generation. We know that women and girls are particularly affected by these crises: the east Africa hunger crisis, climate change, and conflicts such as Ukraine and its spillover effects all impact women and girls disproportionately. The rights of girls in so many countries are going backwards and we in this country should count our blessings every day.

There is an urgent need to accelerate outcomes for gender equality, strengthen women’s and girls’ leadership and prioritise a locally led approach. When you invest in women and girls and their rights, especially reproductive rights, and their education, you invest in entire communities. For example, decreasing gender gaps in employment alone can significantly stimulate economic growth and increase global wealth by \$160 trillion, which is urgently needed, now more than ever.

Research shows that, due to traditional gender roles, women assess risk differently from men and typically prioritise the welfare of their families and communities. Such differences in decision-making extend to national politics. A 2019 study shows that national Parliaments with more women pass more effective policies on families, climate and other issues. Studies show that investing in high-quality sexual and reproductive health services means that unintended pregnancies drop by 68% and maternal deaths drop by 62%, as well as giving women the choice of when to have children and how many to have, which leads to a subsequent improvement in living standards. IMF research shows that an increase in violence against women by one percentage point is associated with a 9% lower level of economic activity. So I welcome the Government’s commitment, and reiteration of their commitment, to invest in gender equality, not only because it is the right thing to do but because it is the smart thing to do.

There is also political momentum. The Preventing Sexual Violence in Conflict Initiative conference, hosted by the UK in London two weeks ago and mentioned by the noble Baroness, Lady Hodgson, was a key opportunity to listen to survivors’ voices demanding action. On gender-based violence, the UK Government have historically been a leading donor on prevention of violence against women and girls in international development and through the Preventing Sexual Violence in Conflict Initiative. We need to remain committed to this priority and to supporting global gender equality through our foreign and development policy.

We all have our daily routines, and one of mine is to do squats as I clean my teeth. Another is to take a moment, as I bicycle over the bridge every morning, to reflect on the lives of women and girls across the globe, struggling with the consequences and challenges of being born with two X chromosomes. This year, we have watched with dismay as the position of so many females has deteriorated so significantly in so many countries, not least with the challenges that we women and girls face here in the UK.

The previous Foreign Secretary committed to restoring funding to women and girls. I know that Minister Mitchell has long championed women and girls, and

[BARONESS JENKIN OF KENNINGTON]

specifically girls' education; can my noble friend the Minister confirm that commitment and say when he thinks this will be achieved? We must continue to invest in programmes that focus on improving people's lives through giving them opportunities to build a livelihood and provide for their families, meeting basic needs and educating children, especially girls. I look forward to the upcoming women and girls strategy. Can my noble friend the Minister reassure me that this will be a comprehensive strategy that will embed the importance of work on gender equality across all aspects of the FCDO?

I appreciate that many of us have made the case today for the causes that we individually champion and have argued for during this debate. But many noble Lords have mentioned our long and proud history of supporting the health and rights of women and girls around the world, and I hope that we can all agree that that should be continued.

2.03 pm

Lord Loomba (CB): My Lords, I thank the noble Baroness, Lady Northover, for initiating this debate. I am sorry that she is unable to be present, particularly because she has great experience and wisdom in this area. However, I thank the noble Lord, Lord Bruce, for taking her place today to allow this important debate to proceed.

These are difficult times, with the climate, conflict and the aftershocks of Covid causing serious social and economic shocks worldwide, with the poorest and the most vulnerable suffering most, both at home and overseas. The Government have difficult choices to make, and we hope that the world will return as swiftly as possible to the path of stability and sustainability that is required if we are to deliver on the United Nations' sustainable development goals by the end of the decade.

It is at times like these that we must think carefully about our own contribution to the path that the world takes going forward. Last week, as we have heard, the Development Minister highlighted that the UK's prestige is impacted by the cuts in overseas development aid and the cost of supporting those who have fled to the UK from war zones. When it comes to Ukraine, we are of course dealing with an emergency in which we all must play our part. Here I declare my interest as chairman-trustee of the Loomba Foundation. I am proud that the Loomba Foundation, in partnership with Barnardo's, is delivering a programme to provide financial support to 1,000 families who have fled to the UK from Ukraine, to assist them in taking the first vital steps towards settling here and helping them build a more positive future.

Many are calling for overseas development assistance to be increased, but I want to focus on how, in these difficult times, we can build on our strengths as a foundation for rebuilding our influence in the years ahead. To name an area where I have direct experience, I would highlight girls' education, where this country's commitment to gender equality offers a moral beacon to the world. Education has formed an important part of the work of the Loomba Foundation since our establishment 25 years ago with a mission to educate

the children of poor widows in India and so break the cycle of deprivation. Unfortunately, when it comes to education in India, as in many other countries, boys are given preference. Another area on which the Loomba Foundation has focused is providing skills training to widows so that they can earn money, become self-reliant, educate their children and lead a life of dignity.

I urge the Government to keep the strategic importance of overseas development aid uppermost in their calculations. While difficult choices have to be made, I ask the Minister in particular to assure the House that international programmes focused on delivering education for girls in low and middle-income countries will not be cut and that the Government will continue delivering aid to charities engaged in educating girls.

2.08 pm

Lord Purvis of Tweed (LD): My Lords, I know that my noble friend Lady Northover will take some solace at this difficult time for her and her family when she reads this debate in *Hansard* and sees the credit she has been given in her absence for securing this important time to allow us to make all these contributions, with great seriousness, on such an important issue. From these Benches, I am also very glad that we could deploy our super-sub, my noble friend Lord Bruce, to so comprehensively open the debate and steer it in the perfect direction to allow the consideration of these important issues.

We take so many things for granted in this country, even at a time of enormous economic pressure and uncertainty—for example, girls being able to go to the toilet in privacy; turning a tap on and drinking a glass of water; or brushing our teeth in clean water, even if we are not doing squats like the noble Baroness, Lady Jenkin.

I declare an interest in that I contribute to parliamentary strengthening work. Last week I was in Malawi, a country that has been badly afflicted over the years by HIV and AIDS, as referenced by the noble Lord, Lord Fowler, and malaria, as mentioned by the noble Baroness, Lady Sugg.

Last Friday was a day of great shame for me. I visited a constituency in an extremely rural area of Malawi with the First Deputy Speaker. I went to a village where the source of water for that village of 150 people is a filthy stream. The women go at night to collect the water, which is, relatively, the safest time that they can do so. Of course, toilet facilities for girls, indeed any facilities in the area, are still a bit of a distant hope. I got back to the hotel in Lilongwe and saw ping on the news that a Member of this House was taking leave because she was being investigated for making profit out of PPE schemes. That week in Malawi, I was held in fairly high regard because I am a Member of this House. I still have not quite come to terms with the juxtaposition of my experiences on that day.

It is in the context of water and sanitary health—which we take for granted—that, as the Independent Commission for Aid Impact highlighted in its report earlier this year, the Government made the decision to cut funding by more than two-thirds, from £206.5 million to £70 million. As has been referenced before, this is

not theoretical or academic; it will have an immediate impact on lives. These are choices, and the consequences, as Bond put it,

“ended an era of bold global leadership by the UK on the provision of safe water, sanitation and hygiene for the world’s poor, just when that bold UK leadership is needed most.”

This is by choice. I respect the contributions of the noble Lords, Lord Hannan and Lord Herbert, when they say that these are difficult times. Of course they are. In September, however, the Government chose, in their mini-Budget, to announce a tax cut for those earning £150,000 or more and to borrow amounts comparative to the overseas development aid cut to pay for it. These are choices. As my noble friend Lady Sheehan said, when the House of Commons voted for the 0.5% fiscal rules, the French Parliament voted that same week to move within this period to 0.7%. These are choices.

When it comes to the issue of the deep crisis and famine that we have heard about in the Horn of Africa and east Africa, the Government made a choice to contribute £156 million to the region, compared with the £861 million that we contributed in 2017. It has a direct impact on lives.

I have found that part of the difficulty is—as raised by the noble Baroness, Lady Warwick—in finding out what the Government intend to do in their Budget Statements. There has been deliberate obfuscation. The noble Baroness asked the Minister to estimate when we might meet the fiscal tests. The Government said, when they cut to 0.5%, that this would be down to the Office for Budget Responsibility. The OBR, in its spring review, said that the tests would be met for 2023, but the Government did not like that answer, so they said that they would defer it to the Autumn Statement. Of course, we have now seen the consequences of the fiscal situation as a result of the Government’s announcement in September.

One area in which I hope the Minister can be crystal clear this afternoon is the absolutely clear promise by Liz Truss when she was Foreign Secretary to restore funding for women and girls. Regardless of the scale, this is about a commitment to restore that funding. The noble Baronesses, Lady Sugg and Lady Hodgson, and others have raised these issues repeatedly. I raised this with the noble Lord, Lord Goldsmith, during Oral Questions on 28 February this year and asked where we were with that commitment. He replied:

“My Lords, as I said, the Foreign Secretary has been clear that we are restoring funding to women and girls.”—[*Official Report*, 28/2/22; col. 541.]

On 23 November, I asked the noble Lord, Lord Ahmad, where we were with that, because I could not see any results from that commitment. He replied:

“I would say to the noble Lord ... that it is not just about money.”—[*Official Report*, 23/11/22; col. 1367.]

Of course it is not just about money, but this was a promise given by the Government. Are we meeting it? Where is the information? If the Minister responds to any part of my contribution, I hope he will reply to that.

As my noble friends Lady Suttie and Lord Bruce said, what has been so disappointing is that the consensus that had developed has been replaced by a degree of

cynicism, artificially using Treasury rules, obfuscation, a lack of transparency and refusals to publish key impact data and gender equality assessments—which a parliamentary committee had to publish through parliamentary privilege because the Government refused to do so. Country plans are still not in place for us to scrutinise. It was only with repeated questioning that we found out that UK support for Ukrainian refugees here at home is to be at the cost of those who can least afford it abroad.

It is not just about the money, but the tragedy of losing the consensus we seemed to have developed, which was that we understood the essential components of effective aid: innovative research, joint working with partner countries and professional delivery, with the do no harm principle in extremely difficult areas. It was also about doing it at scale—not to an arbitrary figure, but to a figure which would make the difference for outcomes.

As a very rich nation—a member of the very small club of the richest nations on earth—we also have a moral duty. That is why it was to me outrageous to read the National Audit Office report—not a political statement, but the NAO report—which highlighted that the decision to make significant cuts was made in one month and without any consultation with local partners to inform the exercise.

Ultimately, our overseas development assistance is about partnership. It is not about giving aid, but building partnerships on trust, predictability and reliability. Those have been washed away. The UK is no longer a predictable or reliable partner. The choices we have made have greatly undermined trust. The head of the UNDP told me and the noble Lord, Lord McConnell, in a meeting when the Government announced the reductions that we are not cutting aid but ending partnerships. That is why my noble friend Lord Bruce is right that we must rebuild this.

Of course, the challenges are enormous. The shame of living in a rich country does not necessarily go away by restoring 0.7% and we will not be able to solve all the problems within the SDG period. But for the first time in our country’s history, more bilateral overseas assistance will be spent at home than overseas. That should be scarring for this Government. We want to be a good partner. We want to ensure that children, whether in the rural Scottish Borders or rural Malawi, feel that they can go to the toilet safely and drink clean water. That should be a fundamental principle. The Government need to rebuild their trust and do so urgently.

2.18 pm

Lord Collins of Highbury (Lab): My Lords, I too thank the noble Baroness, Lady Northover, for securing this debate and the noble Lord, Lord Bruce, for his excellent introduction. As my noble friend Lord McConnell said, the Covid pandemic, the global financial crisis, the global energy crisis and the climate emergency show that the world is more interdependent than ever, and our fates more closely intertwined. Development and diplomacy are our best tools in the fight against poverty, conflict and climate change, and being a force for good in the world means always making a stand

[LORD COLLINS OF HIGHBURY] against injustices, human rights abuses and suffering. It also means putting forward a vision for a more secure and prosperous future, delivering on the UN's global goals and fulfilling our commitments to the world's poorest and most vulnerable people.

But instead of making multilateralism work, this Government have sometimes seemed intent on breaking our relationships and trashing our reputation. They retreated from Britain's commitments, cutting our development target from 0.7% to 0.5%, and stripped billions from vital aid programmes in the process. As the right reverend Prelate highlighted, and as the noble Baroness, Lady Sugg, said, it was the speed and the indiscriminate nature of these cuts that caused the most damage. The Government undermined delivery, overseeing a bungled merger between DfID and the Foreign Office which has resulted in deprioritising development, sapping morale and pushing out our expertise. As noble Lords have highlighted in this debate, they are now projected to spend £3 billion of the development budget here in the UK, to cover the costs of incoming refugees.

The international development strategy that we saw published takes a transactional approach to aid which risks repeating the worst mistakes of the past—and I pick up the point of the noble Lord, Lord Hannan. The improvement in the UK's credibility on aid after the horrors of the Pergau Dam was not a matter of chance but of choice: the choice to untie aid and focus on the goal of poverty eradication. Under the leadership of Tony Blair and Gordon Brown, the UK set its sights on that global target of 0.7%. The UK played a key role in the millennium conference, making global progress on malaria, food, education and health, bringing the world together. One of Labour's lasting achievements has been to forge a new political consensus around development, and it was in Britain's interests that it should be rigorous and transparent, focused on effectiveness and value for money. It was something that Britain should be truly proud of.

To their credit, David Cameron and George Osborne sustained that commitment, keeping Britain on the path to 0.7% that Labour had set. It was an important area of broad, cross-party consensus, as highlighted by the noble Baroness, Lady Hodgson, but I fear that under the numerous Tory Prime Ministers we have had since—Boris Johnson, Liz Truss and Rishi Sunak—that consensus has broken down. In a world of global challenges and political divides, we need both the long-term transformational agenda of development and the political nous of good diplomacy. Both will be essential as we continue that hard work towards the ambitions of the sustainable development goals and beyond.

We must lead by example, not break our word or our commitments. Our commitment to the world's poorest and most vulnerable also means spending on the right aid projects. That means supporting multipliers, so that we do get more bang for our buck; multipliers such as nutrition, clean water, education and universal health coverage, all of which have myriad developmental benefits. We must address the twin drivers of climate change and conflict, championing the green energy transition and climate finance, and supporting peacebuilding and conflict prevention.

Sadly, ICAI's recent review of UK peacebuilding efforts found that chaotic management of the aid budget has set back those efforts. We need to offer an alternative to Chinese physical infrastructure, and link it to British innovation in education, governance and healthcare to support their own development. And yes, we must get Britain back on track to meet its commitment to the UN's 0.7% development target as soon as the fiscal situation allows. Even at a time of real economic hardship and fiscal constraint, it is in the UK's national interest to restore our leadership in international development.

I echo the concerns of the noble Baroness, Lady Sugg, by saying that Labour remains committed to a feminist development policy. Away from the world's gaze, millions of school-age girls across Africa face forced marriage, with all the dangers and humiliations it wreaks. The leaked impact assessments of the 2021 aid spending reductions revealed that the Government were warned that their cuts would disproportionately impact women and girls. I hope that, in the interests of transparency, the Minister will commit today to publish the impact assessments of the pause on non-essential aid this summer.

A Labour Government will campaign for climate change to become a fourth pillar of the UN and will push for a new international law of ecocide to criminalise the wilful and widespread destruction of the environment. To amplify the point made by my noble friend Lord McConnell, Labour will legislate to ensure that Britain's aid budget makes climate action a priority.

In conclusion, it is time to repair our relationships with our allies around the world, to revitalise our nation's soft power, influence and impact with a renewed strategy for modernising international development, to restore the influence of multilateral institutions such as the UN, and—once again, I hope—to build a consensus across the House to ensure that we reach the target of 0.7%, because it is the national interest for Britain to be a force for good in our world.

2.26 pm

Viscount Younger of Leckie (Con): My Lords, I start by echoing the thoughts of many noble Lords by offering my own condolences to the noble Baroness, Lady Northover, on her family loss. At the same, I thank the noble Lord, Lord Bruce of Bennachie, for stepping in so ably and for tabling the debate. I also thank all noble Lords for their considered contributions. I acknowledge that many Peers are critical of the Government's current position on ODA, and fear that I may not be able to give too much comfort to the House with my remarks; but, as ever, I will try to do my best.

The debate is particularly timely given the international context. I start by saying something which has not been said this afternoon: my first thoughts are with those who have tragically lost their lives—once again, I am afraid to say—crossing the English Channel this week. I cannot deny that the pandemic and Russia's barbaric attack on Ukraine have both compromised progress on development; my noble friend Lord Herbert acknowledged that in his remarks. However, the geopolitical context has magnified the importance of

our development work, while placing extra demands on our budgets, including the unforeseen costs of supporting Ukrainian and Afghan refugees, for which the Government are providing additional resource. I will say more about that in a moment. As my right honourable friend Andrew Mitchell said in the other place, it is the right thing to do and a legitimate and fair use of ODA; that has also been acknowledged by the noble Lords, Lord Bruce and Lord Hannay. I welcome the return of my right honourable friend Andrew Mitchell to the Government. I know that his return is widely applauded today because, as the noble Lord, Lord McConnell, said, he understands his subject area—and while that assessment is correct, it is probably a bit of an understatement.

I will answer a question raised by my noble friend Lady Sugg on the amount of domestic costs for refugee hosting that has been charged to ODA. That question was also raised by my noble friend Lady Hodgson and the noble Lord, Lord Londesborough. The UK is providing significant support to people from Afghanistan and Ukraine who are fleeing conflict and seeking sanctuary in the UK, which is the right thing to do. Under OECD DAC rules, some elements of support given to asylum seekers and refugees for the first 12 months of their stay in the UK is counted as ODA, if they originate from ODA-eligible countries. As such, a significant proportion of the ODA budget is being spent domestically. That is legitimate under the rules and is a right and fair use of ODA. However, to answer my noble friend Lady Sugg's specific question on total costs, it is a dynamic situation, and the exact costs of hosting refugees domestically will be available only when we finalise our statistics for international development for 2022, which I can reassure the House will be made public.

To take a step back for a moment, the UK has a proud history of international development, from the Ministry of Overseas Development in the 1960s and its various guises, including as the Department for International Development, to the formation of the Foreign, Commonwealth and Development Office in 2020. The UK has long been a leader in international development. We were the first G7 country to meet the UN's long-standing target to spend 0.7% of GNI on ODA in 2013, and we were at the forefront of negotiating the sustainable development goals. I will say more about this later.

As we know—I have listened to much of the criticism this afternoon—the UK's ODA budget now sits at around 0.5% of GNI. Points were raised very passionately, not least by the noble Baroness, Lady Warwick, the right reverend Prelate the Bishop of St Albans and the noble Lord, Lord McConnell. I would like to add a little balance, which chimes with the remarks of my noble friends Lord Herbert and Lord Hannan. In providing this balance, I will answer a question asked by my noble friend Lady Hodgson. In 2021, the amount we spent was over £11 billion, making us still one of the most generous aid donors in the G7. That is equivalent to half the cost of what it took to build the Elizabeth line. No one can deny that this funding is generous.

Added to this is the British public's enormous support for the people fleeing conflict and seeking sanctuary here from Afghanistan and Ukraine. To meet the significant and unanticipated costs of this support, the Treasury will provide additional resources of £1 billion this financial year and £1.5 billion next financial year. We continue to pledge our steadfast support for Ukraine. It is right that the UK rises to meet these challenges by allocating additional resources. The FCDO is the largest aid spender across government, spending 72% of all UK government ODA in 2021. Given these pressures, the FCDO will have to manage a lower ODA budget than it was allocated in the spending review 2021 settlement.

With this, we are reminded that there are very difficult choices for the Government to make about how to manage this reduction—which, again, a few Peers have said this afternoon. However, I hope to reassure the House that we do have a plan. I will start by giving three overarching objectives. First, we will focus our spending on the priorities set out in the international development strategy, while maximising value for money and our flexibility to respond to emerging issues.

Secondly, because multilateral organisations, such as the UN and the Global Fund for AIDS, tuberculosis and malaria, remain essential partners for achieving our goals, we will meet the financial commitments we have made to them. The noble Baroness, Lady Suttie, raised tuberculosis, which I hope to say more about in a moment, and my noble friend Lady Sugg raised malaria. I will try to help by answering the questions raised, particularly on malaria, although I know that the noble Baroness, Lady Sheehan, and others raised Nigeria, and my noble friend Lord Fowler, if I may call him that, gave a passionate speech on AIDS.

My right honourable friend in the other place, Andrew Mitchell, was pleased to speak at the launch of the *World Malaria Report* on Monday, an event organised by Malaria No More, which my noble friend Lady Sugg mentioned that she chairs. Minister Mitchell spoke of the department's commitment to the fight against malaria and to getting back on track to meet the target to end the epidemic of malaria by 2030. As the Minister said, it is appalling that malaria, a disease that is eminently preventable and treatable, kills a child every minute of every day. He was pleased to announce a £1 billion commitment to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Through this funding, the UK will support the delivery of malaria treatments and care to over 18 million people, and the distribution of 86 million mosquito nets to protect children and families from malaria. The UK is also supporting research and development in the fight against malaria, investing in other global health institutions, and supporting other countries. That might help to answer the questions asked by the noble Baroness, Lady Warwick, on research and development, although I acknowledge it might not go the whole way.

The noble Baroness, Lady Suttie, spoke about TB in particular. I will answer, although perhaps not in full, some of the questions that she asked. As part of our £1 billion contribution to the global fund, which I just mentioned, TB treatment and care will benefit

[VISCOUNT YOUNGER OF LECKIE]

1.1 million people; screen 20 million people for the disease; and provide 41,800 people—it is very precise—with treatment for multidrug-resistant TB. We are also supporting the Stop TB Partnership's TB REACH programme with £6 million to fund new approaches aiming to increase the number of people diagnosed with and treated for TB. I could say a bit more but, in the interests of time, I will move on, if I may.

The noble Baroness also asked about support for the WHO in developing an Ebola vaccine and for the outbreak in Uganda. We have been working with the WHO, CEPI, Oxford University and others to support the Government of Uganda on vaccine trials. Trial vaccines have arrived in the country within 80 days of the outbreak being declared—a significant achievement by all partners that demonstrates the progress made on the 100-day mission, which the noble Baroness will know about.

Let me move back to our overarching objectives; I want to talk, thirdly, about what we are doing. The FCDO will act swiftly to manage its bilateral programmes this financial year. We will approach this in a proportionate way, empowering experts in our missions and relevant policy teams to ensure that we prioritise the right areas.

Let me now go into the priorities of the UK Government's strategy for international development, having focused on the overarching objectives. As the House may know, this strategy outlines four priorities and a patient approach to development. Our patient approach involves working more closely with partner countries to help them build the capabilities and effective institutions for lasting progress, and to help them tackle the structural barriers that they face. We will bring the combined power of the UK's global economic, scientific, security and diplomatic strengths to bolster our development partnerships, and we will harness the best of British expertise to channel world-class UK business, civil society networks, research partnerships and technology capability to countries across the world.

The four priorities are as follows. The first is to deliver clean and reliable investment through British investment partnerships. These partnerships will help low and middle-income countries get the investment that they need to grow resilient, open, thriving economies and reduce their strategic dependence on others.

The second priority, which has been very much a theme of this debate, is providing women and girls with the freedom that they need to succeed. Some interesting and helpful speeches were made by the noble Lord, Lord Addington—particularly on rugby programmes—and my noble friends Lady Sugg, Lady Jenkin and Lady Hodgson. I want to try to answer one or two questions that were asked about this important subject but, before I do, let me say that we will educate girls by standing up for the right of every girl to have 12 years of quality education. We will empower women and girls by unlocking their social, economic and political potential, and we will drive international action to end all forms of gender-based violence.

My noble friend Lady Sugg asked some detailed questions about the forthcoming women and girls strategy. In addition to what I have already said, let me

say that tackling gender inequality and standing up for the rights of women and girls around the world are a core part of the UK Government's mission. The FCDO recognises that grass-roots women's rights organisations are critical to achieving lasting transformation across all our gender equality objectives and we are committed to stepping up our work in this area. The FCDO is exploring options for new support. I am aware of the appalling crimes—I put it that way: "crimes"—that are being committed in both Iran and Afghanistan; some particular examples from Afghanistan were given.

The noble Lord, Lord Purvis, asked me some specific questions on whether we are restoring the bilateral budget for women and girls. He made some passionate remarks about this. In line with what I have just said, we will report on this in due course. Unfortunately, I do not have anything further to say on that this afternoon.

Lord Purvis of Tweed (LD): The noble Lord, Lord Goldsmith, promised me in February that the funding will be restored. Could the Minister be quite clear and just say to me now if that promise is still a promise?

Viscount Younger of Leckie (Con): I am not able to actually say that, but what I can say is that we will report on this in due course. I am not going to stand here at the Dispatch Box and say something that I cannot promise, but of course I am with the noble Lord in hoping that it might be the case.

The third priority, therefore, moving on, is to step-up our life-saving humanitarian work. The UK is a global leader in driving more effective approaches to humanitarian crises. For example, our proactive thought-leadership and innovative approaches on cash transfers have helped double the volume of cash programming in humanitarian settings since 2016, reaching \$5.6 billion by the end of 2019. With our allies and partners, we will prioritise humanitarian assistance for people in greatest need: this was a point raised by my noble friend Lord Hannan, which I think he cited as being an easy decision for ODA spending. He is of course right: that is very important. It includes protecting people most at risk, and anticipating and preventing future shocks.

Our fourth development priority is to take forward our work on climate change, nature and global health. This was certainly raised by the noble Lords, Lord McConnell and Lord Hannay. I will just give a brief answer. The UK is delivering: we are committed and are delivering on our commitment on £11.6 billion, which was made at the international climate finance forum, to support the most vulnerable who are experiencing the worst impacts of climate change. We will triple our funding for adaptation from £500 million in 2019 to £1.5 billion in 2025. We have also committed to investing at least £3 billion of this ICF into the development of solutions that protect and restore nature. I hope that helps.

Let me set out how we will use ODA, a subject which was certainly raised by the noble Lord, Lord McConnell. In a world where global co-operation, including on trade, technology and regulations, is under threat, more than ever we need to remember to

prioritise ODA. This means protecting ODA for those in the poorest countries, and those in most need of support, while multiplying our impact by drawing on private investment. Our international development offer goes beyond how we spend ODA as a catalyst for development. It is also about closer trading partnerships, improved global governance, fairer international rules, and access to expertise and technology. We are using our overseas network to work for more equitable international rules and standards. This approach is not only effective but delivers benefits to the UK: strengthening our global influence, bringing greater resilience to our supply chains, and helping to protect against future global shocks.

I will now move to the big question raised by so many Peers this afternoon: the return to 0.7%. While it is clear that we can remain a global leader in development, I reconfirm our commitment to returning to spending 0.7% of gross national income on ODA once the fiscal situation allows. Our principles provide a clear measure for our return to 0.7% and underline the Government's commitment to this target. The noble Lord, Lord Bruce, put it well—I listened carefully to what he said—when he talked about rebuilding discrete development capacity and expertise. He cited an important word: predictability. The noble Lord, Lord McConnell, I think, added to that by using the word consistency. Of course, he is right: we want to get back to that point where we are regarded in these respects.

The noble Baroness, Lady Warwick, asked a question which I did not initially have the answer to, but I think I may have now, which was on how often conditions for returning to 0.7% were met. According to the OBR, the UK would have met the fiscal test for a return to 0.7% for all three years prior to the pandemic: 2016-17 through to 2018-19 onwards. I hope that helps.

Just to add to that, though, the noble Lord, Lord Londesborough, raised this point. In saying that the Government remain committed to debt falling, balancing the current budget and returning to 0.7% when the fiscal circumstances allow, fiscal tests to determine a return to 0.7% were confirmed by Parliament in summer 2021. The Treasury will provide updates, as I think the House will know, on the implications of future forecasts on the return to 0.7%. We will return to spending 0.7% of GNI on ODA when, on a sustainable basis, the Government are no longer borrowing for day-to-day spending and underlying debt is falling. Before somebody asks how we define “sustainable basis”, I should say that, when reviewing fiscal forecasts, the Government will have to consider whether improvements in the fiscal situation are sustainable. It would not make sense to increase ODA spending when the tests are only forecast to be met for reasons which are unlikely to continue in future years. Given uncertainties in the fiscal outlook, ensuring tests are met on a sustainable basis will ensure that the Government have space to account for fiscal and forecast risks in their assessment of the fiscal situation.

There are a number of other questions which I may try to answer. Let me start with a question raised by the noble Lord, Lord McConnell, on the voluntary national review. The UK's first VNR, in 2019, provided

a comprehensive account of actions being taken across the UK by government, and other actions. No decision has been made about a follow-up to the 2019 VNR—that may not help him—but the Government remain fully supportive of the sustainable development goal. He asked also about an explicit target for looking at conflict and its prevention. This year, bilateral allocations will be decided by experts on the ground who have been empowered to determine, with our partners, which programmes to continue in line with the IDS, prioritising humanitarian and women and girls work where possible.

I am aware that time is moving on. There are questions that I am yet to answer, particularly from the noble Lord, Lord Fowler, on ODA and HIV, and I am certainly going to write to him with the answer, which I do actually have here. I have an answer for the question about dengue fever raised by the right reverend Prelate the Bishop of St Albans; I think it is better to put that in writing. I will also answer the question about charities raised by the noble Lord, Lord Addington; again, I think it is best to put that in a letter.

The UK remains one of the largest donors of official development assistance in the world. We magnify the impact of our budget in a number of ways: we attract funding from other donors and investors, we spend smartly on innovative expert-led projects with a wide reach, and we focus where we can have the most impact and positive effect on peoples' lives. I cite our actions in Syria, where we provided some 182,000 people with drinking water and 153,000 pupils with access to formal education last year.

With the international development strategy—so important as a guiding hand—our spending decisions, our partnerships, and our expertise and professionalism will continue to reinforce our position as a development leader.

2.48 pm

Lord Bruce of Bennachie (LD): My Lords, I am very grateful to my noble friend Lady Northover for allowing this debate to happen, and to have had the privilege of introducing it. It has been an extremely good debate, not surprisingly because there is a great deal of expertise and specialist knowledge in the House, which has been brought to bear. The Minister will be aware of the frustration, and indeed the underlying anger, of the situation we are in, but I am grateful to him for answering questions, including my own.

I am left with a continuing worry that open-ended commitment to refugees makes it impossible to have predictable development spending, and I urge the Minister to take—specifically to the Prime Minister—the need to understand that. There has to be some protection or ring-fencing of the budget, otherwise it is impossible to start to rebuild our reputation. The Minister would have taken on board that there is a will for that to happen. There is a belief that with Andrew Mitchell, and to some extent the Chancellor, there is a possibility to start reversing the damage done, and the House wants that to happen. But I hope the Minister will understand that there are some vital constraints that need to be addressed, otherwise the pious expectations cannot be delivered, and people cannot plan programmes without the possibility of predictability and continuity.

[LORD BRUCE OF BENNACHIE]

That point has been made in different ways across the House by noble Lords who have their own degree of expertise.

We are all grateful to have had the opportunity to have this debate. We are going to want to continue the debate and I am grateful to the Minister for answering the questions he did, and for agreeing to write to those whose questions he did not answer.

Motion agreed.

NHS and Social Care Workers

Question for Short Debate

2.51 pm

Asked by Lord Allan of Hallam

To ask His Majesty's Government what steps they are taking to support public sector workers in the NHS and the social care sectors, given reports of staff shortages and the effects of inflation on NHS and care budgets.

Lord Allan of Hallam (LD): My Lords, it is clearly very timely that we are able to have this debate today, when the concerns of staff in the NHS are making the headlines. It follows a series of exchanges on related questions during the week. It may appear to the Minister that I am acting as something of an understudy to my noble friend Lady Brinton. If so, that is a correct impression as I hope to take over her position as the Front-Bench spokesperson from the new year, assuming that I pass muster today and am not fired before I start the job. Before I get on to my substantive remarks, I should declare a non-financial interest as a director of a not-for-profit called the Centre for Public Data, as I will touch on relevant issues during my comments.

I will start by talking about nurses' pay. I will not rehash the arguments we have had through the week. The Minister has made his case for leaving decisions to the independent NHS Pay Review Body—I have read its report and it is certainly very thorough—but I ask him to reflect on whether this process works at a time of extraordinary inflation. I think it is correct to say that inflation is now higher than at any time during the review body's existence; the last time we were close to this was in the early 1990s.

The Minister has argued that nurses can make their case for a rise that reflects the inflation we have had this year, during the next review process that will start in early 2023. That may indeed, and we hope it will, lead to a meaningful uplift in pay for 2023-24, but it will still leave nurses facing huge increases in the cost of living now, with the next award still some way off.

In a normal year of 2% or 3% inflation, people can carry those increased costs in the expectation of a later pay rise, but that will clearly be much harder for them when price rises are in the double digits and there is no prospect that they will come down across the board. It seems reasonable to look at whether the independent pay review process needs a mechanism that can be triggered in such exceptional circumstances; otherwise, the risk is that staff will feel that they cannot wait for pay to catch up with prices, that they will leave the

service and that this will make the staff shortages that are the subject of this debate even worse. As staff shortages get worse, conditions get worse for those who remain.

On the social care side of the equation, I know that the Minister is acutely aware of the knock-on effects of there being too few places in social care for people who should be coming out of hospital. We have discussed that in Questions about the ambulance crisis—another thing that is coming to a head over the next few weeks and months.

It is just over a year since the Government published their strategy for reforming social care on 10 December 2021, but since then we have had two new Prime Ministers and seen major planks of that strategy jettisoned along the way. Yet the problems remain acute and are in need of long-term reform and commitments, just as they were in 2021.

I hope the Minister can shed more light today on how the Government intend to ensure that there are sufficient social care places, and especially how they can do this when local authority budgets are being squeezed and the care home providers face increased costs, all of which tends towards fewer rather than more social care places being available. The Health and Social Care Committee in another place estimated that we will need another 490,000 social care jobs by the early 2030s—all this while we are not even filling the current vacancies.

A key further element in the Government's approach to improving NHS staffing is their new commitment to publish a long-term workforce plan. This has been widely welcomed, particularly the fact that the Government have committed to it being independently verified.

In that context, I encourage the Minister to consider two aspects of the plan in order to make it as useful as possible. First, it should be as rich and granular as possible in the data it provides on the workforce, so that groups who are interested in particular conditions can see what is happening in their area of interest. For example, Parkinson's UK has been in touch, flagging that it finds it hard to understand the level of filled and vacant posts for staff specialising in the care of people with Parkinson's. There is current data available from NHS Digital, but it does not have the granularity needed. It is a common complaint that, once you aggregate data or spread things out in averages, you often lose sight of the most important information. Knowing that there is a 10% average vacancy rate in a particular region is not especially helpful if there is a 30% vacancy rate in the area of concern. I hope the Minister is able to commit, in that process of workforce planning, to publishing as much granular data as possible.

Secondly, it is important that full datasets are made publicly available and regularly updated for that independent scrutiny to take place. The more that people are able to look at the data, the more robust the plan will become. NHS Digital has been publishing useful staffing data and releasing this under the open government licence, so that other people can reuse it. This model should be further developed as part of the workforce strategy, adding the projections that the Government are going to make and any other data

that is being collected and used within the strategy. Transparency of this kind can be painful for a Government as people will query or challenge their data and models, but that pain will lead to improvement over time.

The final area I want to raise in this short debate is the tools that we provide to NHS and social care staff. This is a particular passion of mine, as I spent several happy years working for the NHS in the early part of my career, implementing information technology systems. Back then, we were plagued by major IT system failures—none of the systems I built were in that category, I might add. An excuse often used was that the size and scale of the NHS meant that it needed bigger and more complex systems than anyone else's.

Fast-forward to 2022, and we can see that many services are operating at much greater scale than the NHS is today, and they are using tools that are fast and extremely user-friendly. When done well, IT systems make life easier for workers but, when done badly, they add to their stress and perceived workload. There are still too many instances of this latter effect in the NHS. In her article in the *Guardian* last week, Tara Porter described how poor IT meant that she ended up seeing fewer, not more, patients. This was a significant factor in the decision that she took to leave the NHS as a psychologist, after more than two decades working in the service.

I venture to quote Aldous Huxley in his 1946 introduction to *Brave New World*. He called for a world in which:

“Science and technology would be used as though, like the Sabbath, they had been made for man, not ... as though man were to be adapted and enslaved to them.”

This maxim is well worth bearing in mind as we rightly continue to introduce new technology into health and social care. It should work for staff and patients, making their lives easier and improving outcomes; they should not end up feeling like they are working for the machines.

To conclude, I hope the Minister can reflect on the genuine problem of pay rises lagging behind living costs in times of extraordinary inflation. I would like to hear more about the Government's current thinking on the long-term strategy for social care, after the recent chopping and changing we have seen since it was published. I hope that he can assure us that rich data will be made publicly available through the new workforce strategy so that others can independently verify it, and indeed do their own modelling. I do not expect him to have any quick fixes on the information technology solutions as this is such a long-running saga within the health service, but I look forward to engaging with him on this and other issues over the coming months.

3 pm

Lord Davies of Brixton (Lab): My Lords, I thank the noble Lord, Lord Allan of Hallam, for raising this issue today. As he says, this debate is extremely timely. I have to say that I am a bit surprised and disappointed that so few speakers have signed up for this debate. It is obviously for noble Lords to make their own decisions about which issues they wish to raise, but this one is crucial. You only have to look at the front pages of today's newspapers to realise how important this is.

There is a whole range of issues that could be raised in discussing these issues; I will focus on just two. That is in no way intended to diminish the importance of other issues. As a veteran of the long-lost and unlamented healthcare Bill, I am glad mention was made of the workforce plan. There was a whole debate then in which the Government were resistant to introducing a workforce plan, but it has suddenly become a priority for them. Maybe there is a case there that they need to listen.

The first of the two issues I will focus on is pay in general, and because today is today, I will talk about nurses' pay. Secondly, I am going to take this opportunity to talk about pensions in the National Health Service and, in particular, the impact of taxation rules, particularly the annual allowance and the lifetime allowance, on employment in the NHS. When I first thought of contributing to this debate, I thought I would have less time and would focus on just that issue. However, now I have the luxury of 10 minutes, I have expanded my remarks.

First, pay is an issue across the whole service. All workers within the National Health Service have seen problems with their pay and the need for action to be taken to overcome the clear requirement to sort out the problems that we face. I do not think there is any question that there are big problems and that sorting out pay is a crucial element in resolving them. It is not the only answer, but it is the one I am focusing on today.

In particular, I am focusing on nursing, where we have compelling figures: there are 47,496 nursing vacancies. No doubt the Government will tell us that they have increased the number of nurses, but there is still a horrendous level of nursing vacancies. Over 7 million people are waiting for treatment in the National Health Service, and there are 363,000 people who are out of work because of long-term illness. So, pay is one of the direct measures to address those issues. I hope the Minister will say that he recognises that, even though the Government believe that they are under various constraints. The issue, therefore, is not about whether we can afford to meet the demands that have been made for improved pay; the issue is, with the problems faced by the health service, can we afford not to sort out pay?

To be clear, I support the nurses' demand for a significant pay rise, achieved through collective bargaining. The Government cannot hide behind the independent pay review process because it is clearly broken. I will not undertake a full analysis of the pay review process today, but sticking the word “independent” into a phrase does not make it independent. The Government appoint the members of the pay review body and issue a remit letter that sets out what they can do. It is no criticism of the members of the pay review body to say that this is not a truly independent process: they have to play the cards that they are dealt.

The nurses' action today—the fact that they are on strike—is a clear indication of the gravity of the problem. CPIH, the agreed appropriate prices index, has increased by about 33% since 2010. Private sector earnings have gone up faster than that, by something like 40%, providing a real-terms increase. Public sector pay in general has gone up by a lesser amount: it has

[LORD DAVIES OF BRIXTON]
gone up by only 28%, which is a 5% real reduction. Within that, the nurses have done particularly badly, with an increase of under 20%. So there has been a real-terms reduction of over 10% over the last 12 years. One can only admire their moderation in seeking to recover only half of that fall in real terms. A similar case can be made for other groups of employees within the health service, but the Government have to recognise that the way to see this issue resolved is to accept the RCN's request for direct negotiations. The so-called independent pay review process is just not working any more.

On pensions, a consultation is of course currently under way, and the Government say that this will

“retain more experienced NHS clinicians and remove barriers to staff returning from retirement.”

This is actually the Government's second go at this issue: some regulations have already gone through, but we will have a debate, which I am looking forward to, with the Minister early in the new year on the previous set of regulation changes—and now we are going to get a different set, following a period of consultation. Unfortunately, my regret Motion on the first set still stands. They will be insufficient to address fully the problems with staff retention in the NHS arising from the NHS pension arrangements that the House of Commons Health and Social Care Committee described in its report last autumn as a “national scandal”. The committee was of course chaired by the current Chancellor of the Exchequer.

Given that we will have another debate, and probably further debates on further regulations, I will spare the House a full discussion of this issue—I do not have enough time for that in any event. The issues are complicated, but they are explained on the BMA website, and I invite noble Lords and noble Baronesses to see what the issues are. I admit that, in the regulations currently under consultation, the Government do address one particular issue about the mismatch of the CPI on various indices—but that was not the only problem, and they do not propose to address one of the worst problems. So I am using this opportunity to focus the Minister's mind on this issue, which we will return to. I hope that he will perhaps give us a commitment today that he will take the issue seriously and take part in further discussions.

3.09 pm

Lord Bird (CB): It is wonderful that we get the chance to discuss this very serious matter. I agree with the noble Lord, Lord Davies, that it is pity that so few Peers wanted to participate in the debate. I am sure they are all busy because it is Christmas and there are lots of things to do; God bless them all, whatever they are doing.

About five years ago, after I first came into the House, I really cheesed off a number of doctors. I know that because, in response to a Question on the lack of doctors, I made the observation that the problem was not that we did not have enough doctors, but that we had too many patients. My noble friend Lord Crisp, who is a mate of mine now, said that he does not go for those supply-side arguments—I did not even know what he meant, but I could understand that he was

cheesed off with me. One of the big problems is that we have a health service—which includes nurses, in particular; a subject I would like to talk about, because I have known loads of them—that is always finding it very difficult to make ends meet.

Before I talk about that, I will address prevention. In fact, the noble Baroness, Lady Barran, who sits on the Front Bench as Education Minister, made a very interesting point in an Oral Question on Tuesday: she said that she visited a school where they had taken the kitchen and moved it into the classroom. I thought that that was absolutely brilliant, because most of the young people I know—I have five children, so I have been through this—eat crap. By eating rubbish, they are laying down problems for later life. I have eaten more crap than anybody, but, for some strange reason, I am still here at 76 and everything seems to be working, so I might be the exception that proves the rule.

The idea of moving food, in a revolutionary way, into the classroom so that children can see the science of eating and of making and keeping themselves happy was great to news to me, because I am a preventionist. I came into the House of Lords to get rid of poverty, not to make the poor a little more comfortable. I keep telling people that, some of whom have said that they are irritated by it, but I will keep saying it. Unfortunately, there are too many people in the system who are concerned with keeping the poor more comfortable. I will return to the point: the idea of educating our children so that they know the importance of food and what food does to the body is of incredible importance. I would like the National Health Service to live up to its actual name, rather than becoming a national “I'll get you back to health” service.

I was around in the early days of the NHS. I remember all the exercises we had to do in the playground, organised by public health bodies, and the capsules and the milk. I also remember that about 20% of the NHS budget in that post-war period was for prevention, because it did not have enough money. So I am very interested in the idea of prevention and will stick with it again and again.

What has happened to the NHS, more than at any other time in its history, since 2010 onwards, when we had to pay off the bankers' mistakes by buying the banks and passing the cost on to the poorest among us? The NHS has become an even bigger social sponge, soaking up the contradiction thrown up by people in poverty. The BMA admits that 50% of the people who present themselves with cardiac arrest are suffering from food poverty. So what happened during the 2010 to 2016 coalition—sorry about that, mates—was that the nature of the NHS changed, and more and more parts of it were about trying to keep alive people who were eating poor and living poor. If we look at the facts and figures, when we entered the Covid crisis, hospitals were 85% full. That is almost full, because you need 10% to play around with. A lot of that was because more and more poor people were making their way to the hospital and the doctor's surgery. They were trying to make up for the fact that they had become ill and could not maintain their lifestyle, because they were on the edge of poverty.

There is another big issue, which is the problem with the Treasury. No Treasury since the Second World War has got behind nurses in the way it should have got behind them—and hospital cleaners, porters and all the other people who make a hospital run. The principal reason for that is this myopia in the absolute middle of the Treasury. It divides the world between the public good and the people who contribute, and the contributors are the fintech people in the City of London who put money into the Treasury. Then there are the people who work for the public good and public life, and they are always going to be treated in a cheaper way, because the Government will not stand up and say that there is an enormous value that echoes throughout the whole of society if we pay our nurses, hospital cleaners and workers as well as doctors. We must embrace the idea that public service, whether that is driving a train, climbing up a ladder when there is a fire or working in a hospital—all these people are in public life. They are not takers, they are givers. I find it very difficult when I see the way we divide the world between those who take and those who give. It is not true at all.

We know that one of the big problems with the NHS is that it is too full. What if we had made the investment, if Governments of all political persuasions after the Second World War had said, “We are going to have a war on poverty. We are going to destroy poverty.”? Some 40% of all the money spent by government is spent on trying to get away from the problems thrown up by poverty. Our poor nurses are at the sharp end and are underappreciated; they are unable to pay their own way; they cannot breathe. The Royal College of Nursing said recently that nurses are suffering because their heating and food bills are rising, and they are being hit in the same way as everybody else.

I would like the Government to stop and to look at what works and what does not work. I have been saying this to Governments since I came here. I want them to stop, look and say, “How can we change this?”, rather than giving us a very small amount here and there. I want them to end this situation where the heroines of our hospitals are now being described as antisocial, whereas once they were social.

3.19 pm

Baroness Merron (Lab): My Lords, it is a pleasure, as always, to follow the noble Lord, Lord Bird, who speaks as he finds. I congratulate the noble Lord, Lord Allan, on bringing this important debate to your Lordships’ House at such a crucial time. Just this week, the Institute for Fiscal Studies published a report that found that, even though the NHS has more staff on the payroll today than it did in 2019—something I am sure the Minister will want to remind us about—it is, however, treating fewer patients and backlogs are at a record high. I hope the Minister will offer some explanations as to why this is so when he comes to speak.

We know there is a recruitment and retention crisis across the NHS and social care sector, and on the day, as noble Lords have referred to, that nurses are taking unprecedented industrial action, it is worth reflecting on Health Foundation estimates that have found that,

at the current rate of exodus from the workforce, by 2030-31 there will be a shortfall of 140,600 full-time nurses. On the point of nurses’ pay, which has been raised today by noble Lords including my noble friend Lord Davies, I raise with the Minister his reply TO a question I put yesterday, when he said:

“we have always followed the recommendations of the independent pay review body, as Governments of all colours have done since 1984.”—[*Official Report*, 14/12/22; col. 664.]

Will he review this assertion and come back to the House? To raise just one example, Chancellor George Osborne took the decision to override the public review body’s recommendation and put a freeze on all public sector pay. I look forward to hearing from the Minister on this point.

More broadly, with health and care staff well-being at an all-time low, and bearing in mind that the NHS lost more than 500,000 days to poor mental health in August alone, and the comments of the noble Lord, Lord Bird, about the importance of the prevention of ill health—something I very much agree with—how will the Government seek to tackle the root causes of absence due to poor mental health in our NHS and social care sector?

As the noble Lord, Lord Allan, and other noble Lords have said, for the past two years Ministers have promised us that a workforce strategy is coming. When will that actually be before us? As my noble friend Lord Davies reminded us, the Minister’s predecessor, the noble Lord, Lord Kamall, repeatedly promised, when we were discussing the Health and Care Act, that work was under way, it was all in hand and we did not need legislation to make it happen. Indeed, the Minister himself has repeatedly promised that the workforce plan will be coming soon, so perhaps we can hear some more facts. When will we know the timetable for publication and implementation? Will there be a formal consultation process? I know the Minister will understand that commissioners need to plan, and staff and patients need reassurance. So, when will this House and stakeholders see the timelines? How comprehensive will the plan be and, most importantly of all, will it be costed and fully funded? It really is time that we had some answers and some concrete dates for publication.

The two pillars of health and social care are inextricably linked. Social care is not just an add-on to NHS workforce needs, as we see from these alarming figures: there are 13,500 people who are in hospital as we speak and medically fit to leave but cannot be discharged, because of the lack of home and community support, particularly in domiciliary and care homes. We know that we have a problem before us. The backlog of social care assessments, estimated by ADASS at 500,000, means delayed assessments for people in need and their carers, and not enough funding or staffing to carry out these assessments or to ensure that the right support is available and can be provided and delivered. This means that people are taking up bed spaces and are in the wrong place, when they should be in their homes and in the community.

Worryingly, the latest NHS figures show that over 145,000 people in England have died while waiting for social care over the past five years. This is a very bad

[BARONESS MERRON]

state of affairs, so can the Minister say why the £500 million promised some time ago to help support hospital discharge is being paid out only this month and next? As I and other noble Lords have repeatedly raised in this Chamber, why has there been delay when there is such an imperative for immediate action?

We know that care workers are paid poverty wages and leaving in droves; there are currently 165,000 vacancies in the social care sector. How will the Minister be encouraging people to join the sector? Will there be encouragement for existing care workers to stay when they face a lack of decent standards, fair pay and proper training?

On the matter of social care, I take this opportunity to commend the excellent report from your Lordships' special Adult Social Care Committee, so ably chaired by my noble friend Lady Andrews. I hope the Minister will read the report carefully, if he has not done so already, as we will be pressing strongly for a full debate in your Lordships' House as urgently as possible in the new year. When will the Government's response be ready and published?

The report warns that the continued invisibility of the adult social care sector is damaging both to people who need social care and to the unpaid carers who provide care at a time of increasing need, rising costs and a shrinking workforce. There is also the failure of improved carer support and payment for vital care workers. If only all these absences could be put right, they could be the key to getting the extra staffing in place that is so desperately needed.

I want to ask the Minister about another authoritative report, which was actually commissioned by the Government. It is an academic research paper from the independent think tank the King's Fund on tackling the NHS's 7 million—the number who are waiting for care. This is a devastating report, warning that a “decade of neglect” by successive Conservative Administrations has weakened the NHS to the point that it will not be able to tackle the backlog. The King's Fund reports that years of denying funding to the health service and the failure to address its growing workforce crisis has left it with too few staff, too little equipment and too many outdated and poorly maintained buildings to perform the amount of work that is needed. How do the Government respond to the findings of the very report that they commissioned?

Finally, just yesterday, 33 months after the World Health Organization declared Covid-19 to be a pandemic, the *Guardian* newspaper spent 33 hours inside the NHS, reporting from inside a hospital, an ambulance service, a pharmacy and a GP surgery. When responding to what turned out to be yet another exposé of how bad 33 hours on the front line of the NHS can be, the Royal College of Emergency Medicine's president said that the single biggest issue exposed

“was the struggle to discharge medically fit patients”.

When we hear this from the lead emergency medicine doctor in the country—a cry for urgent action to bring reinforcements to the creaking health and care workforce—how will the Minister respond to that call?

3.30 pm

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Markham) (Con): I thank noble Lords. I particularly thank the noble Lord, Lord Allan, for introducing the debate. I look forward to working with him, just as I have enjoyed working with the noble Baroness, Lady Brinton—I hope he does pass muster. I am pleased to respond to this Question for Short Debate on the steps we are taking to support the NHS and social care workforce. We all agree that this is an important issue and that we are all indebted to the people who work tirelessly in our health and care services.

Helping the health and social care workforce manage their mental health and well-being is important and we are committed to helping staff recover. That is why we encourage adult social care providers to invest in mental health and well-being services for their staff. The NHS People Plan and the NHS People Promise set out a comprehensive range of actions to prioritise staff well-being. Boards, leaders, non-exec directors and managers across the NHS are being asked specifically to consider the health and well-being of all their staff as a priority.

As the winter approaches, we know that the system has not rested over the summer. It has been fighting the pandemic for years and we know the drain that that has caused. We know that this winter, with rising cases of Covid and flu, we are putting more pressures on staff, alongside the pressures of the cost of living. We understand those pressures and the need to support the workforce. I will try to answer some of the questions more directly later, but we understand the need for the £500 million fund to help with discharge and workforce support.

We understand the importance of pay in making people feel looked after in what they do. We have accepted the recommendations of the latest independent pay review body in full. I apologise if I made a mistake. I thank the noble Baroness for kindly and gently putting that forward. I will go away and make sure I correct that. I thank her again for the way that was put forward.

We have given more than 1 million non-medical NHS workers a pay rise of at least £1,400 this year, which is equivalent to 4% to 5%. We deeply regret that some feel the need to take industrial action despite that. I will address the specific questions on the pay review and the impact of inflation later.

This is more difficult with care workers, because they are paid by people outside our control, so to speak. Our only hope is that with around 70% of the total payments in this area going to wages, the £2.8 billion and £4.7 billion of additional funding will find their way into the pockets of the people who need it. That is something we will encourage. At the end of the day, if you cannot recruit and motivate a workforce, you will not have the care you need—it is simple.

Alongside looking after our staff, we know that demands on the NHS and social care are increasing. Expanding the workforce has to be a priority. While the numbers are increasing—I will not repeat the statistics I often give out—we know we need to do more in this space.

I may be going a little off-piste here, but I think we can be more creative and flexible in the way we do that. I do not think we are making enough use of apprenticeships and other routes in. I give the example of my mother, who left school at 15 with no qualifications, became a mother with three kids and then, in her 30s, found a way into nursing, first as an SEN—an easy entry path—and then as an SRN. Eventually, she became a midwife and worked for more than 20 years in the health service. We need more of those sorts of routes.

Would it not be great if we had a modular system so that a person working at a dentist's for two years could qualify as a dental nurse? Instead of working in Wetherspoons for most of their training, their part-time work could be in that profession, using and honing their skills. Would it not be great if a dental nurse who was good at their job knew that their qualifications were part of the way towards becoming a dentist? The team is looking at those modular systems in terms of that flexibility. Training and development is clearly a key part. We are funding more places. In the nurse space, it is not limited. There are more than 70,000 nurses in training as part of that, but clearly the workforce plan needs to set out whether we need to be doing more in this space.

I know that we all welcome the workforce plan and I appreciate the comments from all Members of the House, particularly those opposite, that have for a long time been, quite rightly, that we need to do it. I think that we are all pleased that we are doing it. I completely accept the need to ensure that it is detailed enough to be useful, for want of a better word, and that it needs to be iterative, which will involve other people. I understand that such transparency brings pain, because you have inputs from other people who do not always agree with you. However, you get a better product at the end of it. I am afraid that I cannot give more information on a timetable yet, but I will press for more information.

I accept that inflation makes annual pay reviews more difficult. That is the problem with inflation. We have tried to make exceptions for the nurses in the past. Offering what I hope is a sensible view, as we were saying in the debate yesterday, April is not that long away. If we could expedite a process for the independent pay review body, maybe that would be a sensible way forward, where people feel that there is recognition of the impact that inflation has. Sometimes inflation can mean that you need quicker answers than you might normally expect.

On the social care space and the long-term strategy, I know that Minister Whatley is very focused on this, to an amazing degree of detail, and on the impact of that £500 million fund and the results. I accept that it took a while to get that money out, and I partially take the blame. We wanted to ensure that it was going out in the right places, which took a bit more time. I hope and expect it to have been worth that time to ensure that it is targeted in the right place. That £500 million is the first instalment, with up to £2.8 billion next year, particularly in the places that work.

I know that it is a favourite thing for the noble Baroness, Lady Brinton, to bring quotes to the Chamber. I liked this one, and look forward to hearing more, particularly as Aldous Huxley is one of my favourite

authors. Clearly, we need to make science and technology work for the NHS and not the other way round. On the point around productivity and the IFS, candidly, a lot of that is down to poor systems and the work that must be done to improve that, as the IFS rightly states. We are looking to address these things through the estates programme and the £10 billion per year capital spend, which is a big increase on previous years. In some areas, productivity has gone backwards, but in many areas it has not. We must understand what conditions are enabling us to increase productivity and how we can use that to help those areas that are not as productive as before to catch up and overtake.

I will try to answer some of the other questions. On pensions, as the noble Lord, Lord Davies, mentioned, there will be a further debate on this in the new year. It is a serious issue that, let us face it, we need a solution for, because we know it means that people are voting with their feet and leaving the service. Clearly, we need a solution to it all. It is something that we are taking seriously, with detailed work. We can discuss it further in the new year.

I have to admire the passion for prevention in the speech from the noble Lord, Lord Bird. One of the pleasures of this job is sharing an office with, or being fairly close to, Chris Whitty, and seeing many of the things that he brings such intelligence and value to. If you speak to him about prevention, he will talk about his concern right now for those people who missed out on heart checks—the 50 to 65 year-old cohort who did not have a heart check during Covid. That is one of the things that needs to be high up the list of the things to address in the prevention agenda.

On the other points, I will need to give the noble Baroness some more detail in writing on the findings of the report she mentioned. Given that we are running out of time, as ever, I will provide a detailed response to anything I have not managed to cover.

In conclusion, I again thank noble Lords. I agree with the sentiment that it would have been nice to have had a lot more contributions, but through this programme of work, including by supporting care employers and commissioners, we are helping to build the robust and resilient workforce the NHS and social care systems need for the future. We are working to ensure that the country has the right people, with the right skills and in the right places, and that they are well supported and looked after so that they can in turn look after those who need our great NHS and social services.

Arts Council England: Regional Distribution of Funding

Motion to Take Note

3.42 pm

Moved by Lord Storey

That this House takes note of the regional distribution of Arts Council England funding and its impact on regions outside of London.

Lord Storey (LD): My Lords, I express my gratitude to my noble friend Lord McNally for securing this debate. I am sure that the House hopes that he will recover from Covid quickly. I also thank the Government Whips' Office for being so understanding.

[LORD STOREY]

In the late 1960s and 1970s, Liverpool city's logo was "City of Change and Challenge". It was very much the era of tearing down and starting again, not always for the better. During this period, the Everyman Theatre was born, embodied by the enormous talents of Martin Jenkins, subsequently to become a leading BBC drama producer, Terry Hands, later to become an associate of the RSC, and Peter James, who, after opening the new Crucible Theatre in Sheffield, went on to the Lyric Hammersmith. Those early days for the theatre were confined to Mondays, Tuesdays and Wednesdays. The entire theatre personnel were always involved in final preparations for a production: sawing, laying wires, painting and everything needed for the opening night of a show.

Despite its burgeoning reputation, the theatre continued to lead a hand-to-mouth existence for several years before Arts Council funding made it secure. Its presence on Hope Street, along with the Royal Liverpool Philharmonic, led to a cultural renaissance of the area, which, thanks to Arts Council funding, has seen this once deprived community grow from strength to strength. It is now called the Georgian Quarter of the city and overflows with venues and restaurants. Importantly, it is a centre for the arts, because as well as the Everyman and the Philharmonic there is the Liverpool Institute for Performing Arts and the Unity Theatre—all thanks to the initial Arts Council funding. Art can and does regenerate communities.

In the 1970s, Prescot, a small town on Merseyside, saw huge job losses at the Pilkington glass manufacturer and British Insulated Callender's Cables. Both major industries closed down and moved overseas. Over the years, Prescot has slowly declined. Now, it is the theatre that is coming to the rescue of the community, with the Shakespeare North Playhouse, the Prescot Shakespeare theatre of the north, having opened. Arts Council funding will be crucial as the theatre becomes part of the regeneration story of that community.

So the issue of regional distribution of Arts Council England funding touches on two different but equally significant matters. First, there is the economic factor of granting places other than London their fair share of opportunities for growth and development. From this perspective, cultural institutions constitute powerful engines of economic growth, which they are more than capable of being. Secondly, there is the cultural factor. Historically, as Darren Henley, the chief executive officer of Arts Council England, admitted, cities other than London have been underserved in this regard. The concentration of cultural investment in London results in the creation of a kind of black hole, siphoning creative industries, talent and institutions from around the United Kingdom into the capital.

Both those perspectives reveal the decades-old practice of neglect that results in many cities suffering from a cultural deficit, denying them the prestige and economic rewards of successful artistic institutions. Worse still, this means that hundreds of thousands of people, particularly those who are underprivileged or living on tighter budgets, have virtually no opportunity to access arts and benefit from them. That is a serious problem. Study after study shows that interaction with the arts positively influences people's mental health,

helps with depression and anxiety, and builds bridges between cultures and worldviews. In other words, it is a vital part of the existence of a civilised society, and no one should be denied it.

The current disparities between the capital and other cities and between the wealthy and the underprivileged can be resolved only locally through education; by teaching young people how to enjoy the arts, helping them to develop the tenderness needed to do so, and assisting them in the recovery of the wealth of experience waiting behind the doors of theatres, operas, philharmonics, museums and galleries. However, in order to do so, such places must first exist within reach of those people, which in many cities and towns is simply not the case. For that reason, I very much welcome Arts Council England's decision to increase funding granted to artistic organisations outside London, as well as its encouragement for London-based organisations to relocate to less culturally overserved cities. That is a much-needed policy change and will help to address some of the most pressing inequalities in our country.

At the same time, it is incredibly important that this historic change is carried out carefully and prudently. It is a fact that decades of preferential treatment made London one of the most culturally and artistically fascinating places in Europe, and indeed in the world. It is a source of immense soft power, an economic and creative powerhouse, and the pride of our country. We must ensure that levelling up does not come at the cost of defunding high-quality arts in our capital city, which would result in London lagging behind other European capitals. Rather, its wealth of expertise and talent should be leveraged to support other cities in developing their own cultural industries, not sacrificed on the altar of misunderstood equality.

It has been said many times in this Chamber, but perhaps it needs to be repeated once again, that, in levelling up, we want to help other regions to develop and grow, not to drag London down just because it is simpler to do so. Unfortunately, it appears that Arts Council England's latest funding allocations have partially fallen victim to the easier version of levelling up. Such cuts come at the worst time, as the creative sector's recovery continues to be hampered by soaring costs due to the cost-of-living crisis. Take, for example, the funding of £17 million that has been allocated to move English National Opera. That amount is far from what is needed to undertake a relocation on this scale, let alone to invest in and improve on the existing infrastructure. In effect, it is removing funding from the ENO and forcing it to move out of London at a few weeks' notice, with no consultation or concrete plan for the transition. Arts Council England seems to pursue an oversimplified vision that lets it use a narrative of "levelling up" without doing any real long-term work to make it succeed in practice.

It is true that most British cities need and deserve better access to opera, especially so since Arts Council England cut the funding of the Welsh National Opera and Glyndebourne touring, effectively cancelling two very successful undertakings that bring opera to people throughout England. At the same time, however, simply transplanting a 100 year-old institution with hundreds of employees from London to another city as a solution is not the best way to proceed.

If Manchester suffered from a deficit of green areas, would the Government propose to dig out a decades-old tree from Hyde Park and move it 160 miles north? Of course, it would be theoretically possible to do so, but it would also be ridiculously expensive and inefficient, and the tree in all likelihood would not survive the operation. The same can be said of English National Opera. It is firmly rooted in London, thriving in the ecosystem that was carefully cultivated for years and at the same time sustaining a symbiotic relationship with its audience. The very proposition to move it is controversial; to attempt to do so with virtually no preparation would be simply an act of lunacy.

What is more, without English National Opera, London will have just one major opera company, the Royal Opera House, which offers a different opera experience, perhaps at the luxury end of the market. Berlin and Paris each have three opera companies; Vienna has four. Not only does this mean fewer opportunities to engage with opera and art, but it threatens the jobs of over 600 skilled art workers, including musicians and technical and support staff, who are embedded in the wider London cultural scene. This reduces opportunities for new rising stars who, in turn, will be more likely to work abroad, and puts an already challenged industry at even greater risk.

I ask Arts Council England to reconsider its approach to operas, especially since it casts a shadow on an otherwise well-designed and much-needed set of proposals. The overall direction of the policy is most welcome, and I am very much looking forward to the long-term benefits that it will bring to our towns and cities. I only hope it will not come at the expense of some of the most accessible and progressive operas this country has known. Instead, I am hopeful that the steadfast support that they have received—with 77,000 people so far signing a petition—will be enough to convince Arts Council England, and indeed the Government, to reinstate the funding and continue their mission. I also hope that the expertise and experience of these institutions will be used to replicate their success, not lost in a misguided attempt to make funding distribution look more appealing on paper.

We are so fortunate in the UK to have such a wealth of world-leading arts institutions. They are good for the soul of the nation, they sustain a burgeoning creative arts sector and they can lead to the regeneration of whole communities. I remember how, when Liverpool won European Capital of Culture in 2008, it was the rocket fuel to drive the city economically and culturally forward. Arts Council England needs always to ensure that the rocket fuel is distributed equitably and fairly.

3.53 pm

Lord Mendoza (Con): My Lords, I declare my interests as in the register but, to give a little more detail, I have been an adviser at DCMS for the last six years. I started as a non-executive director and am now the commissioner for culture. I sit on a whole variety of different boards, panels and committees, and meet regularly with arm's-length bodies, including the Arts Council. I should also add that I am on the board of the Ashmolean Museum at the University of Oxford, which is an Arts Council NPO.

I am very grateful to the noble Lord, Lord McNally, for securing this debate and to the noble Lord, Lord Storey, for setting out the argument so clearly. We had an excellent debate on this subject last week, which I read in *Hansard*. An enormous amount was covered, and it was very clear that everybody felt equally about the importance of culture, the enormous amount of talent and skills that we have in this country and how vital it is for the Government to intervene and have policies that take care of it.

In fact, it was only a few years ago, in 2016, that my noble friend Lord Vaizey launched the culture White Paper, which covered this really clearly. It covered all the different areas that government can get involved with, including looking after culture for its intrinsic value, beauty and joy and the excellence that it can bring to people around the country. It also looked at the power that culture has, as the noble Lord, Lord Storey, said, to improve the economy of places and society's health and well-being, as well as its importance in soft power and so on. I am very pleased that we are having a similar debate today; in fact, I hope that we will continue to have this debate.

One important example of cultural policy—cultural intervention, if you like—is Arts Council England's national portfolio organisation round, which is the first one we have had for five years because the scheme was interrupted by Covid. I too welcome this policy. Of course, noble Lords will not like every single one of Arts Council England's 1,700 decisions—there was a record number of applicants this time round—but, in my view, it has succeeded in coming up with an excellent portfolio.

I visit a lot of cultural organisations around the country. Wherever I go, I am normally joined by someone from one of our arm's-length bodies. In every case, whether they are from Arts Council England, Historic England or the National Lottery Heritage Fund, they have such deep expertise and knowledge of towns, places, politics and cultural structure that I am often amazed. This portfolio was constructed by region and area councils, using a lot of information from applicants with deep local knowledge, and was ultimately approved by Arts Council England's national council, on which my noble friend Lady Fleet sits. So it is very much a collective decision.

I am pleased with the portfolio, which includes quite a lot of vitality in the sense that it includes 276 new organisations for the very first time. London remains the biggest region funded by Arts Council England, but its funding outside London has increased by 22%, which is the general direction of travel that it has been moving in for some time. People often think that Arts Council England funds only the performing arts, but the range of organisations that it funds is much wider. It includes museums, literature, some heritage and so on; there is a lot of other material in there.

Some of my favourite organisations in this round include Mind the Gap, a wonderful organisation in Bradford—it is probably the leading one in the UK—that helps learning-disabled children in performance and the arts. It is an incredible organisation; its grant was increased by 25%. I am also a big fan of museums. A

[LORD MENDOZA]

number of museums were in the portfolio for the first time, including Blackburn Museum and Art Gallery, Bradford Museums and Galleries and Rotherham Museum. Tyne & Wear Archives & Museums is a stalwart and is now the biggest museum NPO in the country. Another one of my favourites, to give noble Lords an idea of the variety here, is the North Yorkshire Moors Railway—also a new entrant in this round. It is an organisation responsible for 1,000 jobs, 1,000 volunteers and 300,000 visitors.

So, in my view, we have a very good portfolio. However, Arts Council NPO status is not a necessary condition for success. Last week, the Minister referred to the Culture Recovery Fund, through which we were able to award grants to more than 5,000 organisations—clearly many more than even applied to Arts Council England. There is a massive arts and culture economy out there and not all of it requires Arts Council NPO backing. Also, the portfolio will change again next time. In many ways, it is good that the portfolio changes and that organisations both come in and leave. It is an indicator of vitality and life, and an indicator that Arts Council England is alive to investing in new places, new areas and new people.

I want to explain to noble Lords that Arts Council England NPO funding is not the only cultural intervention that arm's-length bodies—or government, for that matter—make. Over the past few years, since I have been at DCMS, there have been many extraordinary initiatives and projects that continue to help the Government invest in the cultural sector, which they see as extremely important, from some smaller interventions to larger ones.

For example, the noble Lord, Lord Storey, referred to the European Capital of Culture. Our City of Culture programme is really successful. We have had Hull in recent years, Coventry has just finished and we are looking forward to Bradford in 2025. It looks as if there has been almost £700 million in investment into Hull over the last few years, partly as a result of that, and £173 million has gone into Coventry directly as a result of City of Culture. We know that, as the noble Lord said, in Liverpool it was the booster, the rocket that went under it. It is no accident that the Liverpool cultural sector represents 50% of the revenues into that city. I regularly meet the cultural director there, Claire McColgan, and organisations such as the Everyman, the Liverpool Phil, National Museums Liverpool and Liverpool Cathedral. It all comes together to make the place an incredibly lively whole.

We have also had the cultural investment fund, a £250 million manifesto commitment. We are halfway through giving out a number of grants, and in a recent round we gave out funds from DCMS for culture-related projects in Barnsley, Berwick-upon-Tweed, Stockport, Torbay, Middlesbrough and the Isle of Wight. I am trying to give noble Lords an impression of the other things going on in this area, levelling up the country and introducing regional fairness to cultural intervention. Historic England has a wonderful programme called high streets heritage action zones, through which it invests in places street by street, with 67 towns and cities receiving almost £100 million of government money.

Partly as a result of the pandemic, over the last few years there have been some very large interventions, such as the Culture Recovery Fund and the film and television restart fund, both approved by the then Chancellor and now Prime Minister. As a result of the film and television restart fund alone, during the pandemic film and television had a record year: £5.6 billion of spend around the country. We are looking forward to the announcement soon of the second round of the levelling-up fund, which I hope will include a large number of culture projects. Please look out for that over the next period.

I hope the Minister will agree with me that these sorts of cultural interventions are more important than ever, and it is more important than ever that distribution is fair to maximise the opportunity for people all over the country to experience culture and to work in these fast-growing sectors.

4.02 pm

Lord Berkeley of Knighton (CB): My Lords, it is a pleasure to follow the noble Lord, Lord Mendoza—although, listening to him, I imagine many organisations feel, “Why are we worrying? Why are we upset by what has happened?” I hope to point out exactly why that might be.

I want to start by looking at this problem from the Government's point of view. I am a fan of levelling up. I agree that we need to get more funds around the country, and the noble Lord, Lord Storey, pointed out exactly the kind of things. In fact, from my experience as a composer—having worked with the Royal Liverpool Philharmonic Orchestra, Opera North and festivals such as Aldeburgh, Bath and Presteigne—I realise what this brings to local communities. They always especially say, “I can't get to London”, so it means even more to them. I can also see, from the Government's point of view, how difficult it is to recut the cake and redistribute the money at this sort of level. I think the Arts Council made some serious errors; I will come to that in a moment, but I hope in a constructive way.

The background of Covid and Brexit, as mentioned in the debate last week that both noble Lords referenced, is a telling factor. A lot of these companies were on very tricky ground before the cuts were announced, so you have to add to that what this will mean. On the shop floor, I am hearing from organisations, orchestras, theatre companies and dance companies that—despite the reassurance given last week by the noble Lord, Lord Parkinson, that work is being done to assist touring—they are very nervous about the prospect of affording touring because of the incredible complications and expense of sorting out visas.

I again ask the Minister a question that he must be bored with hearing me ask, so I apologise. Given that the noble Lord, Lord Frost, who represented the Government in these negotiations, has admitted that the Government got this wrong, why will they not put it right? Nobody is saying we are going to cancel Brexit—I realise that is not a possibility—but fine-tuning must be possible. I get the sense that there are people in Downing Street who would like that, but I dare say they are up against those who will not give an inch as far as Brexit is concerned. That is something the entire creative industry would love to see, and I do not think it too big an ask.

In some senses, in order to rob Peter to pay Paul, we have robbed them both. On many occasions in this House, I have commended the help that Rishi Sunak gave the creative industries, and I reiterate how grateful we were for that. But it seems crazy that the future of some of those big organisations, which received large amounts of money, is now in doubt because we are going to take such large amounts back. That surely has to be looked at.

On touring, I was on the Arts Council committee that identified areas of the country that were underprovided for in terms of opera. We came up with a list. The problem is that these cuts undo some of the very work that the Arts Council did. Glyndebourne Touring and the Welsh National Opera go to the places we identified. There has to be a continued line of thinking here.

I come to one or two of the other groups that have suffered. Here is an example of what we might do: why did the Arts Council not talk to the ENO, without uprooting it to Manchester? Anybody who has worked in an opera house—I was on the board of the Royal Opera House and have written three operas—will tell you that you cannot uproot an opera company and put it somewhere else, especially when something like Opera North is already there.

I was on the board of the Royal Opera House when it shut down for refurbishment and it was seriously suggested that we should shut the Royal Ballet for two years. Luckily, I was able to get in touch with one or two funders, such as Lord Sainsbury and Vivien Duffield. When I told them that this was being planned, they rang up and said, “You can say goodbye to all our funding”, because anybody who knows anything about art knows you cannot just stop training. Like an Olympic athlete or the England football team, you have to train all year round. What about all those young dancers coming through? That idea was scotched very soon.

May I draw a medical analogy? While I completely agree that we need funds around the country, there are specialist groups which earn their money. Take the London Sinfonietta, which has lost 41% of its grant. You could say that the work it commissions is niche or the high end of contemporary music, but this is the one company doing it. In my mind, this is not unlike how, in London, we need one or two centres of excellence, because you cannot have that excellence around the country. Think of neurosurgery, for example; many cases will be referred to the hospital in Queen Square, which is so good at it. A child with a terrible paediatric problem will be referred to Great Ormond Street. There is nothing against having one or two centres of excellence that specialise, such as the London Sinfonietta.

Many companies, such as the Britten Sinfonia, cannot understand why they have been cut, given that they have made huge efforts to do what the Arts Council said it wanted. Britten Sinfonia has involved 8,000 children in the east of England and commissioned more than 250 works. It travels to Addenbrooke’s to play music to patients, and it travels to His Majesty’s Prison Whitemoor. What more do you want? That is going out of London, making a base in Cambridge and involving the local community.

We really have to be careful—rather as with our debate tomorrow about the BBC licence fee—that we do not throw the baby out with the bath-water. This is what I fear about one or two aspects of this. I would like to quote my fellow Cross-Bench Peer, my noble friend Lady Bull, because she made a very telling point about the Arts Council redistribution in the debate last week. She said:

“My view is that this rethinking should not have been demanded within the short timeframe of a single funding round. In doing so, the February directive from the then Culture Secretary gnawed at the fingers of the arm’s-length principle. Planning for such a fundamental shift requires a much longer horizon if it is to avoid destabilisation, particularly within a sector still recovering from the pandemic, and if it is to lead to sustainable and positive change that delivers for all communities across all parts of the UK.”—[*Official Report*, 8/12/22; cols.286-87.]

So, yes, let us level up, but with rather more caution than has been shown so far, and more planning and more dialogue with the people concerned.

4.11 pm

Lord Vaizey of Didcot (Con): My Lords, let me declare my interests as a trustee of Tate and chairman of the Parthenon Project, the campaign to return the Parthenon sculptures back to Athens, where they so richly deserve to belong. May I also take this opportunity to be the first noble Lord to wish my noble friend Lord Valerian Freyberg a happy birthday. It is a depressing moment when your friend’s younger brother turns 52 and you realised just how old you are.

I want to begin with a positive note, which is to say that I am an enormous fan of the Arts Council and its leadership. I think Darren Henley has been, until recently, a chief executive without fault. He has handled an incredibly difficult brief extremely well, constantly having to manage a budget that is quite tight and narrow, managing cuts—cuts which I also imposed when I was an Arts Minister—and he has very rarely dropped the ball when dealing with hundreds of different arts organisations, as the noble Lord, Lord Mendoza, pointed out. We have now an incredibly distinguished chairman of the Arts Council in Nick Serota, who led the Tate for so many years. We are blessed with many other arts quangos, if I can call them that, like English Heritage, which do an outstanding job.

I think we forget in this country that we have a fantastic system of arts funding. It sits neatly in between the US system of almost entirely private funding and the European system of almost entirely state funding. I think that tripartite system of government support, philanthropy and commercial income works extremely well. Government support acts as a catalyst for many of our arts organisations, but they still have room to be very entrepreneurial and innovative. I should mention in passing that I wrote to the *Times* a couple of weeks ago, to remind them of the existence of what was the Prince of Wales philanthropy medal. When King Charles was Prince of Wales, for about five or six years he awarded a medal every year to five philanthropists to recognise their contributions specifically to the arts. I hope at some stage the Minister, who is so brilliant at his job—he is really outstanding—will find a way to have a quiet word with the Palace about perhaps making this a proper honour to mark the start of the King’s reign.

[LORD VAIZEY OF DIDCOT]

I always complain that the Government do not fund the arts generously enough, but it is also important that we acknowledge that arts funding in its wider sense is extremely broad and deep. For example, we have the BBC and tax credits for theatres and museums and for television, video games and film—all of which I regard as arts subjects. We also have our regimental museums funded by the Ministry of Defence and the City of London putting approximately £100 million a year into the arts. We have our local councils and our universities—my noble friend Lord Mendoza mentioned that he is on the board of the Ashmolean, a university museum. We have charities: the National Trust runs more museums than any other organisation in the country. We have an incredibly rich ecosystem and very wide and deep arts funding—which, if you added it all up, would probably come to a couple of billion, if not £3 billion, a year—so we are incredibly lucky. Of course, we also have the private sector, including Sky Arts, the Bridge Theatre, a range of private organisations, a thriving music industry, and a publishing industry which never gets enough attention because it does not get an enormous amount of government money, if any. Again, we forget about the rich ecosystem we have in the private sector.

I will pick up on what the noble Lord, Lord Storey, said when he opened the debate. I was pleased to listen to his speech, because, while he knows a lot more about Liverpool than me, I have spent a lot of time in the city and in Tate Liverpool. We can go to almost any city or big town in the country and see how arts funding can be transformative—and not just in Liverpool; I was thinking about NewcastleGateshead, which effectively created a tourism economy on the back of places such as the Baltic and Sage Gateshead. Another example is Yorkshire Sculpture Park. If you go to Margate, you will see the incredibly galvanising effect that Turner Contemporary has had on it. To complete the picture: there is the amazing work that Roger De Haan of Saga has done just down the road in Folkestone based purely on philanthropy. There you can see—in miniature, if you like—the incredibly galvanising effect that culture can have.

So, when we have complaints to make, we should all realise just how lucky we are in this country. My first complaint is that we never have enough leadership from the Government to make that point about the arts again and again. It remains, on both sides of the House, an embarrassment for politicians to be seen engaging in and supporting the arts; they are still regarded—ridiculously, in my view—as too elitist, but we should sing from the rooftops the contributions that the arts make all over the country. I pause here to praise my noble friend Lord Mendoza on the incredible work he has done as cultural commissioner, particularly during Covid. He was kind enough to mention my White Paper, but, in the privacy of the Chamber, I reveal that he actually wrote it—please do not tell anyone else.

Before she speaks, I also praise my noble friend Lady Fleet, who has done some fantastic work on music education. I was not able to be present in her debate on music education, but her 10-year review has been widely welcomed and is much needed. Again,

that is a good example of how government departments can join up—in that case, the Department for Education and DCMS—to push an important agenda.

Talking about music education, I must segue into the one misstep that the Arts Council has made: its absurd decision on the English National Opera, which was taken at short notice and with no consultation at all. People are involved in that decision, not just the singers and orchestra but all the backroom staff. I must also mention the chairman, Harry Brünjes, who has led the ENO for nine years. Not only is he unpaid, but he has put his own money into ENO. It has been a pretty thankless task for him to turn around an organisation that was at a very low ebb nine years ago and widely derided, to get it to the position it is in now: a popular organisation welcoming many young people through its doors who have never seen opera before, engaging in health—for example, through its ENO Breathe campaign to help people with long Covid—and getting out to the regions. He has done everything and more that any Government could ask. His reward, effectively, was a kick in the teeth from the Arts Council. It is unforgivable—and I say that as someone who has the utmost respect for Darren Henley and the Arts Council.

That was a terrible decision, and it should have been given with much more notice. If there will ever be another decision like that, it should be made as part of a wider strategy stating what the provision for opera is, how we deliver opera as a product—I know this sounds very managerial—most effectively around the country and what role the ENO can play in that. It may sound sentimental to cite individuals, including Stuart Murphy, the chief executive officer, but that is no way to treat people; it sends a terrible signal, and the Arts Council must look again at that decision.

I want to mention two or three other things, very quickly. It is the 70th anniversary of the Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest. If any noble Lord gets the chance to serve on it, do—it is wonderful. It is like “The Generation Game”: various arts and treasures come in front of you and you decide whether they are part of our cultural fabric. I was lucky enough to stop Jane Austen’s ring being exported to the American popstar Kelly Clarkson; she was very decent about it. It is a reminder that we care very much about cultural objects being linked to our island’s story, just as our friends the Greeks care very much about the Parthenon sculptures, which should be reunited with the frieze in Athens. As the Minister knows full well, although he cannot say so as he is feeling sort of butch and robust about the whole thing, the frieze is like a movie that has been cut in half, with half of it having been taken, against the will of its owners, to another country. That is another thing that must be remedied.

Finally—as the yellow lights flash—one of the key things about levelling up that we should never forget is digital: we can and should get organisations based in London to audiences outside London. It is difficult to measure what a “London organisation” is: Tate has an SW1 address but a presence in Liverpool and St Ives; the National Theatre has an SE1 address but National Theatre Digital is in all our schools, for free.

In conclusion, I fully endorse everything that the noble Lord, Lord Berkeley, said about touring. It really is ridiculous, when we have this incredible cultural scene in this country, that we cannot sort out any help for our musicians for touring in Europe.

4.21 pm

Baroness Fox of Buckley (Non-Affl): My Lords, I welcome this opportunity to discuss the regional distribution of Arts Council England funding. I thank the noble Lords, Lord Storey and Lord McNally, for the chance to raise some concerns.

First, no arts organisation should feel entitled to perpetual state funding as a right. It is totally appropriate to review and shake up which projects and whose artistic output merits public funds. But what is so striking in this funding round is that the criteria do not even pretend to be based on artistic merit at all, but seem to be purely political and, even more crassly, geographic.

The DCMS instruction to redistribute funding away from London has some winners, and I am delighted for both Blackburn and Bradford's museums and art galleries, and for the Barnsley-based Brass Bands England, which has received funding for the first time, among many others—good luck to them. I am from the north, and it is great to say that we will support the arts in the north; I have no problem with that. But I am slightly anxious about the overall trajectory that reveals a patronising attitude to northern audiences and potentially a philistine attitude to the arts, nowhere better exemplified than in the plight of English National Opera.

Like others—in this, I uncharacteristically fully agree with the noble Lord, Lord Vaizey—I was shocked by the Arts Council's treatment of English National Opera. Effectively, its chorus and orchestras are being closed down; they have been sacked. When the Arts Council announced the move, it did so with an ungracious and high-handed ultimatum, which I want to quote:

“ENO's future is in their hands ... We require English National Opera to move to another part of England if they wish to continue to receive support from us.”

But the financial offer it has been given is actually only half its usual budget, so I want to ask whether the Arts Council thinks that those in the north do not deserve full funding of the arts, and should make do with a cut-price, pound shop version of English National Opera.

Such cultural vandalism feels like virtue signalling, devoid of serious strategic thinking and forced through at speed. When Birmingham Royal Ballet relocated from London in the 1980s, it was undertaken with five years' consultation with audiences, staff and its new venue home, but there has been no consultation in this instance. The move has to be completed in five months, and the Arts Council has not even bothered to consider where ENO might take up residence; it just has to go “up north”.

One venue that might work given its size is Factory International, Manchester's soon-to-be multimillion-pound arts venue, itself a recipient of Arts Council funding. But no one asked it, and it has made it clear

that it will not change its contemporary focus to accommodate the new tenant. Artistic director John McGrath stated that its goals are

“new works, not the traditional opera repertoire.”

What about the Grand, in Leeds, which has the largest stage in England outside of London? But no—it already hosts the wonderful Opera North. Indeed, the whole venture of moving ENO north seems to be a slap in the face for Opera North, the director of which, Richard Mantle, points out:

“It's not a new idea to have a large professional opera company performing opera in the North; we've been doing it for 40 years”.

Somehow, in the debates about opera prompted by this ENO issue, we perhaps get a hint of what the Arts Council's views are on both opera and its relationship to northern audiences, or to audiences in general. Darren Henley, the chief executive of the Arts Council, claims that opera needs to change to satisfy a new generation of audiences, who he claims want

“opera ... presented in new ways: opera in car parks, opera in pubs, opera on your tablet.”

He suggests that such

“New ideas may seem heretic to traditionalists”.

They seem so to me. They are not novel or radical ideas, but they are cheap and second-rate gimmicks, as far as I am concerned, and they show a disparaging view of audiences and the art form. The premise seems to be the cliché that traditional opera, including some of the greatest music ever composed, appeals only to the fusty, rich upper classes and the privileged.

I am reminded of the incident last July, when the Deputy Prime Minister, Dominic Raab, accused Angela Rayner of being a champagne socialist for going to Glyndebourne, as though she were betraying somehow the working classes. I assume he was forgetting that, historically, opera has been a popular art form, enjoyed by millions of people of all social classes, all over the world. Being priced out by expensive tickets or not being able to afford to get the train to London is a problem, but it is very different from the snobbish chippiness that seems to imbue the political and artistic establishments' implicit prejudice that the plebs will not be interested in, or get, high art. This attitude was on display recently, when the BBC announced that, in order to attract viewers from lower socioeconomic D and E groups, it will make “lighter” dramas, comedies and sports documentaries and use “factual entertainment competition formats”—yuck. It seems that, if you are poor, you will be given poor-quality programmes.

Perhaps that is too cynical, but the Arts Council director of music, Claire Mera-Nelson, has justified attacks on ENO, which, ironically, was set up nearly 100 years ago with the mission to bring opera to the masses—a noble cause. She said that there is insufficient growth in audience demand for traditionally staged large-scale opera. This seems to be a real bean-counter's approach to the value of the arts. As acclaimed soprano Danielle de Niese asks:

“Do we need to sell as many tickets as the O2 to be recognised? ... Should we declare war on everything that isn't mainstream enough?”

She asks whether all we will be left with is “reality TV”. She then pleads with those who run the arts and politics to “recognise opera's value” as art per se. But

[BARONESS FOX OF BUCKLEY]

that seems a forlorn hope because valuing artistic excellence is often treated as an elitist endeavour by too many in arts funding and policy circles.

Since the Blair years and the setting up of the DCMS in the 1990s, arts organisations have been told that they must justify their funding using wordy social and economic criteria. “Art for art’s sake” arguments have too often been traduced as arcane, old-fashioned and self-indulgent, and a focus on aesthetics is assumed to alienate popular appeal. Arts organisations have been forced by funding carrots and sticks to show their worth as useful instruments in social and political change. It is true that many in the arts world have embraced this mission over recent years, with orchestras stressing that they are good for health and well-being and theatres opining on their role as community hubs. Often, these are defensive expressions, expressing an existential crisis in arts organisations about their role. In recent years, museums, galleries and classical music have all indulged in angst-ridden introspection about their alleged colonial roots and whiteness, and diversity and inclusion targets mean that outward engagement projects obsess over the age, skin colour and gender of audiences, rather than the artistic quality of their output.

The effect of all this has been the cumbersome politicisation of the arts world. There is too much “artivism” and propagandising and an existential crisis about the role of the arts. It is no surprise that Just Stop Oil activists feel free to desecrate artistic masterpieces to save the planet. Art is considered secondary to politics. All this emanates from the way that artistic excellence has been squeezed out of arts funding. If you look at the bureaucratic Arts Council development programmes, drenched in acronym-laden managerial speak, the intrinsic worth of art is barely visible. Utilitarianism rules the day. The creative local growth fund, the cultural development fund and the Great Place scheme all focus on local economic growth, unlocking productivity and everything. We need that urgently to happen, but it should have been in the Autumn Statement and not be forced on the arts.

As I have gone on about dumbing down, I want to finish by giving the Minister a bit of homework. I suggest that he and the Arts Council learn about the artistic tastes of ordinary people by reading *The Intellectual Life of the British Working Class* by Jonathan Rose, to understand the rich history of autodidacts thriving on intellectually challenging art and literature, and the new pamphlet by the artist and art critic Alexander Adams, *Abolish the Arts Council*, which critiques some of these instrumentalising themes. It is selling out as we speak as a stocking filler, but it is a good read.

4.31 pm

The Earl of Clancarty (CB): My Lords, I am grateful to the noble Lord, Lord Storey, for his excellent introduction to this debate and to the noble Lord, Lord McNally, for originally tabling it. I wanted particularly to speak in this debate rather than last week’s debate because it is helpful to have a debate which concentrates, at least in theory, just on the arts rather than them being grouped with the creative industries, although last week’s debate was clearly very helpful for this debate.

I strongly support the Arts Council model of funding for two reasons: first, because public funding of the arts is a benefit to us all for the whole of society; and, secondly, because to enable that there should be a properly independent body that can make decisions about to whom and where funding is to be awarded without government interference. I emphasise “where” because that will inevitably affect “whom”. Yet last Thursday, the day of the arts and creative industries debate in this House, Darren Henley made it very clear in oral evidence to the DCMS Select Committee that the Arts Council was not asked but instructed—he used the word “instruction”, as indeed has Nicholas Serota—by Nadine Dorries to shift a considerable amount of money from London to the regions, in my view breaking the arm’s-length principle and resulting in the controversial cuts we are seeing to certain organisations.

I will ask the Minister again the question that the noble Baroness, Lady McIntosh of Hudnall, asked in last week’s debate but to which she did not receive a reply. Does he think it is appropriate that the Secretary of State should instruct an arm’s-length body? The unhealthy result of such interference and uncertainty about where responsibility lies is the open but extremely understandable lobbying, of not just the Arts Council but Parliament, the Government, the press and the public that we are now seeing from organisations which not only feel hard done by but that the decision-making process is being levered by government, and the two things may be connected.

It may be that the Minister, if he does answer this question, will say simply that the Arts Council is an arm’s-length body, but unfortunately that is not how it is currently being perceived, as I hope the Minister will acknowledge. This needs to be properly and constructively addressed by all the concerned parties. I make these points irrespective of the particular decisions that the Arts Council has made, although all of us, perhaps more than usual, will have our personal views on these decisions, and I will come to mine in a moment. Meanwhile, it is worth pointing out that we have a new Secretary of State and the instruction was made by a previous one. However, there should never have been such an instruction if the Arts Council is to remain an arm’s-length body.

We should not forget that these concerns are taking place against the backdrop of long-term cuts to the arts, the necessary help given in response to Covid notwithstanding. In the last 15 years, the Arts Council’s grant in aid has decreased in real terms by 47%. Through Brexit, we have lost the funding from Europe, and central government grants were cut by 37% in real terms between 2009-10 and 2019-20. Some councils do not now spend anything on the arts at all. It has been reported that some councils are on the verge of declaring bankruptcy. Now, of course, we have the added stress of energy costs and inflation.

Unfortunately, the arts are going to be a long way down the list of priorities for many councils, despite local authorities being vital to many of our arts organisations, including museums and regional theatres, which are particularly concerned about their day-to-day running costs. The noble Lord, Lord Bassam, pointed

out in a previous debate the necessary expenditure of specialist lighting for museums and galleries—one instance of something that cannot be got round. Irrespective of where you stand on austerity, these long-term cuts need to be reversed. In the debate last week, the noble Lord, Lord Howarth of Newport, made this pertinent observation:

“Fiscal austerity for the arts is not needed to salvage our economy. The DCMS budget for the arts and culture is indiscernible in the national accounts.”—[*Official Report*, 8/12/22; col. 280.]

I have argued for a long time that we can do much more to support artists across the whole country, but that should be done through an equitable funding model based on increases in funding, not through redistribution of the kind that the former Secretary of State insisted upon, which is surely a coarsening of the envelope of funding available to the Arts Council. This has led inevitably to the “invidious choices”—the Arts Council’s own term—that it has felt it has had to make. If £43.5 million is being made available to the regions—which is very welcome—why are these cuts still being insisted upon?

There is another significant consideration: the growing concern that the Arts Council, in the absence of other funding, is trying to take on too wide a range of projects. In particular, there is concern that through the Let’s Create strategy, it is losing its focus on what should be its core project—the funding of artists and arts production by professional artists—and shifting that focus instead to amateur community projects, particularly in areas of the country where cultural engagement is low, as the Independent Society of Musicians has pointed out. There is absolutely a place for such projects, and they should be funded, but the funding of professional artists and arts organisations should not be sacrificed in their favour. It is notable that the cuts over which there is so much current concern are aimed at organisations involving or directly impacting on professional artists and their co-workers.

Much of the focus on these cuts has been, quite rightly, on classical music and opera, but theatre and the visual arts have also been impacted. Here, there are also potential knock-on effects in terms of the production of new art. The Hampstead and Gate Theatres in London and the Watermill Theatre in Newbury, which have all had their funding cut entirely, all support new writing. Hampstead Theatre has said that it will not now be able to support its new writers programme, so I ask the Minister whether new new writers programmes are intended to be set up elsewhere in the country. If so, how will they be supported in the longer term? The danger is that removing funding from these flagship theatres, as the Writers’ Guild and playwrights themselves point out, will simply lead to more risk-averse programming, less commissioning and less new writing everywhere.

There are cuts to significant London gallery spaces. The wonderful Camden Art Centre—I am looking forward to seeing the Forrest Bess exhibition there—and the Serpentine Galleries are nationally important spaces which put on international work by visual artists. If these spaces are diminished, the whole country will be diminished in terms of the visual arts.

There is an ecology of mutual support between London and the regions, the great danger then being that if you hurt the arts in London, you will also hurt artists and audiences for the arts in the regions. Cuts in London will have a nationwide impact, and this will be true in the business sense as well. As the Heart of London Business Alliance said in a letter to the *Financial Times* last month:

“Central London’s dynamic arts sector and rich culture and experiences make the West End such a unique and special place, bringing in millions of tourists every year. Many of these visitors go on to visit other parts of the UK contributing £641mn to local economies in 2019. It is hard to avoid the conclusion that short-changing London is going to make us all culturally and financially poorer while making the UK a less attractive destination for visitors.”

London is not just the place that has historically received the most money for the arts. It is also the country’s centre of business and the major centre of higher education for the arts; and the galleries, theatres and concert halls there belong to the country as much as to London. For things to change radically from the present asymmetry, which I do not dispute, we need the cuts to grants for local authorities to be dramatically reversed. But local government across the country should also have strong revenue-raising powers, as regional government has in Germany, where there is a much greater spread of arts geographically.

There are brilliant artists, arts organisations and events across the whole of this country, but even in the digital age, the natural tendency remains for artists to gravitate to the big, powerful cities; artists and arts-producing organisations should be funded wherever they are. The former Secretary of State’s artificial arts engineering is not in the long run going to change this tendency, even as it frustrates the arts. The way forward is rather to empower our English regions and regional cities politically and financially to allow artists to thrive within them, and to be able to do so in the longer term.

4.41 pm

Baroness Fleet (Con): My Lords, it is a pleasure and also a challenge, I must say, to speak today. I declare my arts and education interests as listed in the register, including as a national council member of Arts Council England. It is an honour to follow the noble Earl, who speaks so passionately about the arts and with such knowledge.

I congratulate my noble friends Lord Mendoza and Lord Vaizey for setting out so clearly the case for levelling up. I shall not fully defend that case, because we all see that there are flaws: I know that several noble Lords have already expressed real regret at the way the Arts Council has diverted significant funds from London to regional areas. Instinctively, I have some sympathy. As editor of the *Evening Standard*, I championed the arts and the benefits that investment brought not just to London but to the whole country. When I was a senior adviser in City Hall to the then Mayor of London, Boris Johnson, London was undoubtedly the cultural capital of the world. As chair of Arts Council London for eight years from 2010, I championed excellence and fought hard to maintain London’s share, at over 40%, of the total funding. It will now be around 33%.

[BARONESS FLEET]

I rejoined the Arts Council board earlier this year, two years after the Let's Create vision was envisioned. Of one thing I am sure: we must continue to fight to retain London's supremacy. I know that it is hard in these difficult financial times, but there are ways to do it. Undoubtedly, its theatres, music, dance and visual arts are world-leading; no one in this Chamber could be more pro-London than me. However—the “however” had to come—it is surely important that access to arts and culture be more fairly spread, not just for reasons of social justice, but because culture and heritage, as many noble Lords have already set out, bring pride to local communities and economic growth too. Museums and arts organisations should be nurtured and supported in every part of the country.

Additional funding will consolidate world-class organisations outside of London, such as the Royal Liverpool Philharmonic, Ex Cathedra choir in Birmingham and Opera North in Leeds, but also newly funded organisations such as the Buxton Opera House and Bradford Museums and Galleries—yet another mention in this debate. I have seen how access to high-quality music, for example, can change the lives of young people. Should not children from all areas of the country benefit from this kind of opportunity? Of course they should: we all agree about that. As long as the newly funded organisations are delivering excellent work and reaching new audiences, I think and really hope that the levelling-up agenda could be acknowledged a success in a few years' time.

I am pleased that within the new Arts Council portfolio there are excellent music education newcomers, such as Orchestras for All, Awards for Young Musicians and the National Children's Orchestra, all based outside London and each contributing to the new national plan for music education. Some critics of the Government and the Arts Council have argued that levelling up will lead to dumbing down. It will not, if the investment is made wisely in organisations with a strong track record of producing excellent work.

As a member of the National Council, I can assure noble Lords that we are not all of one mind. There is rigorous debate, many decisions are disputed and many decisions are not easy. I hope the Arts Council will, in particular, think harder about additional funding and opportunities for young playwrights, musicians and artists, as several noble Lords have said, because London is taking the brunt of the cuts and those young people will undoubtedly be affected. The pipeline of talent is critical for the future of our creative economy.

No one is arguing that decisions to withdraw funding from some of the very best organisations are taken lightly. It will be difficult and painful for them. However, I have confidence in the creativity and passion of organisations such as the Donmar and the Britten Sinfonia, and their capacity to survive and thrive. Companies do find new ways of working. They build new business plans. An example is the Orange Tree Theatre in Richmond, which lost funding in 2014 and is now flourishing. Already, the Hampstead Theatre, soon to leave the Arts Council portfolio, is working up a new business plan which will continue to have new writing at its heart.

The loss of funding can be very emotional, as we have seen in the debate about the ENO. Many words of regret and even anger have been heard in this Chamber and the other place about the new proposals, yet I am cautiously optimistic. The ENO will survive—of that I am certain. A model along the very successful lines of the Royal Shakespeare Company, with a regional and a London base, is now being considered. I have no doubt that this is a huge challenge, but I am sure that with substantial support, including very significant transitional funding and perhaps funds from other pots of money from the Arts Council, as well as the prospect of core funding in three years' time, there can be a future for the ENO. It will exist in a different way, but there will be an ENO. This must of course include career opportunities for young singers and instrumental musicians.

The Arts Council executive has taken a bashing for many of its decisions. We in this House do want opera in opera houses, but that does not mean it cannot be in some car parks too. We must ensure that due regard is given to tradition, as well as innovation, and that includes playing the national anthem—noble Lords will know what I am referring to. We must ensure that the critics of levelling up are not proved right. In the court of public opinion, the Arts Council will be judged not on its commendable diversity or environmental targets, but on whether excellent art is being enjoyed by ever-increasing numbers of people, right across the country.

We must ensure that London remains the cultural capital of the world, and I will do my utmost as a member of Arts Council England to help make sure that happens. I assure noble Lords that I will fight in the trenches of the Arts Council to see what additional funding is available; other pots of money can be found to support these excellent organisations. When I hear the LSO's Sir Simon Rattle conduct Rachmaninoff's Third Symphony, as I did the other evening, or the LPO's Ed Gardner conduct Mahler's Ninth, my heart, as one critic said, beats a little faster. Let every heart across the country beat a little faster.

4.49 pm

Lord Freyberg (CB): My Lords, as the last speaker before the Front-Bench speakers, I will focus my remarks, as others have today, on opera, and in particular the ENO following the Arts Council's recent decision to withdraw all national programme funding from this organisation. Like the noble Lord, Lord Vaizey, I am concerned that Arts Council England, by its own admission, has made no strategic nationwide assessment of the need or audience for opera, yet, without consulting any opera companies, it has reduced funding across all opera by £32 million. The ENO is asked to relocate with a massive funding cut; the English touring budget of Welsh National Opera is cut by a third, and as a consequence it will no longer tour to Liverpool; and Glyndebourne's touring budget is cut by half.

With regard to the ENO's relocation, it is neither realistic nor compassionate for a large opera company to start moving to an as yet undetermined location with 20 weeks' notice after the withdrawal of most of its funding. As the noble Baroness, Lady Fox, rightly

mentioned, when the Birmingham Royal Ballet moved from Sadler's Wells to Birmingham, it had 10 years from the first conversation to the full move, including five years of audience-building and local investment to grow the audience and brand. You cannot achieve that in a few months. To withdraw so much funding from the ENO at the same time as moving it would make it impossible for regional audiences to enjoy the kind of work that London audiences currently enjoy—which goes against the principle of promoting greater access and fairness across the nation.

It is worth stating that, before ACE's latest decision, ENO was already far advanced in developing a plan for much greater regional representation, which would be interconnected with its London base. This was based on ENO's experience that high-quality opera, of all kinds and in all places, is best achieved by maintaining the resources of a permanent company of top-level artists and technical staff. At Arts Council England's new funding level, this plan is now totally unachievable, as the new funding level makes it impossible for ENO to maintain a high-quality permanent opera company as a base.

The Arts Council seems to see a future for ENO which lies mainly in small-scale projects with an undefined residue of grand opera, but none of this has been made explicit or, it would seem, thought through in any detail. For example, ACE states that it wants ENO to keep the London Coliseum and perform there for some of the year, letting it out commercially for the rest of the time. Yet it does not seem to envisage the ENO as a company that is, in fact, large enough to perform at the Coliseum at all.

The new funding level suggests that the Arts Council model is more one of engaging freelancers as and when required, rather than building quality and talent in a maintained opera company; again, though, none of this is explicit. If the ENO is to be a genuine national opera company, developing talent and creating opera to the highest standards, it is hard to see how it can do that without a permanent company within which to develop and maintain those skills—and that is the case whether or not the Arts Council feels that large-scale grand opera is worthy of support. This is a major structural issue, with ramifications for the ecology of opera nationwide. It requires far more careful consideration and needs to be addressed as part of a coherent national opera strategy.

One of the problems with the Arts Council's process is the complete lack of transparency in decision-making. The ENO met or exceeded all the ACE targets. ACE considers it to be run in an excellent way, yet it is impossible to find out what criteria ACE used that resulted in it, and other well-run organisations, being removed from the national portfolio. The suspicion is that Arts Council England is no longer quite the arm's-length body it is supposed to be. I share the concerns of the noble Earl, Lord Clancarty. Dr Darren Henley, the CEO of ACE, said in evidence to the Commons DCMS Select Committee on 8 December:

"We always receive instructions from the Secretary of State about our grant-in-aid investment"

and that it

"needed to move money out of London".

However, in a Written Answer published two weeks ago by the Minister, the noble Lord, Lord Parkinson of Whitley Bay, the Government stated:

"All decisions on which organisations to fund ... and by how much, have been taken by Arts Council England. In line with the long-standing principle that the Arts Council makes such decisions at arm's length from Government, there are no plans to ask it to reconsider these decisions."

This is, of course, a contradiction. More clarity from both sides is therefore required.

In conclusion, in the interests of all opera companies, audiences and stakeholders, Arts Council England must remedy the confusion it has caused by urgently conducting a nationwide review of the provision of opera, taking into account audiences and need. It should, if necessary, be prepared to amend its decisions accordingly and it should be fully transparent about the criteria it uses in its decision-making process.

4.55 pm

Lord Clement-Jones (LD): My Lords, I congratulate my noble friend Lord McNally on obtaining this debate—I am just sorry that he is not here to participate—and my noble friend Lord Storey on his brilliant introduction to it. Debates on culture and levelling up are obviously like buses: you wait for ages and then two come along in quick succession. Perhaps I could tempt the Minister to treat this like the Report stage of a Bill, when he attempts to give a better answer to questions than he gave during the previous debate.

As my noble friend Lord Storey said, today's debate is an opportunity to celebrate and highlight the role of culture and the arts in levelling up in the regions. We have heard some great examples of the positive role of cultural levelling up in the regions. He talked about the role of the arts in regeneration in Liverpool and about the Prescot theatre of the north. He talked about culture and the arts as a powerful engine of economic growth, with benefits beyond the economy in health and education. He also talked about the experience of being the European Capital of Culture.

It was a pleasure to listen to the noble Lord, Lord Mendoza. He illustrated some great examples in Bradford, Blackburn, Rotherham, and Tyne and Wear, and the success of the City of Culture programme in Hull and Coventry. The noble Lord, Lord Vaizey, who no doubt we all should listen to on Friday evenings, talked about Gateshead, Margate and Folkestone. The noble Baroness, Lady Fleet, talked about Buxton Opera House.

So there were some wonderful examples there, but it is not all roses, as the noble Lord, Lord Berkeley, made clear, even in the regions—I will come to London shortly—and not just because we are in a post-Covid situation. There are problems with touring post Brexit, and inflation was mentioned by the noble Earl, Lord Clancarty. A number of factors are contributing, but Arts Council decisions have impacted on the regions as well. Liverpool has lost its main access to opera because the Welsh National Opera has had its funding for work across the border cut. It also performs in Bristol, Birmingham, Southampton and Oxford, but it has suffered a 35% cut. How is that levelling up?

[LORD CLEMENT-JONES]

Glyndebourne, which has had a fantastic touring programme in our towns and cities for 50 years, has had a 50% cut in its funding too.

Manchester should have its own opera company, of course. I was very interested in the phrase used by the noble Baroness, Lady Fox, about a “slap in the face for Opera North”. Abolishing the grant to the Britten Sinfonia removes support for the only serious orchestra serving eastern England, and Plymouth Music Zone has lost its entire funding. I do not believe that is a good catalogue that will encourage levelling up.

In particular, as a number of noble Lords have made clear, levelling up should not be at the expense of a vibrant London creative community and our brilliant London theatres and opera houses. My noble friend started by making that absolutely clear. The phrase used, I think by the noble Lord, Lord Berkeley, was “robbing Peter to pay Paul”. That is the wrong way to go. There is nothing to be gained by cutting the funding for creativity in London.

The noble Lord, Lord Berkeley, also described the role of our London institutions as centres of excellence. Many of the big London-based arts organisations take their productions and exhibitions on tour throughout the UK, as the noble Lord, Lord Vaizey, and my noble friend Lord Storey acknowledged. The noble Baroness, Lady Fleet, seemed extraordinarily conflicted in what she had to say, but I think she would agree with Caroline Norbury, CEO of Creative UK, that

“levelling up cannot mean levelling down, and a rapid reduction in support for world-class cultural organisations in London is short-sighted.”

That diminishes us all, including our international reputation for creativity.

We come on to what has actually happened with the funding. Two London theatres mentioned by the noble Earl, Lord Clancarty, the Hampstead Theatre and the Donmar—both such extraordinary centres of new writing for decades—have lost their entire grant. The Gate, just recently moved to Camden, has had its entire grant removed too. I noted the optimism of the noble Baroness, Lady Fleet, but as a result of these developments, Roxana Silbert has quit as the Hampstead Theatre’s artistic director.

If anything, the ENO has been treated worse, with the total loss of its £12.6 million core annual funding. The noble Lords, Lord Berkeley, Lord Vaizey—by the way, I absolutely endorse his praise for Harry Brunjes, who has done an incredible job for the ENO—and Lord Freyberg, my noble friend Lord Storey and the noble Baroness, Lady Fox, focused a great deal on the entire situation as far as the ENO is concerned.

Last week, the Minister acknowledged that London plays a special role and gave a number of inspiring examples. As he said:

“Those institutions perform a levelling-up function in providing a national stage on which people can perform.”—[*Official Report*, 8/12/22; col. 306.]

He then paid fulsome tribute to the ENO during the debate. That is very little consolation, given the gun that has now been put to the ENO’s head by the Arts Council. It is as if opera itself was being singled out for ill treatment, and this is where I very much agree

with the noble Lord, Lord Freyberg. Surely the massive efforts the ENO has made over the years to bring opera and performance to diverse audiences—11% of ENO’s audience is ethnically diverse—should have been recognised. It has the most diverse full-time chorus in the country and provides free tickets for under-21s. I could go on about its extraordinary education programme, which was praised by Darren Henley himself. At the same time, ENO’s productions are world beating, as anyone who has seen its version of Philip Glass’s “Akhnaten” will attest to.

As it happens, the Major Government bought the Coliseum for ENO. It now makes no sense at all to undermine that investment. As the noble Lord, Lord Freyberg, indicated, is this an opera thing? Berlin, Paris and Vienna have three opera houses. Is it beyond our wit to fund two? Three of the five largest reductions in funding were imposed on opera companies. Cutting public support makes opera more elitist, not less.

The noble Lord, Lord Vaizey, also paid tribute—he is very good at paying tribute to people, by the way—to Darren Henley, and I—

Lord Vaizey of Didcot (Con): I use this opportunity to pay tribute to the noble Lord, Lord Clement-Jones, and ask him specifically why he has not replied to my text message inviting him to appear as my guest this Friday on my Times Radio show.

Lord Clement-Jones (LD): That is because I have not received it, but I look forward to reading my text.

The noble Lord, Lord Vaizey, paid tribute to Darren Henley, as do I, but he did not say that he now pays tribute; he paid tribute to Darren Henley in the past. This has been a bungled funding round with what I fear will be very adverse consequences for the UK’s creative community. I liked the phrase from the noble Baroness, Lady Fox: forced through at speed.

Last week, the Minister talked about cherishing the arm’s-length relationship, but there is very little evidence of that. Arts Council England is clearly having to work to the Government’s strategy and timing, as Darren Henley said in his evidence to the Communications and Digital Committee, and as was referred to by the noble Earl, Lord Clancarty, and the noble Lord, Lord Freyberg:

“We were asked by the Government to move some money out of London”—

it sounds almost illicit, does it not?—

“£16 million in year 1 and £24 million by the end of year 3.”

Lord Berkeley of Knighton (CB): I am so sorry to interrupt the noble Lord as he is in full swing, but I think the phrase was that they were “instructed”. That is very important when we are talking about the arm’s-length principle.

Lord Clement-Jones (LD): We may have to correct the record because I looked at the transcript and it did not say “instructed”. I am willing to look again at that, and I am sure the Minister will have a quick google and see whether or not that is the case.

Sir Peter Bazalgette, the former chair, makes the same point in his November letter to the *FT*:

“Ace had been gradually moving resources outside London for some time. In my time as chair we shifted both grant-in-aid and lottery funding by 10 per cent, without suddenly cutting off major institutions.”

He goes on to make exactly the same point about the fact that this really was an instruction from Nadine Dorries to make a larger and sudden distribution. What kind of independence is that? Many noble Lords have made that point.

I am afraid the only conclusion is that the Minister has to accept that he and his colleagues are presiding over the settlement and should take full responsibility for this very crude and destructive form of levelling up, rather than hiding behind the Arts Council.

5.06 pm

Lord Bassam of Brighton (Lab): My Lords, like other noble Lords, I thank the noble Lord, Lord McNally, and congratulate him on securing the debate. I wish him a speedy recovery from the ghastly Covid. I express our eternal gratitude to the noble Lord, Lord Storey, for opening the discussion in his place so effectively, focusing as he did on Liverpool and its regeneration in the late 1970s, based on a culture-led platform, and for focusing so effectively on the plight of the ENO and the impact of the cuts on London’s cultural landscape.

This has been a brilliantly illustrated debate. Noble Lords from all sides have made fascinating contributions. I particularly enjoyed the return of the noble Lord, Lord Vaizey, to this subject; he always enlightens, illuminates and amuses our House. He always congratulates people. That is almost a given; it comes as part of the story and is always part of the rhetoric. I enjoyed his contribution for many reasons, largely because I agreed with most of what he said. It was also a delight to listen to the noble Baroness, Lady Fleet, with her experience and her understanding of the process, and to the input of the noble Lord, Lord Mendoza. The noble Lords, Lord Freyberg and Lord Berkeley, and the noble Earl, Lord Clancarty, all made arguments that were hard to disagree with.

Last week we had an extremely similar debate on the case for a strategy to support the arts and our creative industries, which probably gave the Minister a useful preview of many of the similar points and arguments made today. Let us just hope that the Government have lines that are more convincing than those he deployed on that occasion.

The recent decisions by Arts Council England have attracted significant interest. They have dominated our debate today, and rightly so because that is the topic. A lot of it has focused on the ENO, which has been mentioned many times by all speakers. In a Commons adjournment debate secured by the Conservative MP Bob Neill, several Conservative MPs voiced their displeasure at not only the ENO decision but the underlying processes used by the Arts Council. That is what we need to focus on.

The noble Lord, Lord Vaizey, described the ENO decision as absurd, and I find it hard to disagree with that. He said he thought it was unforgivable, which is absolutely true. Sir Robert Buckland, the former Justice

Secretary and Lord Chancellor, labelled this a sorry saga, criticising, as a number of noble Lords have today, the suddenness of the decision, the abruptness of the withdrawal of funding and the failure even to consider a phased approach. That gets to the core of the problem. We all recognise that, at least in theory, the Arts Council operates at arm’s length from Whitehall. However, Ministers can exert influence in a number of ways, and there have been plenty of suggestions that that is exactly what has happened.

I would like to probe the Minister a bit more on this point, because I have detected some inconsistency in the Government’s response to recent events. On 5 December, in the Commons debate cited earlier, the Minister, Stuart Andrew, said that the Arts Council’s decisions

“were made entirely independently of Government, so I cannot comment on the individual outcomes.”

He then took an intervention on whether the DCMS would overturn the ENO decision. Mr Andrews said, in his next sentence, that Ministers would intervene only if the organisation looked to be

“breaching the terms set by the Government”,

but that, in that case,

“it was following the instructions that were set”.—[*Official Report*, Commons, 5/12/22; col. 181.]

So which is it? Is Arts Council England an arm’s-length body that makes its own funding decisions or is it an additional tool for implementing the Government’s levelling-up policy agenda?

We have been told, not least by the Minister in last week’s arts debate, that funding decisions were taken against

“well-established criteria and expectations”.—[*Official Report*, 8/12/22; col. 306]

Why then are so many people surprised by the outcomes of the process, or even the conducting of the process itself?

Similar concerns have been voiced in the recent past, including suggestions that the DCMS asked Channel 4 to change how it framed certain parts of its annual report in order to make it more attractive to potential buyers in the likelihood of privatisation.

Our arts institutions and fantastic creative industries are far too precious to become the victims of what my Commons colleague, Barbara Keeley, diplomatically referred to as “too much political direction”. The Government may argue that the ends justify the means, with funding in this latest round reaching new parts of the country. We all celebrate that, because we all believe in levelling up, and we welcome support for organisations in towns and cities that have not received financial support—or enough of it—to date, but we should bear in mind that criticism of the Arts Council’s approach is coming not only from London and the south-east.

I asked last week why the Government seem to view levelling up in such black and white terms, or as a zero-sum game. Many of the institutions and productions funded in London and the south-east deliver benefits elsewhere in the country—as noble Lords have given ample voice to this afternoon—with outreach programmes providing access to schools, and many shows being

[LORD BASSAM OF BRIGHTON]

sent around the UK on tour and so on. Glyndebourne touring, which comes from my part of the world, is a prime example: it is an organisation that will have its touring fund cut by 50%, which means that it cannot do the job that it is partly designed to do. What is the value in that? How does that aid and assist levelling up on a national scale?

There is a finite pot of money, but should we not be looking at how to improve the impact that these grants have, rather than arbitrarily shifting funding and organisations elsewhere? Publishing an overarching strategy for the arts would undoubtedly help, as would proper consultation with interested parties prior to decisions being made—which is what has angered so many people in the course of this afternoon’s debate. That is how we should be proceeding, rather than directing bodies such as the Arts Council to act in a particular way, irrespective of opinion on the ground.

I have to accept that funding decisions are always problematic, even more so when they are driven by conflicting pressures at a time when a Government have decided to restrict public spending. Directed as Arts Council England has clearly been by the Government to level up regions long neglected in funding, it has inevitably been caught in the cross-hairs of conflicting policies.

Ultimately, I ask these questions: should we be trying to level up long-standing inequalities in one big leap? Should we be trying to level up the regions at the expense of centres of excellence that do so much to enable our cultural industries to grow and flourish to everyone’s benefit? I hope the Minister today can turn his mind to these conundrums more convincingly than at his last attempt.

5.13 pm

The Parliamentary Under-Secretary of State, Department for Digital, Culture, Media and Sport (Lord Parkinson of Whitley Bay) (Con): My Lords, people are sometimes sniffy about revivals of old productions or reruns of old programming. I am conscious that we had a three-hour debate on a similar theme last week but, with today’s stellar cast, our debate this afternoon has been a triumphant encore. In paying generous tribute to all and sundry, my noble friend Lord Vaizey is so much more than a tribute act. If I repeat some of my lines today, it is in that spirit and with respect to the original text.

In all seriousness, I am very glad to have this opportunity for further debate, including with a number of noble Lords who were not able to speak in last week’s debate. Again, they have made thoughtful contributions to this important topic. There have been a number of debates in both Houses on it, which is to be welcomed and demonstrates the breadth of support across both Houses of Parliament for arts and culture in our national life.

His Majesty’s Government are firmly committed to supporting arts and culture across the whole country. Our investment in culture remains a key part of our work to level up access and opportunity, as the noble Lord, Lord Storey, said in his opening speech. Like others, I wish a speedy recovery to the noble Lord,

Lord McNally, on whose behalf he opened today’s debate—and indeed a happy birthday to the noble Lord, Lord Freyberg.

As the noble Lord, Lord Storey, said, access to high-quality arts and culture needs to be more fairly spread; the economic growth and life-changing benefits that come from arts and creativity should be felt by everyone, and the sense of pride that culture and heritage can bring to communities should be felt in every part of our country. I was struck by how fitting the name “Hope Street” is: the noble Lord mentioned the Everyman Theatre, and it is also home to the Royal Liverpool Philharmonic, the Merseyside Academy of Drama and many other institutions. Arts and culture bring hope and pride to communities across the country.

As the noble Lord said, for too long, not everywhere has been getting its fair share of funding and opportunity. In the last national portfolio round of funding from the Arts Council, London was funded to the tune of about £21 per capita; the rest of the country, to the tune of £6 per capita. That is a striking discrepancy, even allowing for the important role played by our national capital. It is why we asked Arts Council England to ensure that it was investing more in other parts of the country and why, working with it, we identified more than 100 Levelling Up for Culture Places. We did so transparently; the methodology and metrics used have been published on Arts Council England’s website, which identifies which places have benefited. That was in keeping with Arts Council England’s long-standing work to ensure that arts, culture and creativity are better supported across the whole of England.

As a result of that work, a record number of organisations applied for funding in the next investment programme and a record number were included—990. That is an increase from 814 in the last portfolio and 663 in the one before. As I mentioned in my closing speech last week, this is as a result of a larger pie of funding. My right honourable friends Oliver Dowden and Nadine Dorries secured, at the last spending review, an increase of more than £43 million to the Arts Council’s grant in aid budget for the spending review period. So more organisations are being funded in more parts of the country, with a larger pot of funding. Every part of England beyond London is seeing an increase in its funding and every part, including London, is seeing an increase in the number of organisations funded. Many places will now be home to funded organisations which have never been home to them before—places such as Bolsover, Mansfield and Blackburn.

In Liverpool, the home city of the noble Lord, Lord Storey, Arts Council funding has increased very significantly, by nearly 40%, with over £11 million each year to support 29 organisations across the city region. That picture is replicated in other combined authorities: Tees Valley is set to see a 49% increase in funding and West Yorkshire a 47% increase. That change is transformative and unprecedented.

The new portfolio will improve access to arts and culture across the whole country and for people from all backgrounds. Some 120 organisations in the new portfolio are led by people from lower socioeconomic

groups; 148 are led by people from ethnic minority backgrounds—an increase from just 53 organisations in the last portfolio; and 32 organisations are led by people with disabilities. In the debate last week, I mentioned DASH in Shropshire, which I saw four weeks ago. The Levelling Up for Culture Places will see investment almost double, receiving £130 million over the next three years—a 95% increase in investment in these areas.

A number of noble Lords took the opportunity again today to highlight English National Opera in particular. We are joined again by its excellent chairman and chief executive, Harry Brünjes and Stuart Murphy. It is testament to the quality of its work and the support that it has that the noble Lord, Lord Freyberg, has devoted part of its birthday to singing its praises—rightly. I am happy to repeat the praise that I gave from this Dispatch Box last week. Like the noble Lord, Lord Clement-Jones, I enjoyed its productions of Philip Glass—I saw “Akhnaten” and “Satyagraha”, as well as “My Fair Lady”. I also saw the important work it did through the ENO Breathe programme, which was recognised in the *Lancet* as well as the mainstream press.

I will highlight, as I did last week, the fact that this is one decision out of 1,700 that the Arts Council considered. As I said, there are a record number of organisations in the next portfolio—990—but unfortunately there were over 700 who applied and were unsuccessful on this occasion. I would love to be the Arts Minister who could ensure that all applicants receive the support they request, but no Minister ever could be. As the noble Lord, Lord Bassam, said, there is a finite pot, albeit a larger pot than in the previous round, and the difficult job that the Arts Council has is to ensure that that finite pot of taxpayers’ money is invested fairly.

Arts Council England has offered the English National Opera a package of support, and at DCMS we have been keen to ensure that the two organisations are speaking directly about it. We are very keen that they both continue to work together on the possibilities for the future of the organisation. I am afraid that I cannot say much about that, out of fairness to both, but I am glad that they are speaking and encourage them to keep doing so.

A number of noble Lords raised questions on opera more generally. The noble Lord, Lord Clement-Jones, suggested that this art form had perhaps been targeted. I would like to reassure noble Lords that for the next investment programme, Arts Council England’s investment in opera, orchestras and other classical organisations will represent around 80% of all investment in music; opera, specifically, will remain at around 40% of the Arts Council’s overall investment in music. Organisations such as the English Touring Opera and the Birmingham Opera Company will receive increased funding, and there are many new opera companies joining, including Opera Up Close and Pegasus Opera Company based in Brixton, which I visited last week. Indeed, there are more opera companies in the new portfolio than there were in the last one. The single largest recipient of funding in the portfolio remains the Royal Opera House, which is also home to the Royal Ballet, which

will continue to be funded and will receive around £22 million, the same as all of the east Midlands put together.

A number of noble Lords talked about touring, and I know some may be concerned that considering where an organisation is headquartered is rather a blunt instrument when it comes to levelling up. Touring is important, and the Government and the Arts Council have been encouraging our biggest cultural organisations to keep striving to reach out beyond their home areas. We do not, in any respect, disparage or undervalue that vital work, but we cannot level up culture by touring alone. There is a difference in having an organisation based in your community from just being able to visit it as it passes through your town or city. When we were debating this last week, the chief executive of the Arts Council, Dr Darren Henley, was giving evidence to the Select Committee in another place. There he made the important observation that, as well as touring,

“centres of production excellence and creativity around the country are important too”.

That comment echoes the contribution made by the noble Lord, Lord Berkeley of Knighton, in his speech today.

For those organisations in areas which will now be in receipt of support in the new portfolio, I hope it will mean supporting creative individuals working in a community; making material which is uniquely relevant or reflective of that community; forming local clusters of creative jobs and firms; extending opportunity for people who wish to work in these thriving sectors; and boosting the pride of communities. This is nothing new. Perhaps I may quote the late Lord Keynes, who was the first chairman of the Arts Council and told a BBC magazine in 1945:

“Nothing can be more damaging than the excessive prestige of metropolitan standards and fashions. Let every part of Merry England be merry in its own way.”

I am not a natural Keynesian, but on that I certainly agree. As a number of noble Lords said, it is absolutely right that art and culture that is produced and consumed in these merry parts of England is, and should be, just as good as that which is enjoyed in the metropolis.

I will add the book recommended by the noble Baroness, Lady Fox, to my Christmas reading list; I completely agree with her about the brilliant work of autodidacts in culture. Coming from the north-east, I think in particular of the Ashington Group and the Pitmen painters—self-taught, working-class painters whose art I very much admire and have seen in the Woodhorn Museum in Northumberland. Their story was powerfully told in a play, “The Pitmen Painters”, which began at the Live Theatre in Newcastle and transferred to the National Theatre in London before going on tour around the United Kingdom and thence to Broadway, Vancouver and Buenos Aires, where an interesting array of Geordie accents was on display to global audiences. They told powerfully that working-class story about the north-east of England, which is what we want to see.

I agree with the noble Earl, Lord Clancarty, about the importance of new writing. New Writing North, which is based in the north-east, will receive an additional

[LORD PARKINSON OF WHITLEY BAY]

£90,000 in the new portfolio. I visited Pentabus, a company supporting writers talking about rural England and sharing the stories of people from rural backgrounds. There is also increased investment in the new portfolio for the Bush Theatre, as well as continued support for the Talawa Theatre Company and the Kiln Theatre, all of which are based in London, to support new writing in theatre. Theatre remains the art form most generously supported through the Arts Council's new portfolio.

A number of noble Lords talked about the impact on London. Once again, let me be clear that we remain committed to supporting the nation's capital. We recognise and appreciate that London is a world-leading cultural centre, with organisations that do not just benefit the whole country but greatly enhance the UK's international reputation as a home of world-class arts and culture. Here, again, the late Lord Keynes points the way. He said that

"it is also our business to make London a great artistic metropolis, a place to visit and to wonder at."

Once again, I agree wholeheartedly. This principle is clearly reflected in the Arts Council's next investment programme. Around a third of its investment will be spent in London, equivalent to approximately £143 million per year for the capital; London will receive around a third of the funding despite having just 16% of the population of England.

Further, this funding will be spread across London in a fairer way. We are not just levelling up between London and the rest of the country; we are levelling up within London too. In the previous funding round, the top four organisations in London represented 43% of London's budget. The funding is more equitably shared across London in the new portfolio, with 61 London-based organisations receiving funding for the first time, while the Arts Council's priority places in London—the boroughs of Croydon, Brent, Enfield, Barking and Dagenham, and Newham—will receive £18.8 million over the next three years. In Croydon alone, investment will double to just under £5 million, and the borough will see three new organisations join the portfolio. The new Arts Council portfolio will give people right across the country more opportunities to access culture on their doorsteps.

The noble Earl, Lord Clancarty, repeated the question posed by the noble Baroness, Lady McIntosh of Hudnall, in our debate last week about the instruction from the previous Secretary of State to Arts Council England. I think that I responded to it, but I am happy to do so again. I gladly set out the Government's commitment to the arm's-length principle in my speech last week. It is not contradictory in any respect for the Government to request that the Arts Council disburse its taxpayer funding according to a set of broad parameters while ensuring that central government and Ministers are in no way involved in the individual decisions that the Arts Council makes. The letter from my right honourable friend Nadine Dorries is published for all to see on the Arts Council's website, so this has not been a hidden process; it has been done explicitly. She made a Written Statement to Parliament at the time and was proud to do so.

Funding for arts and culture comes from taxpayers right across the country, so it is right that it should benefit people in every part of the country. As I said last week, that taxpayer subsidy through the Arts Council is only one part of the way in which cultural life in the country is supported. My noble friend Lord Mendoza set out the manifold ways we work to support the arts and culture across the country, and I pay tribute to him for his years of hard work delivering those important programmes which make such a difference.

My noble friend Lord Vaizey of Didcot is right to point to the mixed model we have in this country of taxpayer subsidy alongside the importance of private and commercial philanthropy. When my noble friend was a Minister, he brought in programmes such as the cultural gift scheme, which has been such an important addition to encourage gifting and philanthropy in the arts. I completely agree with him on the importance of recognising people who are generous in that way through the honours system, and I take the point he made about our new sovereign's particular interest. I am glad that he mentioned the 70th anniversary of the Waverley criteria, which we marked this week. Saving works of art and cultural objects for the nation has enriched collections in museums and galleries right across the country and not just in our capital.

As noble Lords will know, last month, in the Autumn Statement, my right honourable friend the Chancellor set out his plans to restore stability to the economy, to protect high-quality public services and to build long-term prosperity for the United Kingdom. He also announced a £13.6 billion package of support for business rates payers in England, which will support businesses across the arts and cultural sector, just as it will across the wider economy. He confirmed plans for the second round of the levelling-up fund, with at least £1.7 billion to be allocated to infrastructure projects around the UK before the end of the year. The levelling-up fund has three themes: local transport projects; town centre and high street regeneration—both of which have an important connection to the arts and culture—and supporting cultural and heritage assets. That is another boost for the arts and culture and, again, a recognition of their role in the economy and our wider lives. Officials in DCMS and our arm's-length bodies have been supporting the assessment and prioritisation process of the levelling-up fund, and I am very pleased that the second round will include the potential for up to two £50 million flagship culture and heritage projects.

I am grateful for the further opportunity to set out how the Government's extensive programme of support through the Arts Council's NPO programme is benefitting areas right across England. I hope noble Lords will agree that, by increasing investment beyond the capital, the Arts Council will help to generate cultural and creative opportunities for more people and in places that have been overlooked for too long, and in doing so redress the historic imbalance in funding. I strongly believe that such investment will ensure that our world-class arts and culture will continue to thrive right across every part of England.

5.32 pm

Lord Storey (LD): My Lords, I thank all noble Peers for their contributions; we seemed to speak almost with one voice. I got an early Christmas present from the noble Baroness, Lady Fox, in that it was the first time I agreed with everything she said, so I thank her for that.

I am grateful for the Minister's thorough reply. However, I suspect that, because of the position in which he finds himself, he is not able to deal directly with many of the questions that were asked of him—particularly on touring. I was quite interested in his comment on English National Opera; he said that they were speaking but that he could not say more. I

understand that, but I hope that that speaking becomes a serious conversation, in which the points that have been made today are answered. I thank all noble Lords.

Motion agreed.

Oaths and Affirmations

5.34 pm

Lord Wills took the oath.

House adjourned at 5.34 pm.

